

1Q23 U.S. Diverse Fundraising Insights



Harlem Capital



Introduction

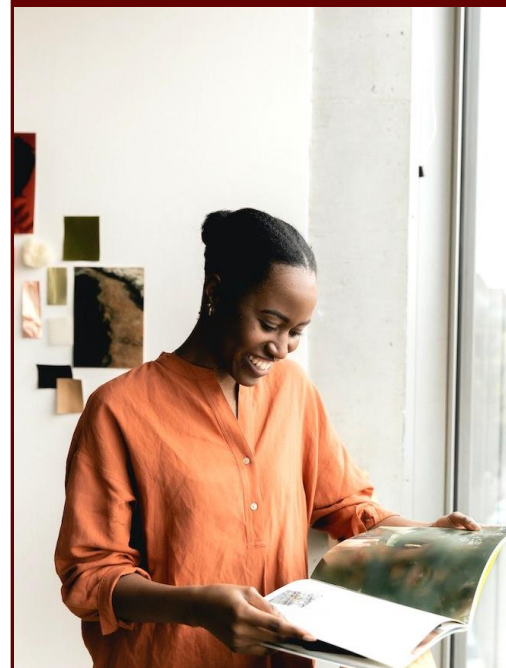
This is our 1Q23 U.S. Diverse Fundraising Insights Report, which tracks the number and dollar volume of capital raised by diverse founders across funding stages.

We utilized Crunchbase's new Diversity Spotlight data as the source for our insights.

In this report, we define 'diverse' as Black, Latino, Asian, Middle Eastern and women founders.

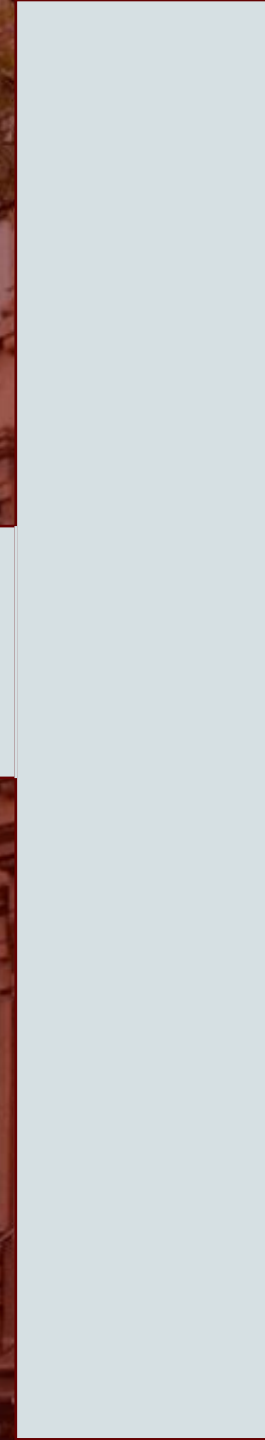
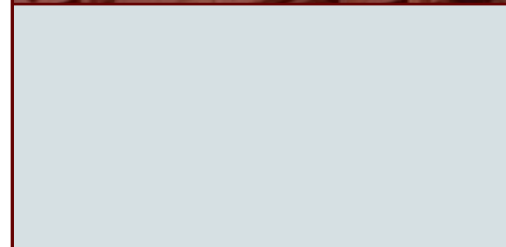
Check out the full list of 1Q23 Diverse Fundraises [here](#).

*Note: we include both diverse-founded & diverse-led deals.



