The Hidden Dynamics of Venture Funding for Women Founders

Insights from 900 founders across 127 countries on the evaluation patterns shaping investment outcomes

Aurora Ventures
by inDrive

CONTENTS

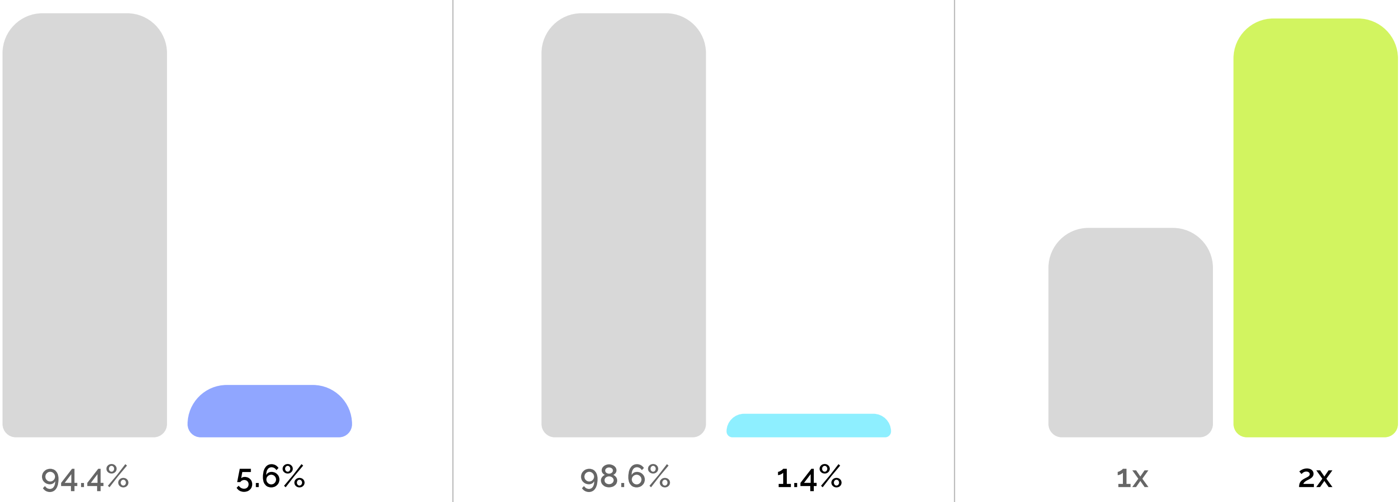
INTRODUCTION

Despite decades of progress in entrepreneurship, venture capital allocation remains deeply uneven. All-women founding teams accounted for **5.6% of global VC deals in 2025** yet received just **1.4% of total VC funding** — a persistent gap that has shown little structural improvement over the years.

This disconnect is especially striking given the returns: all-women-founded companies represented **6.2% of global VC exit value** in 2025 and can generate **up to 2x more revenue per dollar** invested.

> *5.6%* of deals, *1,4%* of capital
> *2x* the return per dollar

SHARE OF VC DEALS | **SHARE OF VC FUNDING RECIEVED** | **REVENUE PER $ INVESTED**



Women-led teams participate in **1 in 18 deals**

Recieve only $1.4 per $100 of total VC capital

Generate twice the revenue per dollar invested

The most undefunded group is also the most capital-efficient

4X funding gap | 2X revenue returns

THE GAP ISN'T ACCIDENTAL. IT'S STRUCTURAL

In many emerging markets, access to capital is even more constrained. Conversations about gender gaps in funding often focus on outcomes, yet far less attention is paid to the structural mechanisms that continue to shape them.

