



HARLEM CAPITAL
P A R T N E R S

Diversity Portal Report

“Tell Me More About Diverse Founders”

December 2017

Introduction

Foundation of Diversity Portal Analysis

Who Are We?

- ❖ [Harlem Capital Partners](#) is an early stage investment firm on a mission to change the face of entrepreneurship. We define “diverse founders” as underrepresented minorities and women as they have historically been disadvantaged raising capital

Why Are We Doing This?

- ❖ After hours of researching the web, looking for minority entrepreneurs; we realized that there wasn't a single definitive resource available on diverse entrepreneurs. So, we set out to create one.

What's Our Solution?

- ❖ We are creating a powerful and thorough database to serve as a resource to those interested in diversity in entrepreneurship. We'll synthesize this data and share reports aimed to help you navigate the landscape more effectively.

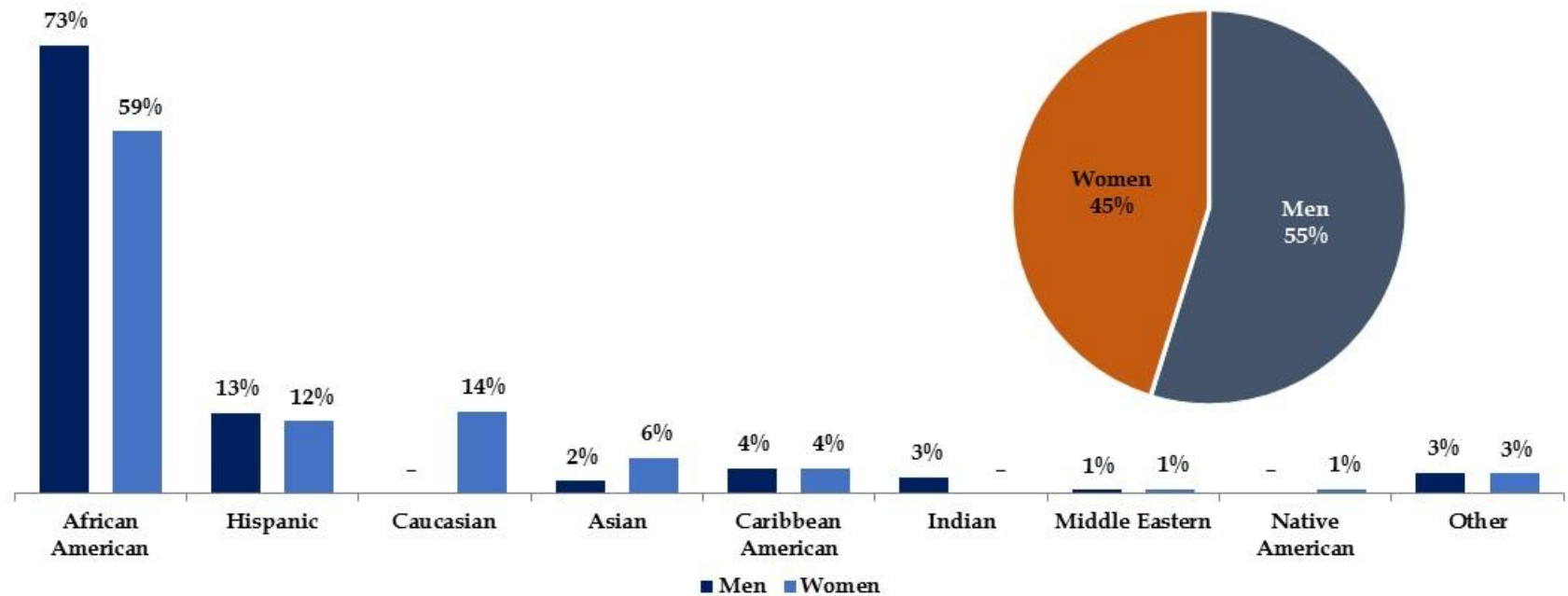


Who Is Included In The Report?

We Filtered 300+ Respondents Down To 261 US Based Founders

- ❖ African Americans represent 67% of the respondents
- ❖ There is a close split between men (55%) and women (45%)

Founders by Race and Gender



Note: "Caucasian" only includes women. The excluded companies did not have consistent data across all categories.

