



THE
IMPACT
JOURNAL

*Insights into trends in the capital markets, mergers & acquisitions
and corporate finance for social enterprises and impact capital.*

Special Issue – International Women’s Day 2018



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Cover: Hot Pink Orange Teal by Grace Goad | Artwork provided by ArtLifting

ArtLifting is a social enterprise that empowers artists impacted by homelessness or disability. Through the sale of their art to clients such as Google, Microsoft and Staples, artists gain self-confidence that permeates all aspects of their lives.

For more information, please visit: ArtLifting.com

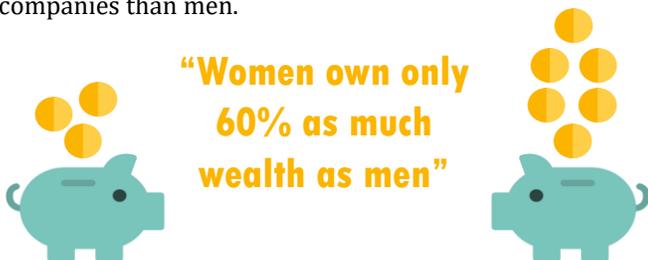
In celebration of International Women's Day, we explore the trends related to women in socially responsible enterprises and impact investing, and celebrate the change-makers defining those trends. Social entrepreneur Liz Powers, founder of ArtLifting; and impact investors with a gender lens Jenny Abramson and Heidi Patel, respectively founder and partner at Rethink Impact, and Sara Brand, founder of True Wealth Ventures, are such change-makers and they share their insights in this issue. They discuss their journeys as entrepreneurs and investors and share thoughts on the startup and venture landscape for women.

The enormous gender problem in the start-up and venture ecosystem

The facts:

- On average, American women own only about 60% as much wealth as men
- Only 17% of venture-backed companies were founded by women
- Startups with at least one woman in the founding team received just 10% of deployed venture capital
- Only 8% of partners at the top 100 venture firms are women
- Yet, women in the U.S. influence 83% of consumer spending

Personal savings is the top source of start-up capital for new businesses in the U.S. On average, American women own only about 60% as much wealth as men; the difference is several orders of magnitude larger between women of color and white men. With less wealth to invest and bootstrap, it is much harder for women to found companies than men.



However, venture capital's gender problem is not one of pipeline. Instead, it hinges on the fact that female-founded startups are at a significant disadvantage when it comes to raising outside capital. Only 17% of venture-backed companies had a woman as part of the founding team. These companies received disproportionately fewer funding: only 10% of deployed venture capital. Some of the reasons for the imbalance in funding include:

Significant gender imbalance at venture capital firms: At the top 100 venture capital firms, only 8% of partners are women. Generally, people associate with people they perceive to be like themselves. Therefore, investors are likely to be connected to few women in their professional networks. Women and other minority investors face obstacles when raising capital relating to the absence of a strong network of investors, a chasm in common experience between female entrepreneurs and prospective investors, and investors' lack of knowledge of "niche" markets.

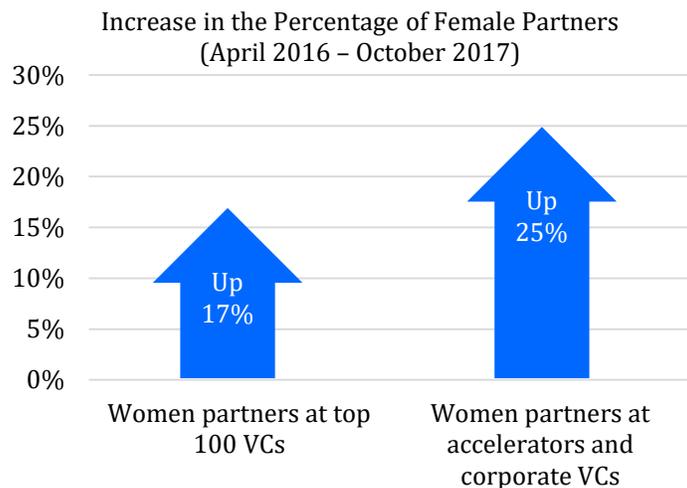
Hostility towards women in the workplace: Women like Ellen Pao, former junior partner at venture capital firm Kleiner Perkins Caufield & Byers; Susan Ho, co-founder and CEO of travel planning service Journey; Katrina Lake, CEO of online clothing startup Stitch Fix; and Susan Fowler, former Uber engineer have come forward to shed light on the hostile environment women face in and around the fields of technology and venture capital, particularly in the form of sexual harassment.