This research maps the systemic bias points embedded in fundraising processes, drawing on:

900+ founder narratives analyzed

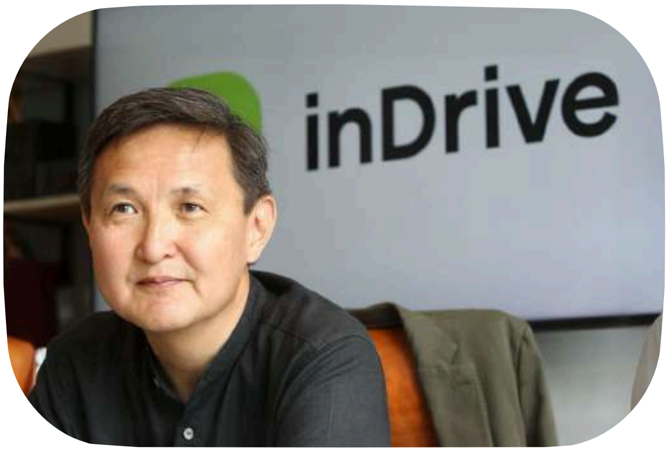
127 countries represented

By translating lived experience into structured analysis, we aim to provide founders, investors, and ecosystem builders with a clearer understanding of where inequality is reproduced and where meaningful leverage for change exists.

ABOUT AURORA VENTURES

Aurora Ventures is an early-stage investment program backing women founders in emerging markets – those building high-traction businesses that traditional venture capital has consistently overlooked.

Built on four years of operating the Aurora Tech Award – one of the world's largest pipelines of early-stage women founders outside traditional venture networks, with applications **growing from 116 in 2021 to 3,400 in 2025.**



Not your *typical VC*

Aurora Ventures launches with backing from inDrive, who reached unicorn status by backing itself against larger, better-funded competitors.

Now a global platform operating across 48 countries – including the same emerging markets Aurora invests in – it backs Aurora Ventures on the same conviction: that overlooked operators in emerging markets can become market leaders.

ABOUT THE STUDY

As part of the 2026 Aurora Tech Award application cycle, founders were invited to share open-text responses describing the specific challenges they encountered during their fundraising journeys.

This approach allowed us to capture real, lived experiences, without predefined options or leading prompts.

DATA & METHODOLOGY

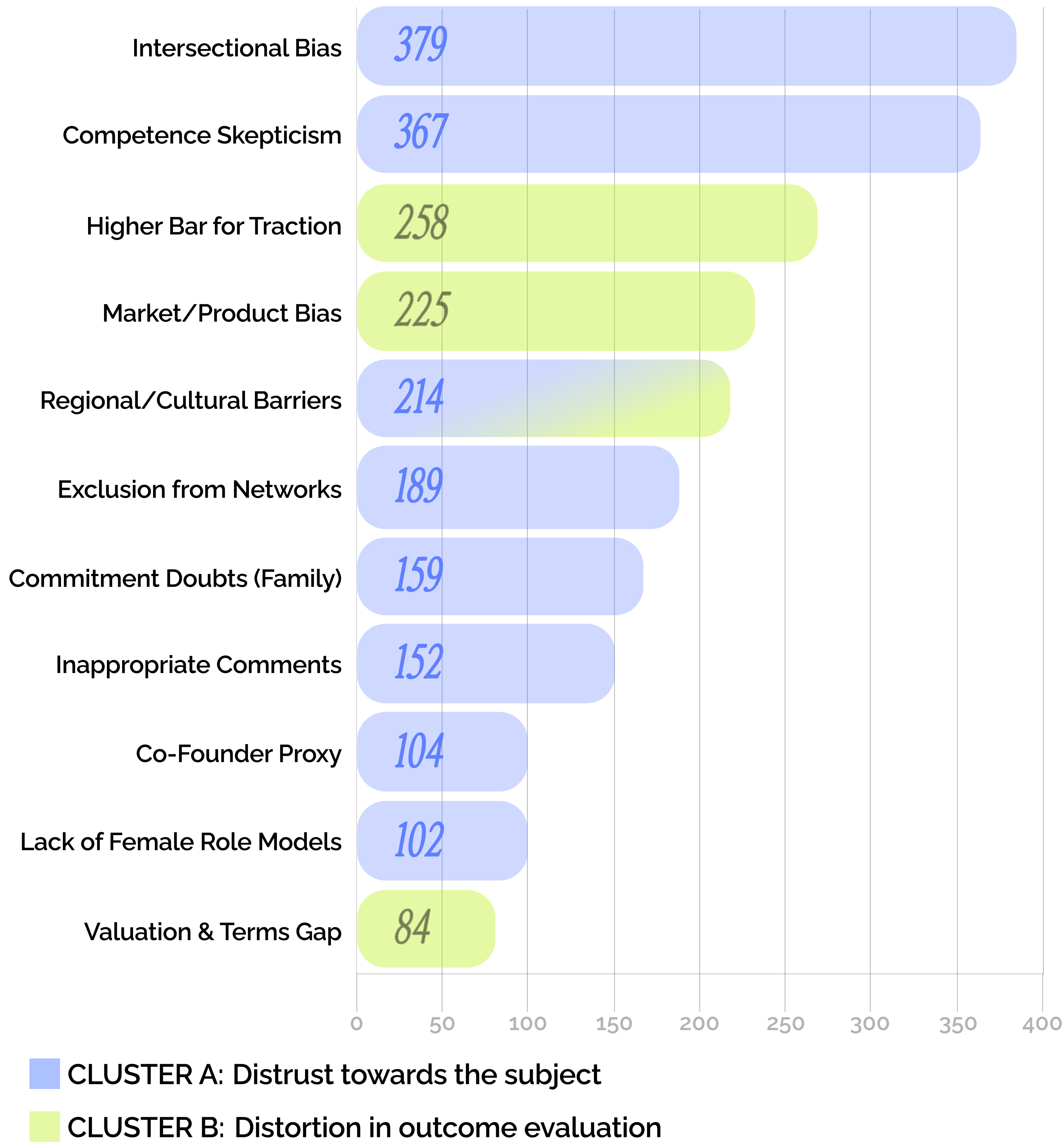
We analyzed 900+ detailed qualitative responses, representing approximately 26% of all applicants.