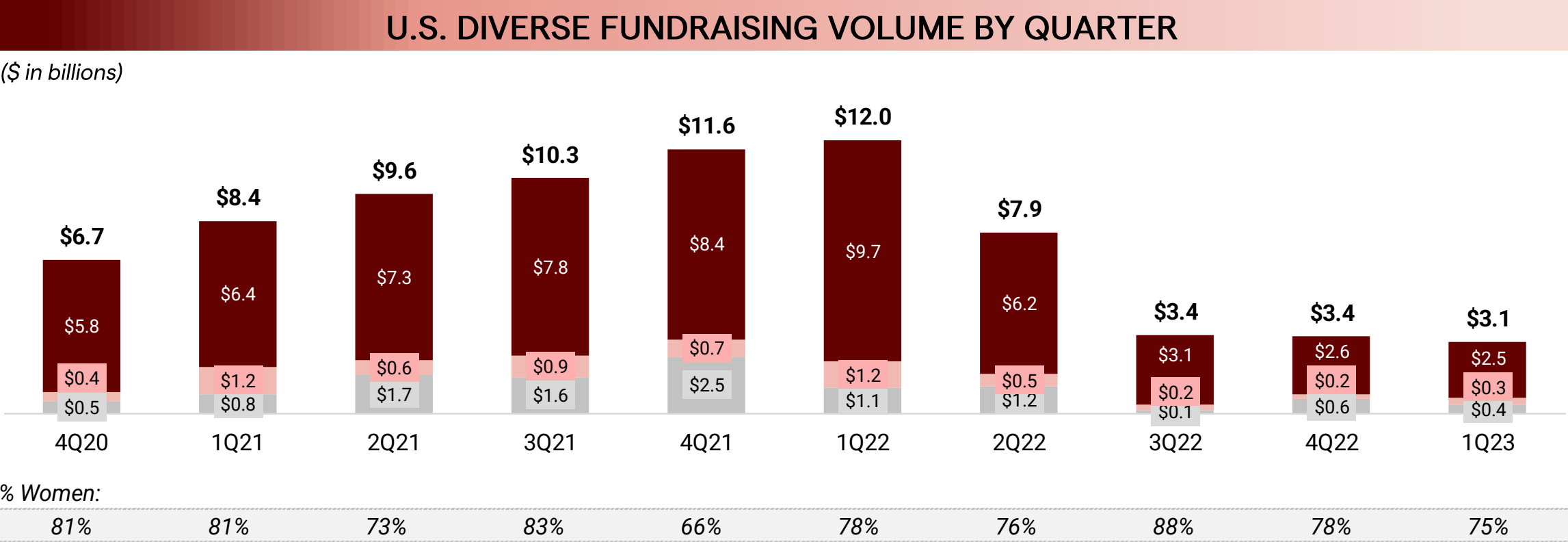
Key Findings

- 1) 1Q23 saw 280 diverse fundraises totaling \$3.1 billion of capital raised
- 2) Black & Latino founders made up 25% of the number of 1Q23 diverse deals, and 22% of diverse deal volume
- 3) Women founders made up 75% of the number of 1Q23 diverse deals, and 75% of diverse deal volume
- 4) The dollar volume of diverse fundraises declined 74% from 1Q22 to 1Q23, with Black & Latino fundraising volume declining by 70%
- 5) The number of diverse fundraises has also declined reaching its lowest deal count since 2020



