



Panel & Discussion

Backing diverse innovators and entrepreneurs with the potential to develop high growth businesses

Leeds Inclusive Growth Delivery Partnership – Jan 26th 2024



Our expert panel



Zandra Moore
Panintelligence



Alex Craven
The Data City



Identifying the UK's Gender Investment Gap

1. Identify Female founded businesses

Founders are named directors that have been with the company since an early stage and are nominated as persons of significant control; they likely have shares or voting rights in the company.

2. Link Private & Government Investment data to companies

- Dealroom
- Innovate UK Grant Funding

3. Visualise data and enable the narrative for change

- Panintelligence Dashboard
- Narrative

Building an Inclusive Growth Dashboard

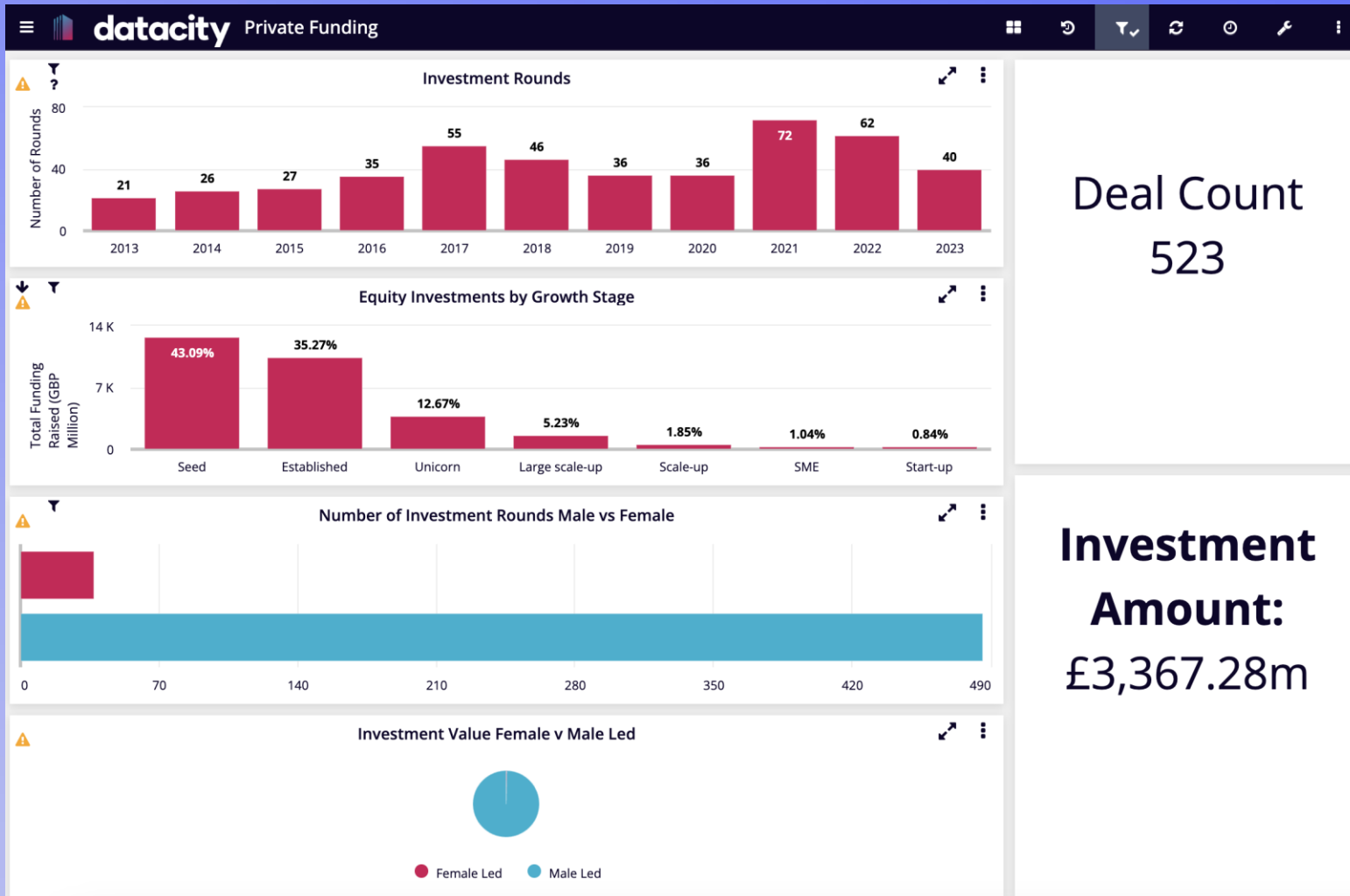


Measuring Inclusive Growth



1. Whole of UK business base
2. View by sector
3. Access to investment
4. Innovation
5. Geography





Deal Count
523

Access to investment:
- c5% of deals
- <1% of the money

Investment
Amount:
£3,367.28m

Access to Innovation
grants:
- c6% of grants



Defining Women Founded

Women Founded

A women founded company is one that has **directors that are...**

- appointed within 2 years of the company being incorporated
- **...and** are still active at the company