Unconscious (or perhaps even conscious) bias: In a study, researchers constructed a simulated IPO, manipulating the gender demographics of the top management team. They presented these opportunities to MBA students and found that that female CEOs may be disproportionately disadvantaged. "Despite identical personal qualifications and firm financials, female founders/CEOs were perceived as less capable than their male counterparts, and IPOs led by female founders/CEOs were considered less attractive investments."

Cause for Hope

Many talented people have been drawn to this challenge. There is a growing number of female entrepreneurs who are seeking to break through the startup and venture barriers and are building incredible businesses along the way. Investors are also seeking to address these inequities, as they see a tremendous opportunity in investing with a gender lens.

Women in leadership positions at investment firms are on the rise. According to TechCrunch, "women now hold 15% of the partner roles at accelerators and corporate venture firms, a 25% improvement in 18 months." They add that "women founded 16 micro-venture funds in the last three years, 21% of all the new firms in that category." Not only are there more women-focused funds, there are also more women-founded ones.



As consumers, women make most of the decisions in areas like consumer spending and healthcare. This fact underpins investment theses that suggest that female entrepreneurs have valuable insights when it comes to serving these and other markets. Early data seems to support this theory: as quoted by Sara Brand (page 11) one venture firm's review of a decade's worth of investments revealed their female-founded portfolio companies performed 63% better than their male-founded portfolio companies.

Doubtlessly, there is a long road for equality for women in the startup and venture sectors. The ability of women to pursue entrepreneurial and investing roles has long been hampered by structurally broken systems. Despite the obstacles, many women have persevered to build impressive firms, and in doing so, paved the road for more to follow. It is their contributions that provide hope for a better, fairer, more prosperous future for women and humanity.

Sources: Crunchbase, Bloomberg, "Experimental Evidence of Gender Bias in IPO Prospectus Evaluations," TechCrunch



Liz Powers is the co-founder and Chief Happiness Spreader at ArtLifting, a business that empowers artists impacted by homelessness and disabilities. She has worked with homeless individuals for the last decade.

Liz worked as a social worker running art groups in Boston, when she discovered that a lot of the quality art being produced in these shelters and disability centers were being thrown away or left to collect dust. A common refrain she heard while working in these groups was “Liz, I want opportunity, not a handout.” She started ArtLifting to give these artists a platform to show their talents. By allowing these artists to showcase their talent to a national audience, ArtLifting gives them the opportunity to be successful on their own merit.

We caught up with Liz to discuss her journey as an entrepreneur and her vision for ArtLifting.

The Impact Journal: ArtLifting touches very important social themes—homelessness, disability, mental health, etc. What do you think is the role of private enterprise (as opposed to nonprofits and policy) in terms of social issues?

Liz Powers: I find it useful to think about the funding for non-profits with the help of an analogy: all foundation

money and other grants are essentially a single pot of money. And in the US, there are approximately 1.5 million worthy non-profits competing for a scoop from that single pot of money. So in my opinion, every social organization that can produce revenue, should because that's going to help grow that pot of money and increase the amount of impact we can have overall.

We are really proud to be a Public Benefit Corporation. An example for growing that pot of gold is that not only are we creating jobs for artists (our artists earn 55% of profits), but we also give back to all the nonprofits that we work with. We have a fund that gives back 1% of each sale to the nonprofits for art supplies.

“every social organization that can produce revenue, should”

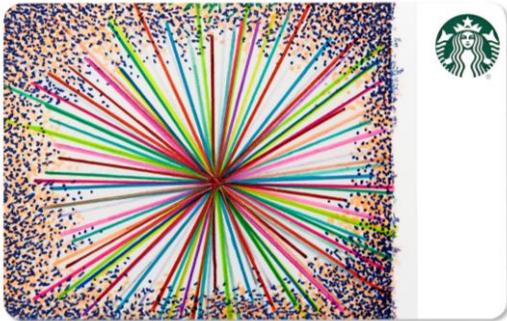
TIJ: As a woman who started a successful company and raised money, including from female investors, what is your view of the venture / startup landscape for women?