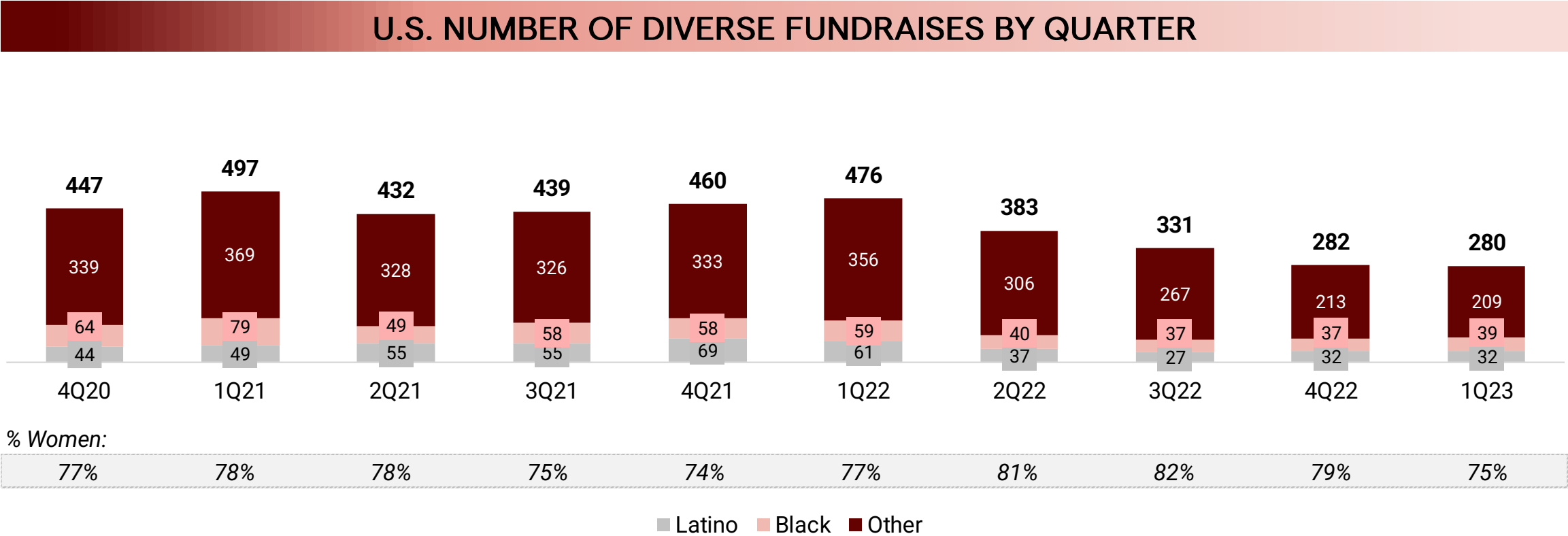
U.S. Diverse Fundraising Insights

1Q23 diverse fundraising volume has reached it’s lowest point since 2020. Both Latino & Black fundraising volume declined from 1Q22 to 1Q23, with women fundraises as a % of total also decreasing YoY



U.S. Diverse Fundraising Insights (cont.)

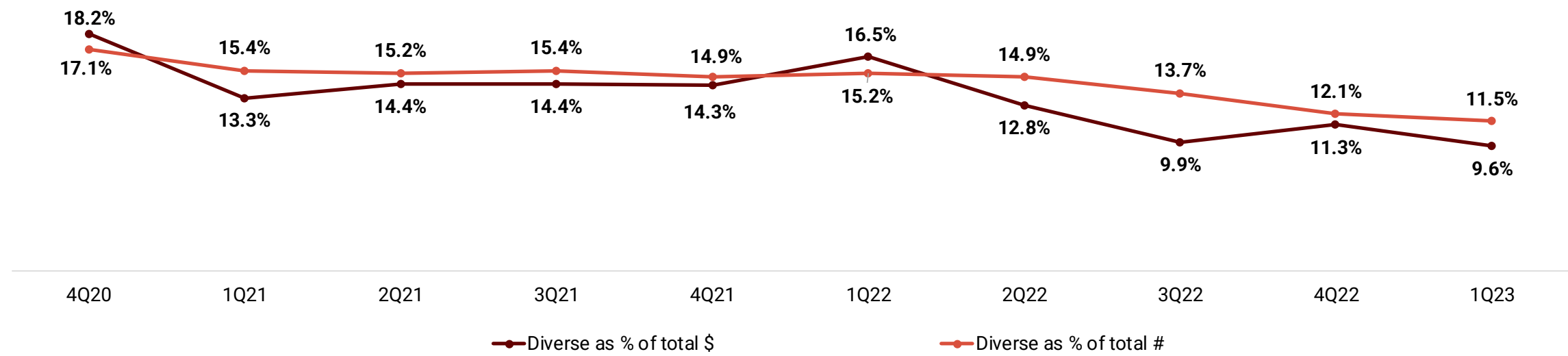
1Q23 was the lowest quarter over the past 2 years in terms of the number of diverse fundraises. Black-founded fundraises increased slightly from last quarter, while Latino-founded fundraises remained steady



U.S. Diverse Fundraising Insights (cont.)