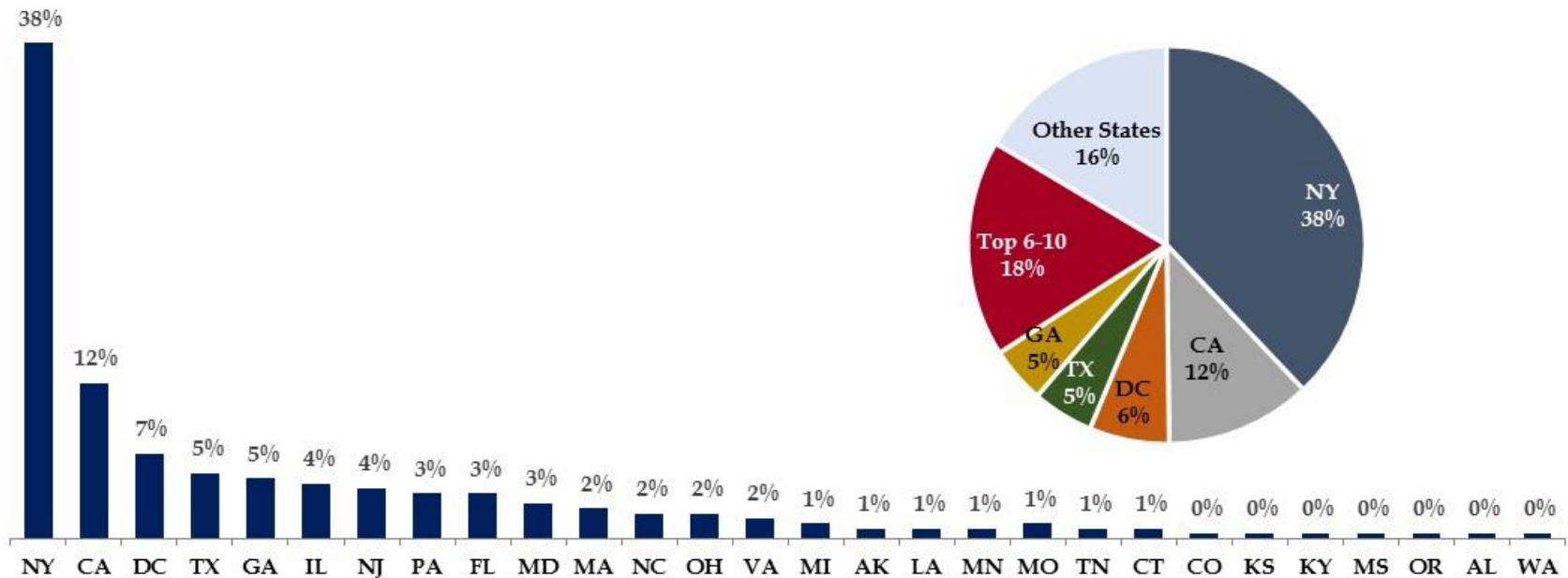


Where Are Diverse Founders Headquartered?

The Top 5 States Represent 66%, But Founders Are Located Across the US

- ❖ There were founders from 28 states, from Georgia to Alaska
- ❖ 50% of founders come from NY and CA, which is on par with the 57% in SEED stage funding ⁽¹⁾

Founders By State



(1) Source: CBInsights - 2016 US Early-Stage Tech Report.