LP: The statistics are pretty dire: near 3% of venture capital money goes to female CEOs. Given population statistics that number should be 50%. There is a lot of change that needs to happen. Of course that change will

Liz Powers - ARTLIFTING

take time, but it has certainly begun. There has been a lot of growth in the area since the Ellen Pao case. There has been awareness that this is a real issue and we're at the beginning of the change and I'm glad to be a part of that change.

The process of fundraising has been a learning experience. I am proud to have raised \$2 million to date from a variety of investors nationwide in order to scale my business and impact.



TIJ: What have you learned in your journey as an entrepreneur? Do you have any advice?

LP: A lot of advice! One of our investors is actually Eric Reis, who is the author of *Lean Startup*. His concept of building a minimum viable product is very important. What that means is: don't try to make the perfect product that you think everyone wants; make the most simple version you can. Then start selling it and iterate it based on customer feedback. One of the reasons this is important is because your idea of perfect could be totally different than a customer's idea of perfect.

“your idea of perfect could be totally different than a customer's idea of perfect”

TIJ: How has your background in social work influenced you as an entrepreneur?

LP: I think it's helped a lot. A lot of case work is personal interaction, which is very similar to business. It's also helped a lot because when I was running art groups full-time in shelters, I had the sense that a \$5,000 grant was a huge amount of money because it would buy art supplies for the entire year. So starting at the grassroots level gave me a great appreciation for how far a dollar can go. That is very different from someone who started a company and from the very beginning had millions in venture backing--they can go through the money much more easily and not make every dollar count as much.

“starting at the grassroots level gave me a great appreciation for how far a dollar can go”

TIJ: Your title at the company is Chief Happiness Spreader. What makes you happiest as an entrepreneur?

LP: The biggest thing that makes me happiest is the artists' reactions: artists saying that this gave them the confidence that they needed or finally they feel validated. ArtLifting artist Randy Nicholson said, “This doesn't just make me feel validated as an artist; this makes me feel validated as a person.”

TIJ: Where do you see ArtLifting going in the future?

LP: Right now we have artists in 20 states across the country. We're hyper-focused on growing sales nationwide. Our business is B2B focused with two channels: one is selling artwork in bulk to corporations and the other is licensing our images. For example, we did a deal with Starbucks to have our art printed on Starbucks gift cards and we have a deal with a mattress company called Leesa to have our art printed on their mattresses.



Impact Capital Corner

Jenny Abramson, Rethink Impact

Jenny Abramson is the Founder & Managing Partner of Rethink Impact, the largest (\$112M) impact venture capital firm with a gender lens in the US.¹ Along with Heidi Patel, a Partner at Rethink Impact, she reflects on her top 10 learnings of the past year.



Jenny Abramson
Founder & Managing Partner
 Twitter: [@abramsonjenny](https://twitter.com/abramsonjenny)



Rethink Impact is the largest, US-based impact venture capital firm with a gender lens² that invests in female leaders using technology to solve the world's biggest problems. Rethink Impact believes that the next generation of extraordinary companies (in health, environmental sustainability, education, and economic empowerment) will find success through their relentless pursuit of mission, for the benefit of all communities.

Investment Criteria

Industry / Thematic Focus	Tech-driven, gender diverse leadership teams that are tackling challenges in health, the environment, education, and economic equality
Stage	Primarily Series A, B, and C rounds (with \$1M-\$50M in revenue when Rethink invests)
Geographic Focus	US-based companies
Contact Information:	Website - http://rethinkimpact.com/ Twitter - @rethinkimpact

Selected Current Portfolio

Health	Economic Empowerment	Environmental Sustainability	Education

1. According to B Lab, as of March 1 2017 2. Ibid.

Top 10 Things We Learned in Our 1st Year

by Jenny Abramson and Heidi Patel



A lot has changed since International Women's Day, 2017 when Rethink Impact became [the largest US-based impact venture capital firm with a gender lens](#). While initially seen as a niche investment strategy, gender lens investing is now entering the limelight in response to the gender inequity in the venture capital space and the business world more broadly. We have been asked by many to share what we've learned during this initial phase of our journey. To that end, here's our top ten list in the spirit of advancement.