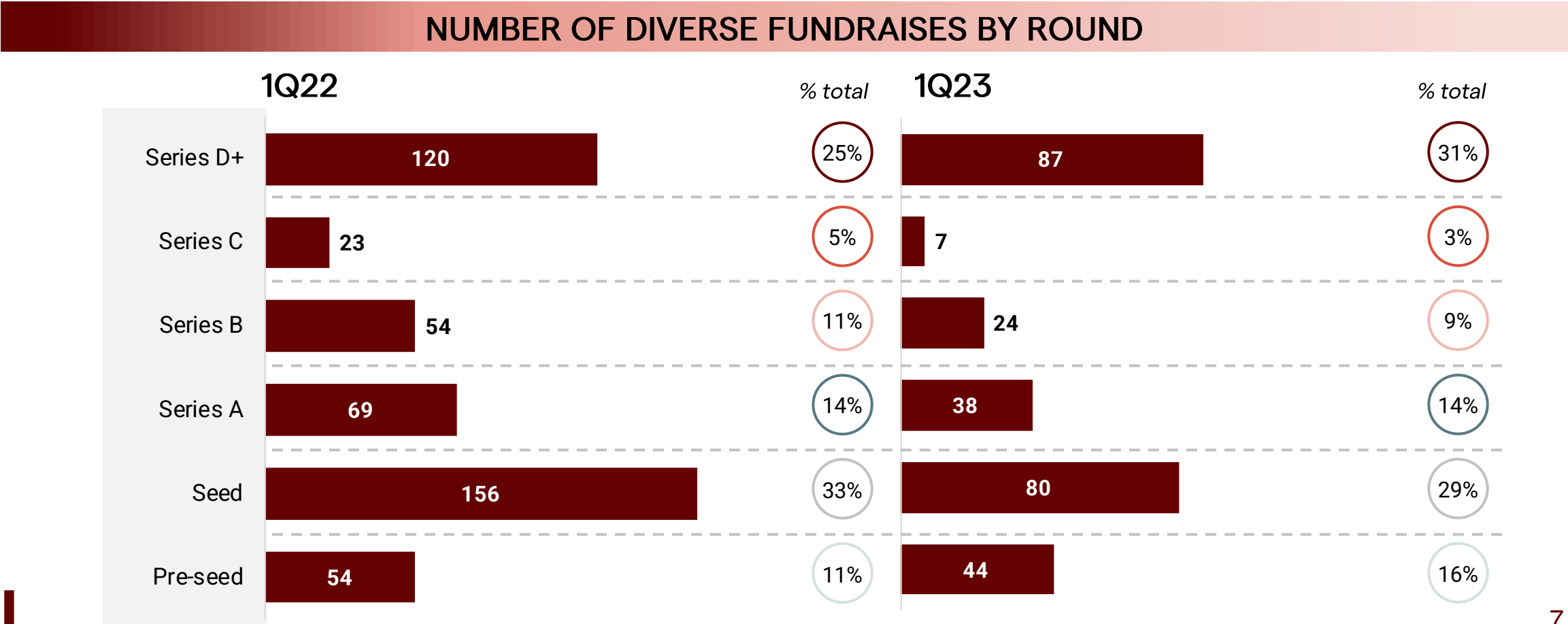
In 2020, diverse fundraises generally made up a larger portion of the number of total deals than the dollar volume of deals. In 2021, this converged, showing that diverse founders received the same capital per round as their non-diverse counterparts. 1Q22 was the first quarter since 4Q20 where the % of dollar volume of deals surpassed the % of number of deals for diverse founders. In 1Q23, we're starting to see a divergence again from last quarter

U.S. DIVERSE FUNDRAISES VS. TOTAL FUNDRAISES



U.S. Diverse Fundraising Insights (cont.)