Approach	Founders described barriers in their own words, without prompt bias
Data format	Unstructured, open-text responses
Method	Thematic qualitative analysis

MOST FREQUENTLY REPORTED FUNDRAISING BARRIERS

To make sense of the unstructured data, responses were systematically coded and grouped into the most frequently recurring systemic barriers identified across the dataset.

Number of mentions in 900+ open-text responses across 127 countries



THE 5 MOST PROMINENT BARRIERS

The analysis revealed five systemic barriers most commonly faced by female founders during fundraising:

1. *Intersectional Bias*

Bias intensifies when gender intersects with age, geography, ethnicity, or socioeconomic background.

2. *Competence Skepticism*

Persistent doubt about women's ability to lead tech-driven companies and scale ventures

3. *Higher Bar for Traction*

Women are required to present stronger, more "proven" metrics to earn the same level of trust men often receive at earlier stages

4. *Market and Product Bias*

Female-led ventures in Femtech, Health, EdTech, and impact sectors are frequently dismissed as "niche" or "unscalable."

5. *Regional and Cultural Barriers*

Local legal constraints, safety concerns, social norms, and economic instability further compound fundraising challenges

TWO CORE CLUSTERS OF FUNDRAISING BARRIERS

All identified barriers fall into two distinct but interconnected clusters, reflecting how founders are perceived and how their results are evaluated

Cluster A

Distrust Toward the Subject

"Who Are You?"

379 | **Intersectional Bias**
Bias intensifies when gender intersects with age, geography, ethnicity, or socioeconomic background.

367 | **Competence Skepticism**
Persistent doubt about women's ability to lead and scale

Cluster B

Distortion in Outcome Evaluation

"What You Show?"