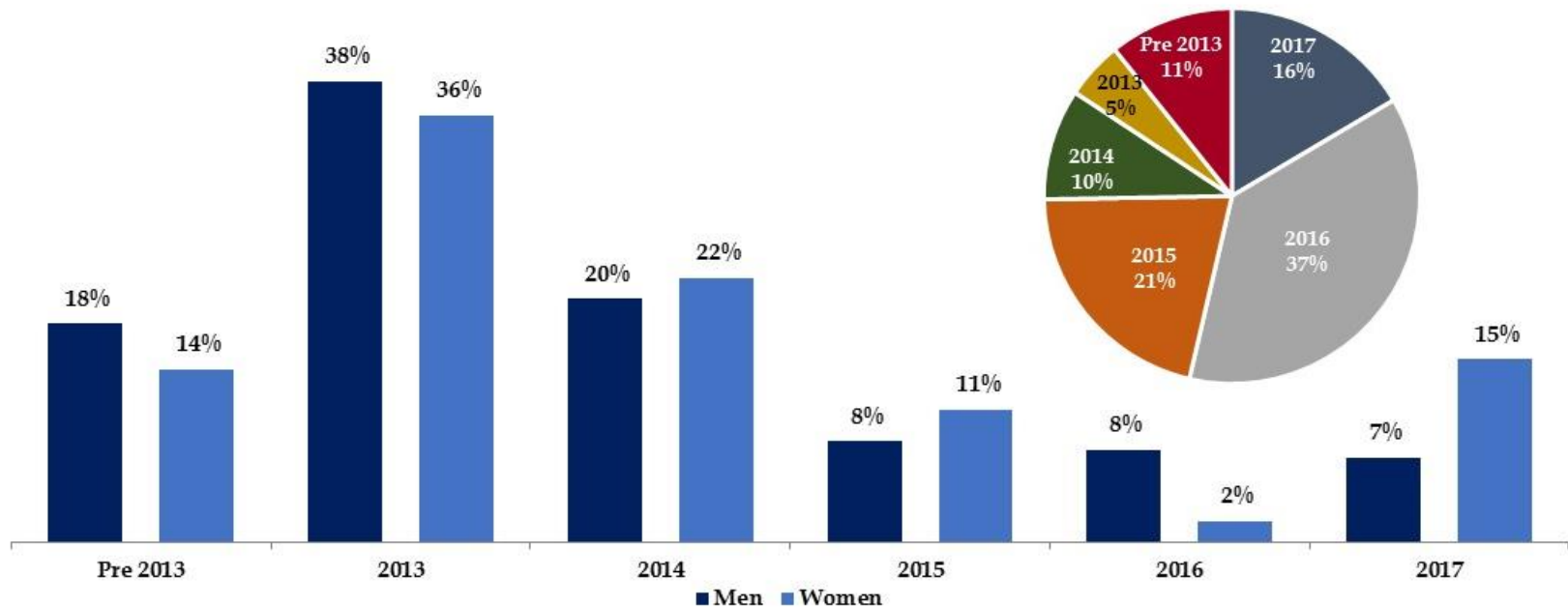


When Were The Companies Founded?

The Average Company Has Been in Business For 3+ Years

- ❖ Only 11% of the companies are older than 5 years and 53% are younger than 2 years
- ❖ The average VC-backed SEED stage company is 2.3 years ⁽¹⁾

Founders By Founding Years



(1) Source: Pitbook – the state of U.S. venture valuations and other notable trends in 10 charts, April 12, 2016.