1Q23 saw a decrease in the number of diverse fundraises across all stages

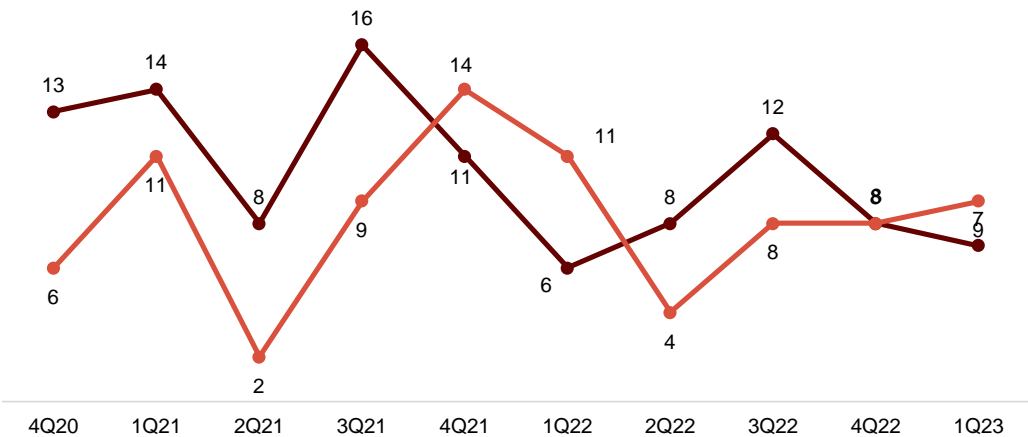


U.S. Diverse Fundraising Insights (cont.)

Latino-founded fundraises saw an increase at the pre-seed stage and an decrease at the seed stage, while Black-founded seed fundraises experienced the opposite

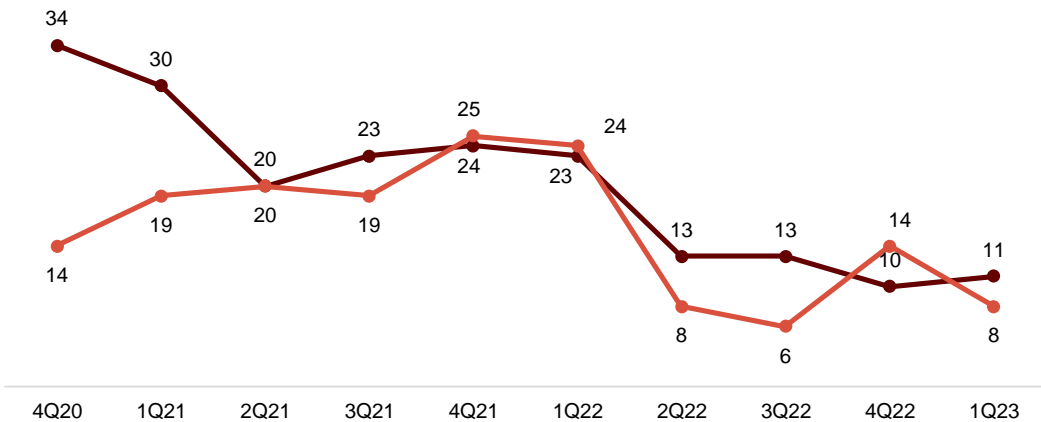
NUMBER OF BLACK & LATINO FUNDRAISES BY ROUND

PRE-SEED



Black % of Total	1.3%	1.3%	0.9%	1.8%	1.1%	0.6%	1.0%	1.5%	1.0%	0.8%
Latino % of Total	0.6%	1.0%	0.2%	1.0%	1.4%	1.1%	0.5%	1.0%	1.0%	1.0%

SEED



Black % of Total	3.5%	2.7%	2.1%	2.5%	2.3%	2.3%	1.6%	1.7%	1.2%	1.3%
Latino % of Total	1.4%	1.7%	2.1%	2.1%	2.4%	2.4%	1.0%	0.8%	1.7%	0.9%