1. People really respond well when you won't hit on them: Apparently, we were onto something with this gender thing, and we're not alone... From the massive #metoo movement to Hollywood's TIME'S UP, we're seeing momentum from the ground up advocating respect of human dignity in the startup world and a rejection of "business as usual." A number of reports came out in the last year on Silicon Valley's dismal track record on its treatment of women. In response, [we launched our female founder offices hours in July 2017](#) to give female CEOs (and social impact entrepreneurs) access to advice from the venture community. We were thrilled to see similar efforts pop up around the country to bring this type of engagement to scale. Women are coming together—and our male allies are getting on board.

2. Walls are coming down between those who invest for good and those who don't (yet): This is a really good thing. Hank Paulson reminded us in a September 2016 [NYT article](#) that \$6T of commercial capital must be unleashed - every year for the next 15 years - if we want to see real change around poverty alleviation, climate change, and social equality happen in our lifetime. In the last 12 months, we saw impact investing go beyond the realm of a "do gooder's" experiment, to become front and center on Wall Street. A girl took on The Bull. Some conventional firms launched large-scale impact funds and [Larry Fink announced](#) that Blackrock would cut ties with businesses that didn't contribute to society.

3. Top tech talent want to drive impact and take their full selves to work each day: Increasingly, the world's best tech talent wants to spend their days solving global challenges. Whether that's developing software solutions to scale off-grid energy in Sub-Saharan Africa or using machine learning to better detect and treat chronic diseases, our best and brightest minds want jobs that integrate technology and purpose. Here's the catch for the venture world—increasingly, these entrepreneurs want investors that reflect their vision for positive change.



Top 10 Things We Learned in Our 1st Year

by Jenny Abramson and Heidi Patel



4. It's not a pipeline problem: Despite all the press and data on the success of women in leadership (“Firms who go from 0% to 30% female leadership see [15% increase in net revenue](#)”), the numbers haven't changed much... yet. Female founders got only [2.19% of venture capital dollars in 2017](#) (up from 1.9% in 2016) and [women made up just 8% of female VC partners in 2017](#) (up from 7% in 2016 and actually a decrease from 10% in 1999). We're working hard to change those stats. We saw nearly 1,000 deals in the last 2 years and now have an incredibly diverse portfolio. Over 70% of our portfolio companies have a female CEO (and 100% have a female on the executive team), 21% have CEOs who are people of color and more than 50% are over 40 years old. This is what diversity can look like, and we are just getting started.

5. We're all biased: We all perceive and evaluate male and female entrepreneurs differently. A [Harvard study](#) analyzed a Swedish VC's conversations with 125 male and female-owned startups that had applied for funding. They found:

- Youth was viewed as “promise” in men but “lack of experience” in women.
- When demonstrating aggressive behavior, men were praised while women were characterized as “too emotional.”
- Men were described as pragmatic, while women were written off as “risk averse.”

6. The investing gap may be worse than the pay gap: [By the time women are 75 years old, they are 3x as likely as their male peers to live in poverty](#)—a big contributor to this is the fact that the average female investor keeps [71% of her portfolio in cash](#). There are [tech solutions](#) working to change that and put power back into the hands of women.

7. Investing for good has appeal across the aisle: Investors, hailing from 32 states, different political parties, multiple generations and evenly split between men and women chose to support Rethink Impact and move capital towards impact in a meaningful way. In an age of extreme partisanship and divisiveness in our nation, it's exciting to see such an incredibly diverse group of people coming together to create change.

8. [Forbes](#) writes a great investment guide—or at least we think so! And the [best publications](#) see “doing well while by doing good” as a smart investment strategy.