258 | **Higher Bar for Traction**
Same metrics judged by a more stringent lens

225 | **Market / Product Bias**
Female-led ventures dismissed as "niche" or "unscalable"

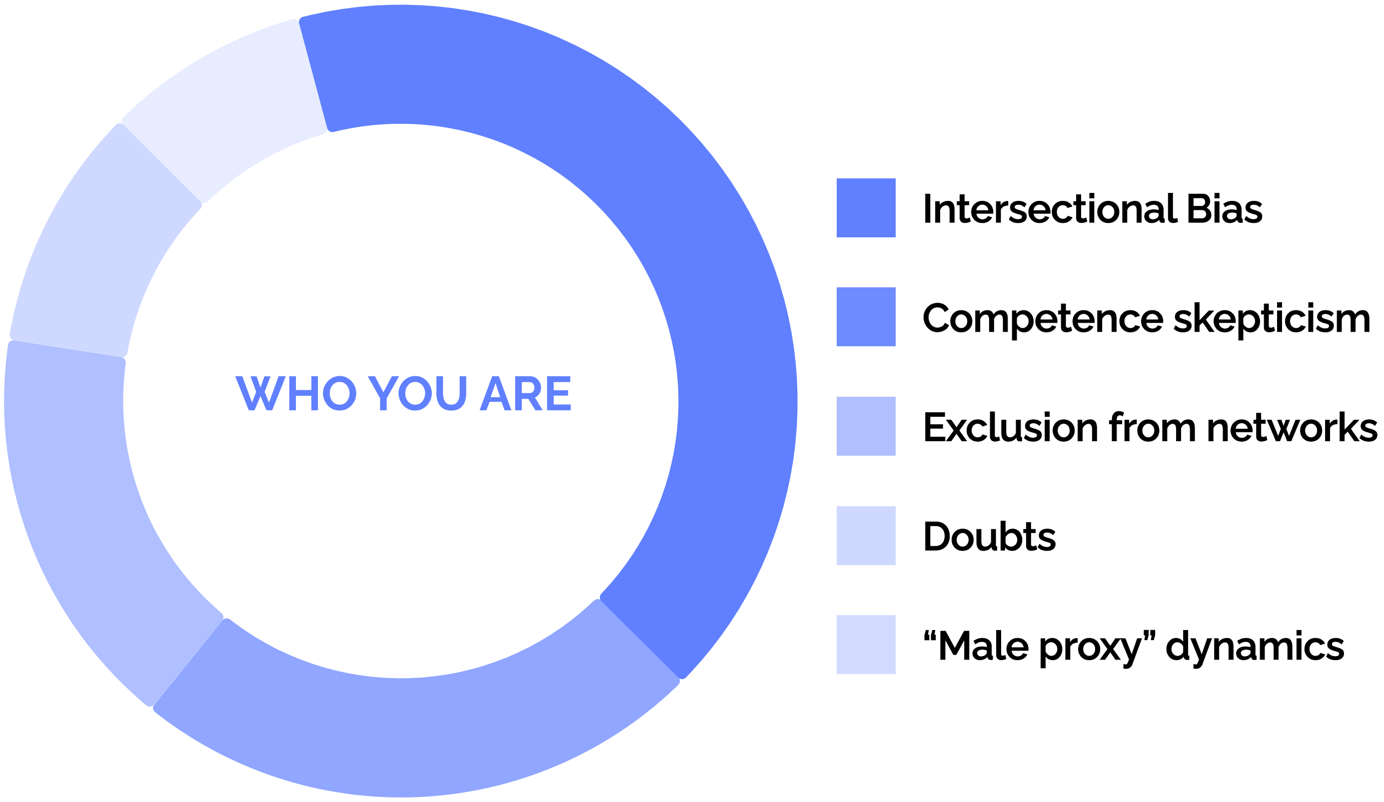
Cross-cutting factor

Regional/Cultural Barriers

214 | Local legal constraints, safety concerns, social norms, and economic instability further compound fundraising challenges.