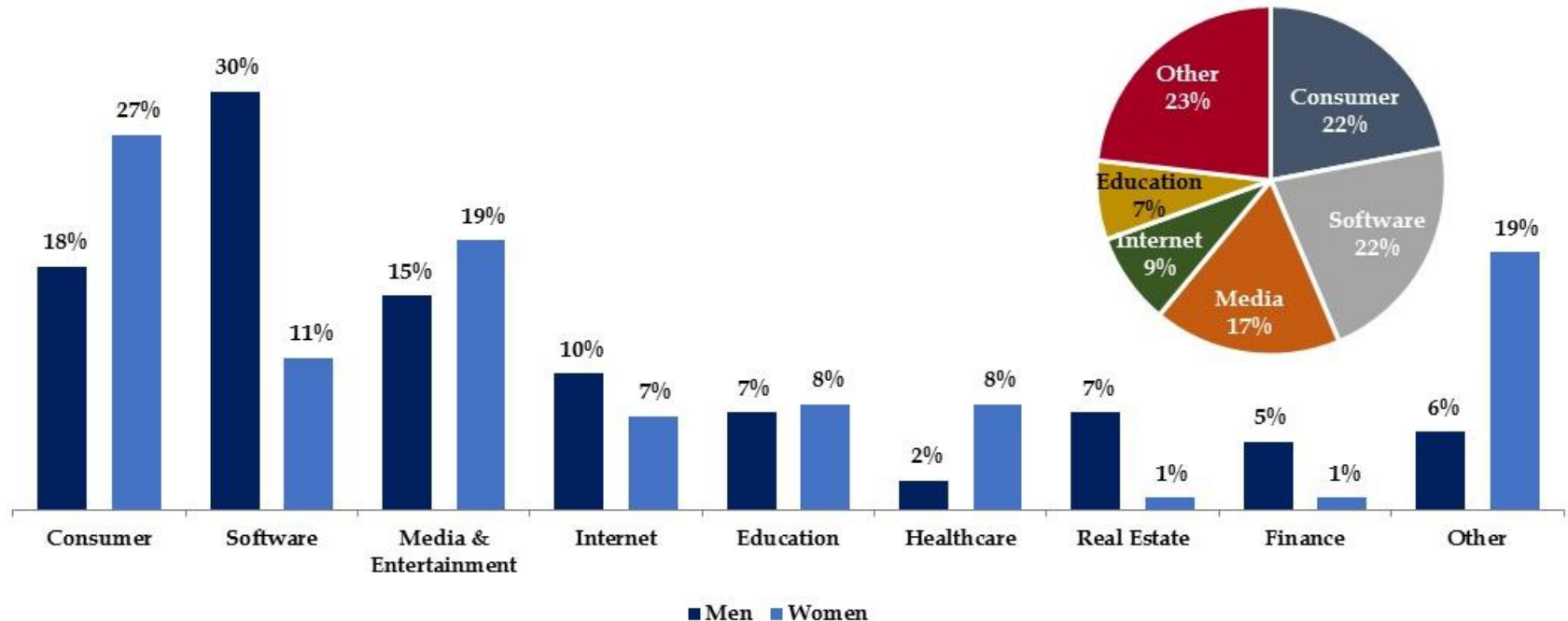


What Sectors Are The Companies In?

Top 3 Sectors of Consumer Products & Services, Software, and Media & Entertainment Were 61%

- ❖ There is a large gender bias with men in software and slight bias with women in consumer products & services and healthcare

Founders by Sector

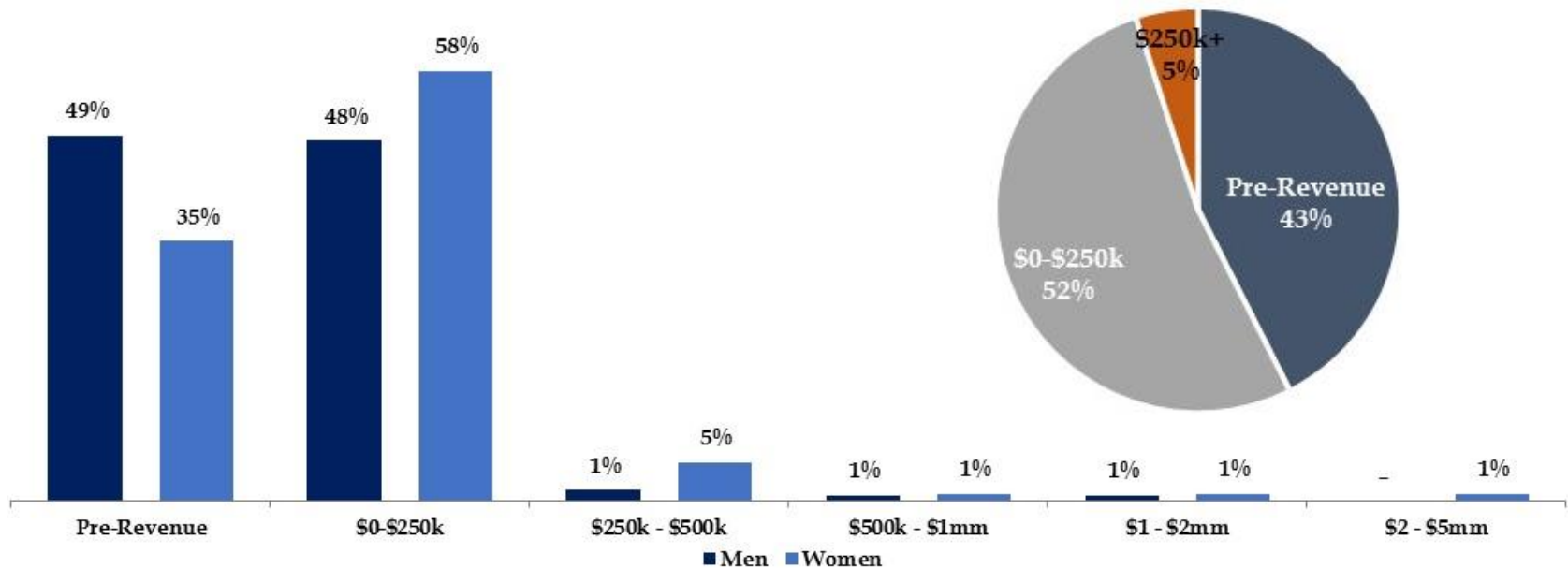


How Much Revenue Did The Companies Have In 2016?