9. Great venture capital firms value collaboration over cut-throat: There is a perception that VCs will stop at nothing to extract their pound of flesh as they compete (for LPs, deals, and beyond). In reality, the great ones partner and want to work with strong fellow investors to make deals better, as it takes a village to make a tech company truly succeed. We are so proud of the growing list of great funds we have worked with and are excited to continue to partner with amazing institutions.

10. We have the best jobs in the world: It's an enormous honor to [support incredible entrepreneurs](#) who are working tirelessly to solve the world's greatest challenges in return-oriented, and, therefore, sustainable ways.

Impact Capital Corner

Sara Brand, True Wealth Ventures

We caught up with Sara Brand, Founding General Partner of True Wealth Ventures to discuss their investment focus, fundraising, recent investments, and more.



True Wealth Ventures is an early-stage venture capital fund investing in women-led businesses in consumer health and sustainable products and technologies.

Sara Brand
Founding General Partner
True Wealth Ventures

Investment Criteria

Industry / Thematic Focus	Women-led businesses in Consumer Health, Sustainable Products and Technologies
Stage	Seed
Geographic Focus	~40% Texas and ~60% rest of the US

Selected Current Portfolio



BrainCheck is a mobile interactive test for cognitive health. BrainCheck allows users to track their brain health for significant changes and share results with clinicians.



UnaliWear provides discreet support for falls, medication reminders, and a guard against wandering in a classically-styled watch that features an easy-to-use speech interface rather than buttons.

The Impact Journal: What is True Wealth Ventures?

Sara Brand: We are an early stage fund focused on women-led companies. We define women-led to mean at least one woman of significant decision-making authority or influence on the founding or executive team. We are two general partners, myself and Kerry Rupp, both based in Austin, Texas and we just closed \$19.1 million dollars on our first fund.

TIJ: Why did you launch True Wealth Ventures?

SB: My background was super male-dominated until this point. I have three degrees in mechanical engineering; my PhD was in green design and manufacturing and my minor was in public health, which finally comes full circle with True Wealth's targeted markets. Early in my career, I went as far up the corporate ladder in the "green" area in semiconductors. I shifted gears and went to McKinsey & Company to work in their semiconductor practice. Again, I was usually the only woman on the client team and there weren't any women leaders at the clients that I interacted with either—that was normal for me. From there, I got into venture-capital because I didn't want to lose my technical background. I absolutely loved it because it was the perfect balance of using my technical background to meet with entrepreneurs and think about solutions while using my management consulting experience to help them with whatever business challenges they had. However, I felt I needed more operational experience. I didn't want to be that venture capital person with only investment banking or management consulting experience. So, I joined Advanced Micro Devices, which is a semiconductor processor company. It was a fantastic opportunity. I spent over ten years there running several business units, doing a lot of M&A, seeing the other side of the venture capital equation, acquiring businesses and integrating them into the larger company. This role brought me back to Austin. I did my undergrad at University of Texas Austin and really appreciated the entrepreneurial ecosystem that is here, yet there are hardly any venture capital funds. While in Austin, my husband and I started a brewery that we made as green and healthy as we could in terms of using organic grains, giving the spent grain to local organic farmers, using reusable packing—so we are draft only. We believe we are the largest self-distributed draft only brewery in the country now. Meanwhile, I was still working at Advanced Micro Devices. I was asked to be the executive sponsor of their global women's forum because I was the only woman who was a vice president who had any technical

or operational experience of 15,000 employees at the time. That was truly eye-opening. I thought, "How can I be blind to this?"

It had been because I had been in mechanical engineering, semiconductors, venture capital and beer, where it is male-dominated. I started doing my homework and saw these studies that show the financial outperformance of companies that have been able to get more women into leadership positions. I got very interested in why that was and how to move the needle. I realized I never met another woman in venture capital. These pieces started coming together and everything seemed very synergistic.

"I didn't want to be that venture capital person with only investment banking or management consulting experience"

I am on the engineering advisory board at UT Austin and the mechanical engineering advisory board at Berkeley: those are the two consistently top-rated public engineering schools that award the most degrees to women engineers. Over the years trying to attract more women to the department, I've learned women are motivated differently. They don't care as much about their starting salary after graduating. They care more about the positive impacts they can have in their field of study, so we talk a lot about the environmental and health impacts and case studies of what other women have been able to do. It was all very synergistic, and everything just fit into the best business opportunity I have ever seen. I had to start the fund.