- **...and** have significant control at the company, i.e. more than 5% of the shares, voting rights or influence
- **... AND** are **solely female**.



The UK business base

Analysis summary

5,467,419

COMPANIES CONSIDERED

52,830,769

TOTAL EMPLOYEES *2,623,533 companies

£17,503,143,041,322

TOTAL TURNOVER *2,706,676 companies

£775,121,780,000

TOTAL INVESTMENT FUNDING  dealroom.co

*22,903 companies

£11,992,503,211

TOTAL INNOVATE UK GRANT FUNDING *17,387 grants

+5.1%

ESTIMATED GROWTH PER YEAR

£3,303,740,647,677

BEST ESTIMATE TOTAL GVA *2,525,396 companies

£62,534

ESTIMATED GVA PER EMPLOYEE

1,210,698

WOMEN FOUNDED COMPANIES

982,042

WOMEN LED COMPANIES

2,627,502

WOMEN DIRECTORS *9,420,615 total directors

Women Founded businesses are 22.2% of the business base

But only 3.1% of overall investment value...



WHY? Women founded businesses are more capitally efficient?

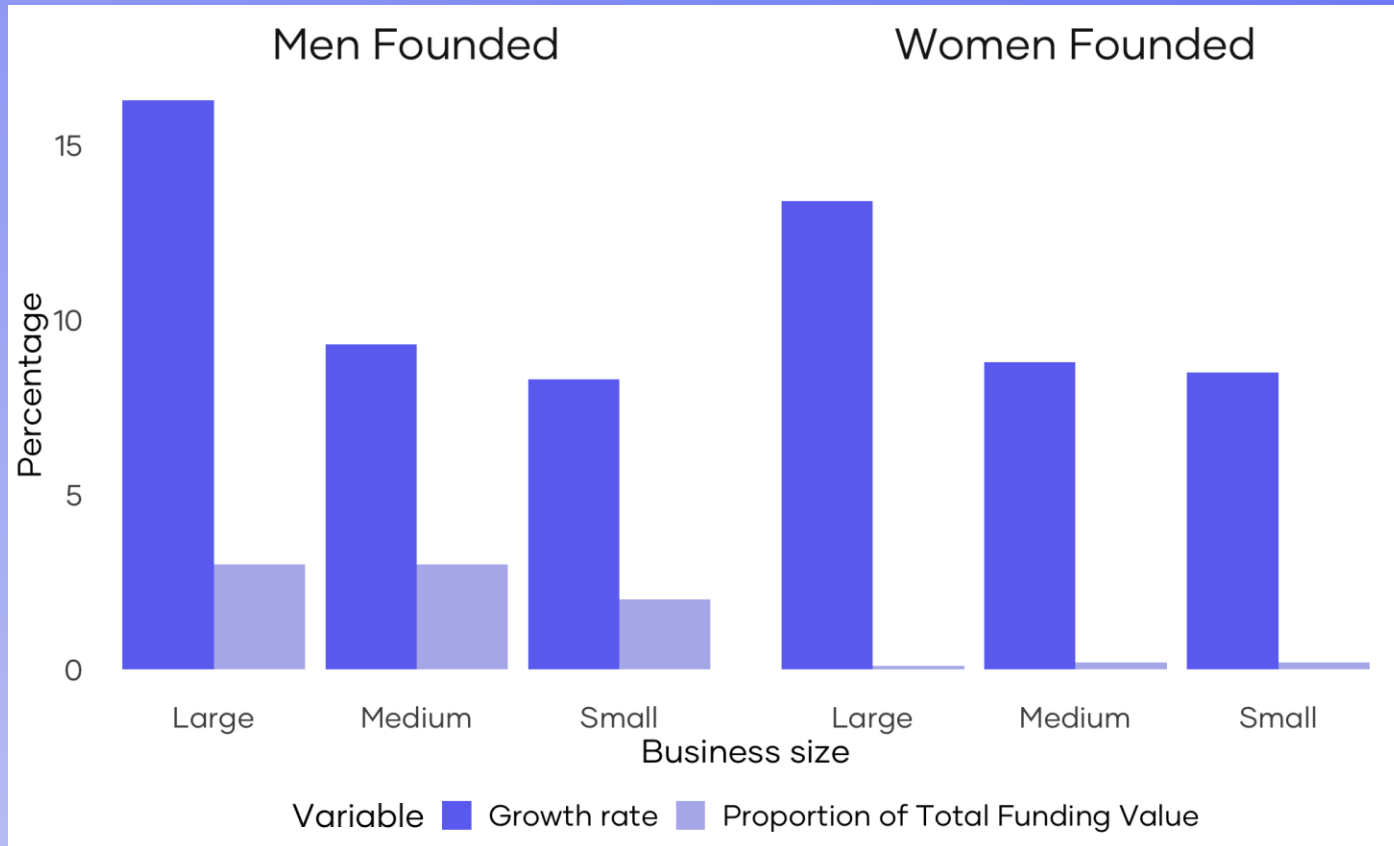
Founder	Business size	Proportion of Businesses (Count)	Proportion of Total Funding Value	Growth rate
Men Founded	Small	2% (112,981)	2%	8.3%
Women Founded	Small	1% (42,541)	0.2%	8.5%
Men Founded	Medium	0.3% (19,002)	3%	9.3%
Women Founded	Medium	0.1% (5,586)	0.2%	8.8%
Men Founded	Large	0.1% (5,858)	3%	16.3%
Women Founded	Large	0.02% (1,012)	0.1%	13.4%