58% of The Companies Had Revenue in 2016

- ❖ Software, consumer services & products and media were the top three industries for revenue
- ❖ There were only 13 companies with \$250K+ of revenue

2016 Revenue

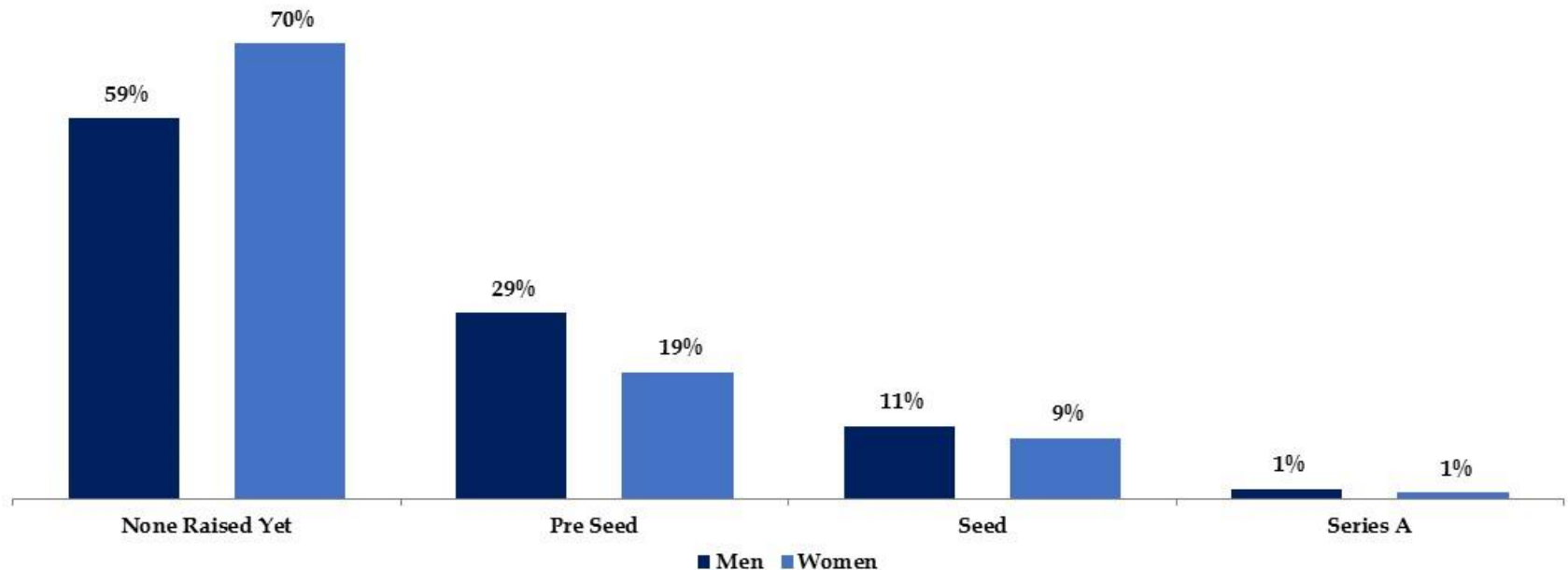


How Much Funding Has Been Raised?

There Is A Discrepancy In Funding By Gender

- ❖ There are 14% more pre-revenue men founders, but yet there are 11% more women founders that have not raised yet ⁽¹⁾
- ❖ Only 11% of the companies have raised at least a SEED round

Fundraising By Gender



(1) Source: Page 7.



Conclusion

Thank You!

- ❖ We really appreciate the founders that submitted their information through the portal and hope to continue to grow this database to show more investors and entrepreneurs that there is NOT a diverse pipeline issue
- ❖ We recognize that this data set is small and that there may be a bias in responders given we are African Americans based in New York, but we are focused on getting the broadest dataset possible and are encouraged this is possible by the 28 states represented in this report
- ❖ We intentionally did not draw many conclusions in this report as we believe Data Drives Decisions and want these reports to be another source of information for you to leverage



Join The Conversation!

What Were Your Big Takeaways?

What Surprised You?

What Else Do You Want To Know?

Let Us Know Your Thoughts, Every Perspective Matters

Please go to harlem.capital/diversityportal to participate in future reports
For additional information or questions please contact info@harlem.capital





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**Let's Change The Face Of Entrepreneurship,
Together**