TIJ: What is the fund's current focus area?

SB: We are focused in the market of sustainable consumer and consumer health. This is a financial thesis versus some feminist manifesto. The first part of the thesis is that there is a lot of data showing that when there are more women in leadership positions in companies, whether they are smaller venture-capital backed startups or large Fortune 500, publicly-traded companies, the companies perform significantly better financially. The second part is that women are making the vast majority of purchasing decisions in the markets in which we're investing. They are making 85% of consumer purchasing decisions and 80% of all healthcare decisions. Women are making choices for themselves, their children, spouses, aging parents, etc.

We think gender-diverse teams' focus in these markets will have an additional financial advantage because they understand the customer-market need better, so they can design products to meet the need more effectively and go to market more efficiently. There are a lot of other great impacts to what we're doing in terms of supporting gender-diverse management teams and supporting environmental and human health improvement. However, the main goal is to pursue top-tier venture capital returns because this is a blind spot in the economy.

TIJ: What is the fund's investment criteria?

SB: Our model is to invest from our \$20 million fund into about 12 portfolio companies with initial check sizes between \$250,000 to \$500,000, keeping two-thirds of the investment capital for follow-on rounds. We have invested in a company that had a prototype without any revenue and we invested in a company that was already generating revenue. So, revenue generation is not the specific criteria for us. We look at the type of multiple that we believe we can get at an exit. We are looking for companies with acquisition exit pathways in roughly three to five years in the \$50+ million valuation range. We also look at the capital need going forward: how much capital do we think they need, how many rounds are they going to raise, how much are we able to participate, who are the potential acquirers that would look to acquire this company, what do they value, what are they buying companies for, how do they calculate their valuations, are they buying IP, are they buying the team, the channels, or whatever it might be. We really try to understand what we think the company will get acquired for and how long it is going to take to build that value. We are often looking at companies that don't need series B, C, and D and that are being as capital efficient as possible looking towards building the value required for an acquisition. The majority of acquisitions occur after seed and Series A. Most valuations are at somewhere north of \$50 million but south of \$100 million. Our model is designed around the data showing this is where most acquisitions happen.

“We are looking for companies with acquisition exit pathways in roughly three to five years in the \$50+ valuation range.”

From having lots of discussions with other venture capital firms and corporate VCs, there is increasing interest in the data that women-led companies perform better. FirstRound Capital, one of the most prolific seed investors, looked at its decade of investing and found that companies with at least one woman founder had at least 63% higher returns than their all-male founding teams.

We are seeing a lot of interest from both corporate VCs and later stage VCs that say, “Please bring us your deals.” They are not seeing women-led deals. Unfortunately, only around 2% of venture capital dollars are going to female-founded teams. With all the sexual harassment issues in the VC industry, we are hearing a lot of VCs being counseled to not even meet with women entrepreneurs because of the potential for reputational risk. If you are investing in the early stage, it makes sense to invest with people you know, with whom you have done business and who are in your network. We relate to certain people because they might look like us, go to the same country club, have gone to the same college, have family relationships. With about 99% of investment decision makers in venture capital being men, there are a lot of women-led deals that are not going to these traditional VCs—maybe they've tried and gotten burned, heard stories from their friends, or in some cases, were told, “Sorry, we don't invest in women.” We are seeing a lot of deals that those other VCs are not. Some of our own limited partners invested with us because they know we are seeing deals that they will likely not see because of the nature of us calling out women entrepreneurs.

TIJ: True Wealth Ventures has announced two investments so far, UnaliWear and BrainCheck. Can you tell us about the process behind those two investments and your investment process in general?

SB: In terms of deal flow, we have not been doing a lot of proactive deal sourcing other than traditional table stakes judging business plan competitions and mentoring at co-working spaces because we have been fundraising up until the end of January. We are currently really focused in Texas; however, we are planning to invest across the U.S.—40% of our deal flow is within Texas. Texas is a fantastic state for badass women; we have very strong women in Texas. We won a grant through the US EDA as part of their regional development strategy to seed funds in regions that were underdeveloped for venture capital. We applied with our region being women entrepreneurs.