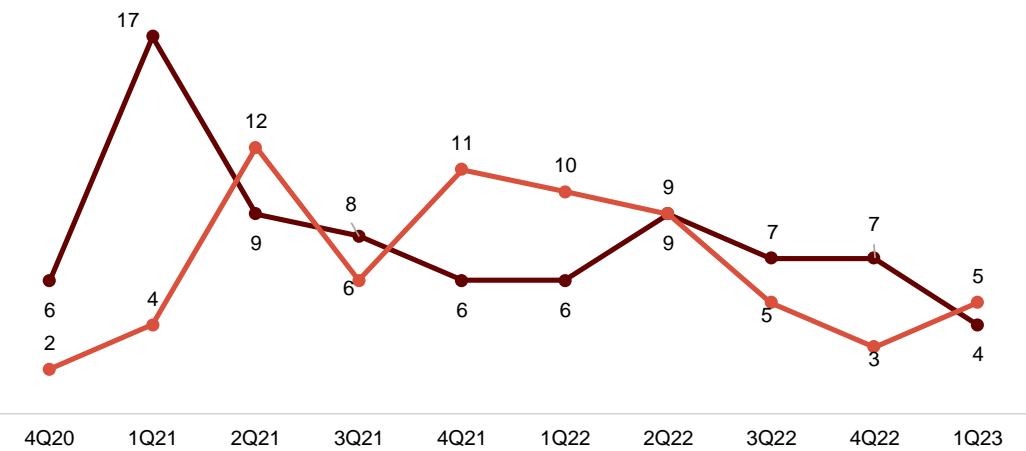


U.S. Diverse Fundraising Insights (cont.)

Latino-founded Series A fundraises increased, while everything else saw a decline in 1Q23

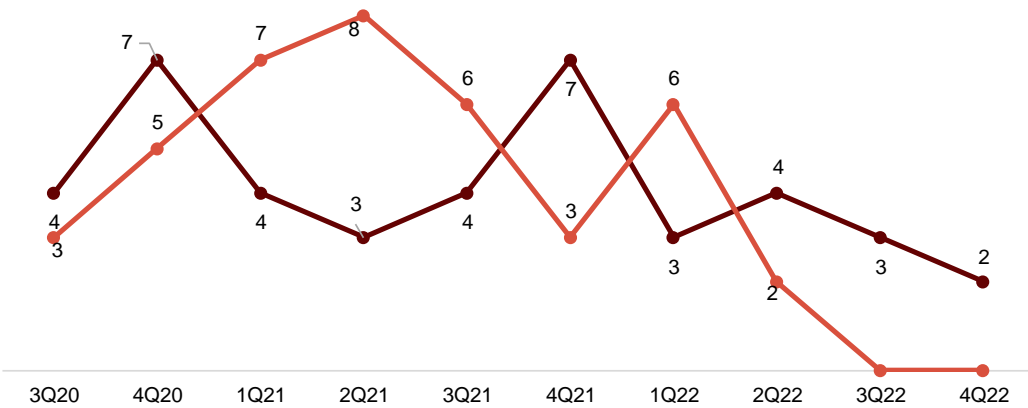
NUMBER OF BLACK & LATINO FUNDRAISES BY ROUND

SERIES A



Black % of Total	1.6%	3.7%	1.7%	1.7%	1.1%	1.2%	2.0%	2.0%	2.2%	1.3%
Latino % of Total	0.5%	0.9%	2.3%	1.3%	2.1%	1.9%	2.0%	1.4%	0.9%	1.6%

SERIES B



Black % of Total	2.1%	2.8%	1.4%	1.0%	1.3%	2.4%	1.2%	2.3%	1.8%	1.5%
Latino % of Total	1.6%	2.0%	2.4%	2.7%	1.9%	1.0%	2.3%	1.2%	0.0%	0.0%