Proportionally less funding across company sizes...

But Female Founded businesses achieve similar growth rates



WHY? Women founded businesses are more capitally efficient?



Proportionally less funding across company sizes...

But Female Founded businesses achieve similar growth rates



Inequalities in Funding are Greater in the Innovation Economy (RTICs)

Analysis summary

213,252

COMPANIES CONSIDERED

6,991,650

TOTAL EMPLOYEES *153,483 companies

£2,907,487,577,328

TOTAL TURNOVER *157,570 companies

£265,820,070,000

TOTAL INVESTMENT FUNDING  dealroom.co

*6,682 companies

£7,307,061,939

TOTAL INNOVATE UK GRANT FUNDING *5,679 grants

+3.9%

ESTIMATED GROWTH PER YEAR

£473,780,768,918

BEST ESTIMATE TOTAL GVA *148,824 companies

£67,764

ESTIMATED GVA PER EMPLOYEE

36,175

WOMEN FOUNDED COMPANIES

30,118

WOMEN LED COMPANIES

111,830

WOMEN DIRECTORS *464,891 total directors

**Women Founded businesses are
17% of the Emerging economy
base**



Innovation Economy (RTICs) - Women Founded

Analysis summary

36,175

COMPANIES CONSIDERED

264,278

TOTAL EMPLOYEES *28,481 companies

£23,668,688,893

TOTAL TURNOVER *28,593 companies

£3,407,200,000

TOTAL INVESTMENT FUNDING  dealroom.co

*363 companies

£120,574,956

TOTAL INNOVATE UK GRANT FUNDING *375 grants

+7.4%

ESTIMATED GROWTH PER YEAR

£14,463,961,479

BEST ESTIMATE TOTAL GVA *27,740 companies

£54,730

ESTIMATED GVA PER EMPLOYEE

36,175

WOMEN FOUNDED COMPANIES

19,512

WOMEN LED COMPANIES

43,434

WOMEN DIRECTORS *69,065 total directors

But only 0.7%
of Emerging
Economy
funding



Inequalities in innovation funding are further exacerbated in the regions

	Women Founded Businesses	Proportion of Emerging Economy Funding
London	8,037 (4%)	0.7%
Rest of UK	27,648 (13%)	0.6%

Women founders in London, on average, receive 3x the amount of funding compared to women founders in the rest of the UK

	Women Founded Businesses	Proportion of Emerging Economy Funding
Leeds	513 (0.2%)	0.002%
Rest of UK	35,172 (16.8%)	1.3%

And if we compare Leeds with the Rest of the UK (including London's funding). Women founders in the rest of the UK, on average, receive 9x the amount of funding compared to women founders in Leeds!