We were granted \$250,000 to help market to women entrepreneurs and help launch the fund. We are finally turning our attention to proactively sourcing deals. Even without proactive sourcing, last year we saw 600 deals, 90% of which had a woman of significant decision-making influence, over 50% fit our market focus. We have hired two MBA venture fellows out of a fantastic program, that have been helping us sort through these deals and help with due diligence.

“In each of our first two investments it is such an advantage to have women CEOs.”

I think it speaks to the fact that we are calling out women and they are literally coming out of the woodwork. We do a pretty traditional due diligence process with the added lens of how the company is strategically leveraging the women on their founding or management team.

In each of our first two investments it is such an advantage to have women CEOs. UnaliWear is a smartwatch company for seniors. The main features of the product prevent against wandering, provide medication reminders and fall detection services. The CEO, Jean Anne Booth, is a serial entrepreneur with an outstanding track record. She has sold companies to Texas Instruments and Apple. Her mother was aging and would not wear the “I’ve fallen, and I can’t get up” necklace, which is still somehow state-of-the-art. Jean Anne was shocked that there had been almost no innovation in this massive market that has kept up with current technology. It is a great example of something that is not necessarily just a women’s issue, but it is seen differently through the thought process of women, who are most likely to be the primary purchasers or caregivers. The users are mostly women too, given that on average they live longer and live independently longer.

Our second investment, BrainCheck, was founded by Yael Katz along with a fellow neuroscientist, David Eagleman, based on over ten years of research. They take gold standard tests that you would take in a neurologist’s office for cognitive health assessments and digitize them, so you can take the same test in 5 to 10 minutes on your phone, tablet, or computer versus having to make an appointment with a neurologist, which most people will not do unless there is an existing serious issue. Again, this is not specifically just a women’s health issue; however, having a woman CEO’s perspective in this market is very

interesting because almost 100% of the brain research to date has been on male brains. A lot of research is on concussions related to sports and football; however, it happens that women are 1.5x more likely to get a concussion from a sports-related injury than men and they do not recover as well. With women making healthcare decisions, this is mother’s buying this for their athletic children, daughters/daughters-in-law purchasing these tests for aging parents—70% of healthcare workers are women, two-thirds of dementia and Alzheimer’s patients are women. It affects more women, so a woman’s perspective in leadership is critical.

The venture capital community is so insular in terms of the same type of people investing in the same type of companies. What I see now is that there is only a certain problem set that is being solved for because a certain portion of the population making investment decisions is quite similar to the population receiving the venture capital dollars. There are so many problems that are not even getting solved today. That’s another huge advantage of having a more diverse team because women or people of other diverse backgrounds see different problems. There are real problems in society that I tend to see as more critical to environmental and human health than a lot of the other problems that are getting venture funding today. It is an interesting impact thesis.

“The venture capital community is so insular in terms of the same type of people investing in the same type of companies”

TIJ: What was the process of raising the fund?

SB: Over 80% of our limited partners are women—from what we’ve heard, that’s unprecedented. When we started fundraising we were told by a bunch of people, “Don’t even waste your time talking to women because they don’t invest in venture capital; they are risk averse; they don’t understand capital call structures; they are usually really focused on philanthropic efforts.” There was a serious bias against women investors. Our first close was evenly split between women and men, but then the women who invested really opened their networks and introduced us to other women that had the capacity to invest. We are the only venture capital fund with a gender lens that that we can find in the Global Impact Investing Network (GIIN) database.

TIJ: Given your experience, do you have any advice or guidance to colleagues that are still missing these blind spots?

SB: I do not think it is men against women—it is culture against women. When women entrepreneurs are in front of both men and women investors they rate them the same. Investors need to realize there is a serious cultural bias going on. There is some great work out of Columbia Business School analyzing the TechCrunch pitch competitions, looking at the questions that investors ask women versus men. They consistently ask men “promotion” questions and consistently ask women “protection” questions. This fundamental bias sets different expectations of the growth and risk potential. Being conscious of these issues as an investor, manager and colleague is critical. There is a lot of proactive work that we all need to do to level the playing field and get our fair share of the talent that's out there.