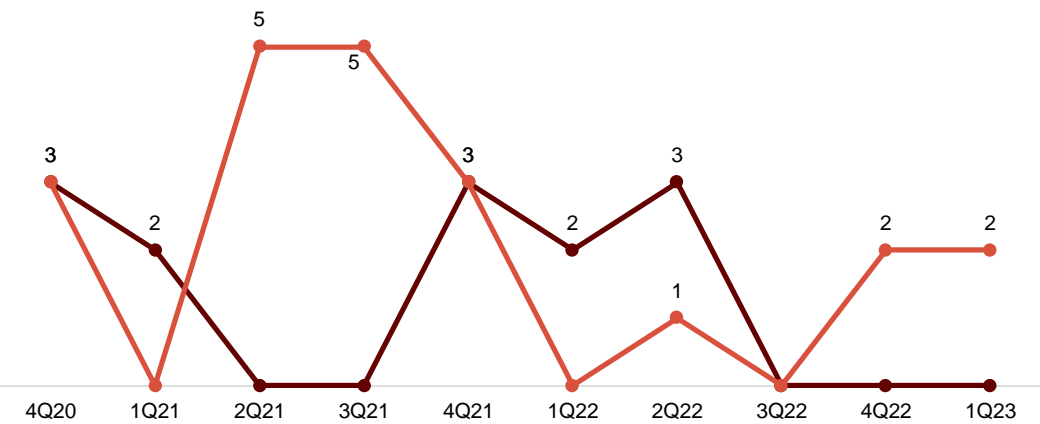


U.S. Diverse Fundraising Insights (cont.)

4Q22 saw an increase in the number of Latino Series C & D+ fundraises while Black Series C & D+ fundraises remained flat

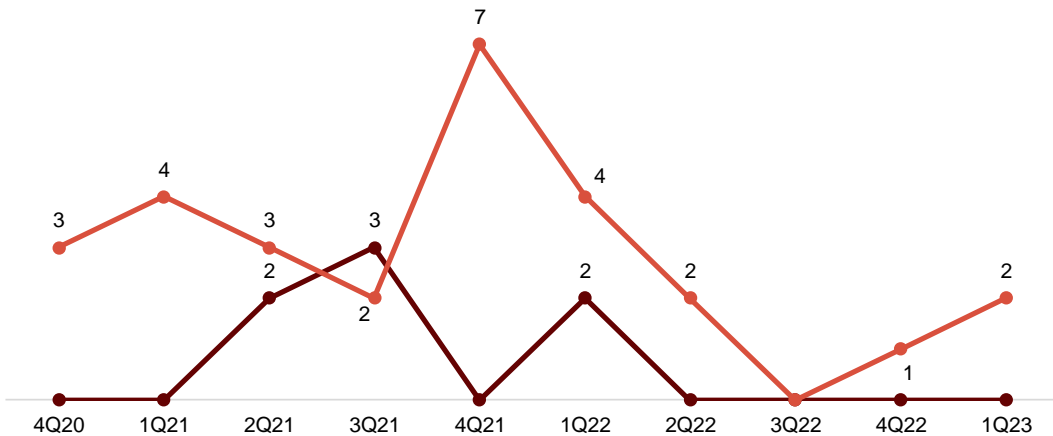
NUMBER OF BLACK & LATINO FUNDRAISES BY ROUND

SERIES C



Black % of Total	3.3%	1.4%	0.0%	0.0%	2.2%	1.5%	3.1%	0.0%	0.0%	0.0%
Latino % of Total	3.3%	0.0%	3.5%	3.3%	2.2%	0.0%	1.0%	0.0%	3.1%	3.9%

SERIES D+



Black % of Total	0.0%	0.0%	0.3%	0.4%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Latino % of Total	0.5%	0.5%	0.4%	0.3%	0.9%	0.5%	0.3%	0.0%	0.2%	0.3%



Let's change the face of entrepreneurship, together.

[List of 1Q23 Diverse Fundraises](#)