Zandra Moore – CEO, Panintelligence

Availability bias tricks our brain into thinking there must be more than a single example because we can readily picture it in our heads.

Bystander effect - readily available press releases can lead many to believe that, because there is so much attention on this issue, the problem must already be solved.



Zandra Moore – CEO, Panintelligence

The System and Legislation isn't helping...something to be angry about!

On 31st January, new legislation will come into place that is going to impact the barriers to entry for women becoming angel investors immeasurably:

As it stands, investors on angel investing platforms have to earn over 100k. New government legislation will see this raised to £170k.

This will disproportionately impact the pool of female investors in the UK. In fact, there are some areas of the UK with NO women who earn over 170k (see shocking breakdown in photo attached)

Income and tax, by gender, region and country, tax year 2020 to 2021

Nation	Male over £100K	Female over £100K	Male over £170K	Female over £170K	%decline men	%decline women
England	737,000	237,000	291,000	72,500	-61%	-69%
Wales	17,000	5,000	4,500	500	-74%	-90%
Scotland	46,000	14,000	13,500	3,500	-71%	-75%
Northern Ireland	10,000	2,000	3,000	0	-70%	-100%

Selected REGIONS	Male over £100K	Female over £100K	Male over £170K	Female over £170K	%decline men	%decline women
North West	53,000	14,000	17,000	1,500	-68%	-89%
Yorkshire and the Humber	34,000	10,000	11,000	3,000	-68%	-70%
London	232,000	93,000	110,500	34,500	-52%	-63%
East of England	96,000	26,000	36,500	7,500	-62%	-71%
North East	14,000	3,000	4,500	0	-68%	-100%
East Midlands	38,000	9,000	11,500	1,500	-70%	-83%
West Midlands	42,000	11,000	13,500	3,000	-68%	-73%
South East	178,000	51,000	70,500	14,500	-60%	-72%
South West	51,000	16,000	17,000	4,500	-67%	-72%



Zandra Moore – CEO, Panintelligence

Issues

1. Women face gender bias when fundraising
2. Later stage funding gap disproportionately effects women
3. Not enough relatable local networks for women entrepreneurs
4. Lack of visible role models
5. Women are less likely to study STEM
6. Men outnumber women in VC
7. Regional Disparity – 40% HGEs in London but only 13% of the population.
8. Caring Disparity – Women still take on the larger share of caring responsibilities



Zandra Moore – CEO, Panintelligence

Opportunity

1. Increase diversity on investment teams and committees
2. Increasing the awareness of EIS and SEIS for female founders
3. Localised network based on gaps in the ecosystems
4. Earlier Education in Schools on STEM opportunities
5. Improve Data Collection on female led businesses



Round Table



Q1 - Women in Investment

- In the UK, all-male-owned VC funds raised around x10 more capital than all-female-owned funds between '17 & '23.
- All-male-owned VC funds raised around 5 times more capital than mixed-gender-owned funds.
- Just 23 women VCs in the UK have a 'significant' ownership of a VC firm
- In the US diversity in investment teams is increasingly becoming a requirement rather than a request.
- Many US pension funds have mandated the diversity of their investments such as Massachusetts Pension and investment Management.



Q1 - Women in Investment – What's Happening in Leeds?

- Ada Ventures – 3 Investments into female founded companies 2023
- Lifted – Women Angels Community
- Invest in Women Code – More Women in Investment
- Lloyds Women Led Regional ESG £1Bn Debt investment fund

Question

- "What do we think about quotas? If not what?"
- "Who should convene the women in investment and their allies?"



Q2 – Women start from a different place

- Research show VCs favour entrepreneurs with masculine traits (assertiveness, dominance) over feminine-stereotyped behaviors (warmth, emotional expressiveness).

Rose Review found:

- Women were 55% more likely than men to cite fear going in alone as a primary reason for not starting a business.
- Women are less likely than men to know other entrepreneurs or to have access to sponsors, only 30% of women said they already knew an entrepreneur versus 38% for men.



Q2 – Women start from a different place

- Bruntwood Sci Tech Female Founders Incubator
- Female Founders Rise
- WECAN Network
- Lifted - Women Led High Growth Regional Boards
- D-List
- BUILD Accelerator
- Propel YH
- Innovative Entrepreneurs

Questions

"What outcomes should we aim to achieve, what does good look like?"

"What could your organisations do to support diverse founders?"



Thanks for joining