“I do not think it is men against women—it is culture against women.”

In the corporate world, mandating that there's a diverse slate of candidates applying for a job, pulling women up in the organization saying I want you to apply for this job, supporting women's ideas and opinions in meetings are all ways to have an impact. It has been shown that diversity, not just gender diversity, but ethnic, background, age, etc. really increases the quality of problem-solving and innovation. Especially when dealing with venture-backed investments, it is so critical. You are trying to optimize innovation in order to outperform financially. It is really worth being aware of and understanding how to be conscious of it and support more diverse teams.

If you would like to learn more about True Wealth Ventures, please visit: <http://truewealthvc.com/>

Selected Investors with a Gender Lens



Firm	Fund Size	Description	Criteria	Selected Portfolio
 FACTOR VENTURES <small>A FLYBRIDGE COMMUNITY FUND</small>	\$3M	Pre-seed and seed stage fund; sponsored by Flybridge Capital Partners, which provided 20% of the fund's capital. Investment team comprised of female VC-funded entrepreneurs.	One time \$100K investment for companies with at least one female founder on the team and a billion dollar market opportunity.	Clara, Courtbuddy, the beans, everywear
 BACKSTAGE CAPITAL	\$5M	Early stage venture fund with a focus on tech. LPs include Marc Andreessen, Susan Kimberlin (formerly of Salesforce), Leslie Miley (formerly of Twitter), and Lars Rasmussen (co-creator of Google Maps).	\$25,000 to \$100,000 investments in companies with a founder who identifies as a woman, PoC or LGBT person in the U.S.	Mahmee, Drop, Filament, NailSnaps
 FEMALE FOUNDERS FUND	\$5M	An early-stage fund investing in the exponential power of exceptional female talent.	Companies in the sectors of e-commerce, web-enabled products and services, marketplaces, and platforms.	Thrive Global, Maven, WayUp, Tala
 TrueWealth VENTURES	\$19M	Early-stage venture fund investing in women-led businesses in consumer health, sustainable products and technologies.	Investments between \$250,000 and \$500,000 companies with acquisition / exit pathways in roughly three to five years in the \$50+ million valuation range.	BrainCheck, UnaliWear
 WOMEN'S VENTURE CAPITAL FUND	na	Capitalizes on the expanding pipeline of women entrepreneurs leading gender diverse teams and creating capital efficient, high growth companies in digital media and sustainable products and services.	Focused on the sectors of digital media and sustainability; early stage companies with market traction; West Coast based; capital efficient; scalable; gender diverse team.	Vow to be Chic, Newsela, OMNI Retail Group, EdSurge
 SO fIA FUND	na	Investing in exceptional, women-led early stage growth businesses.	Invests \$100K-\$500K in companies in IT, business products and services, health and wellness, clean technology or other tech areas; ideally there are no more than 2-3 subsequent funding rounds and exits are within 3-5 years.	Kidizen, Oculogica, Landit, Rebiotix
RETHINK IMPACT	\$112M	Largest US-based impact venture capital firm with a gender lens that invests in female leaders using technology to solve the world's biggest problems.	Invests in tech-driven, gender diverse leadership teams that are tackling challenges in health, the environment, education, and economic equality.	Ellevest, Everfi, change.org, Angaza
 intel Capital	\$125M	The diversity fund is an initiative of the corporate venture capital arm of Intel.	Either a startup's CEO/founder, or 3+ members of its senior management team, must be women or African Americans, Hispanics, Native Americans, LGBTQ, entrepreneurs living with disabilities, or military veterans; global focus; focus on tech across a range of industries.	Brit + Co, KiraKira, Griti, Cosy

Sources: Project Sage: Tracking Venture Capital with a Gender Lens, B Lab, Company press releases, Company websites

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The Impact Journal provides insights into trends in the capital markets, mergers & acquisitions and corporate finance for social enterprises and impact capital. We consider a social enterprise any company that uses its commercial business to intentionally create positive social and environmental impact in connection with financial success.

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