CLUSTER A: DISTRUST TOWARD THE SUBJECT

This cluster captures barriers rooted in skepticism toward the individual founder, rather than the venture itself



> The underlying mechanism is a persistent questioning of legitimacy: whether the founder is a "real" entrepreneur, expert, or leader

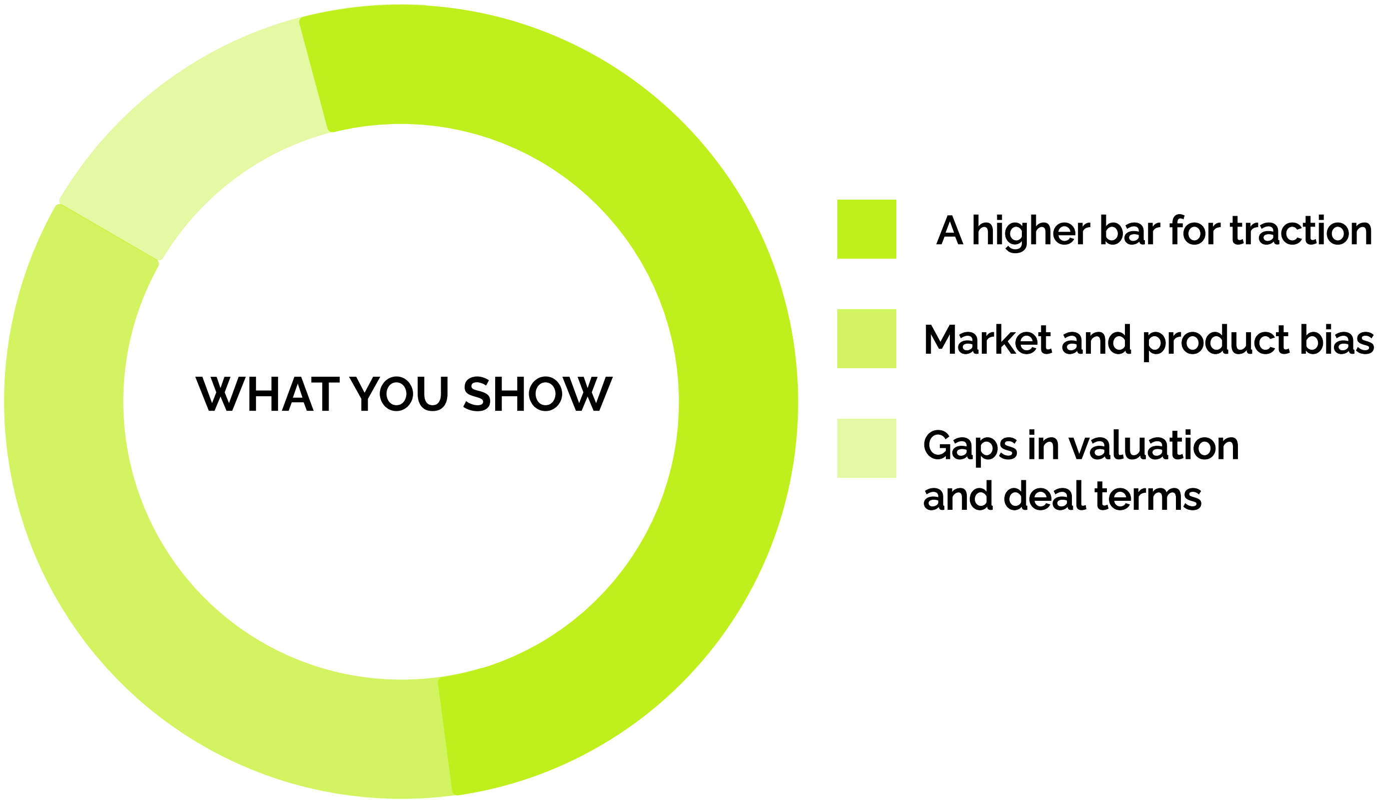
Competence is not assumed by default and must be repeatedly proven. Authority and responsibility are often implicitly shifted to a male presence within the team, who acts as a credibility proxy.

At the same time, evaluators project future risks onto the founder — particularly around family responsibilities, caregiving, or reduced commitment over time.

These dynamics reinforce one another, resulting in a structurally higher threshold for recognition and trust, independent of actual venture performance.

CLUSTER B: DISTORTION IN OUTCOME EVALUATION

This cluster focuses on how identical or comparable outcomes are interpreted differently depending on who the founder is



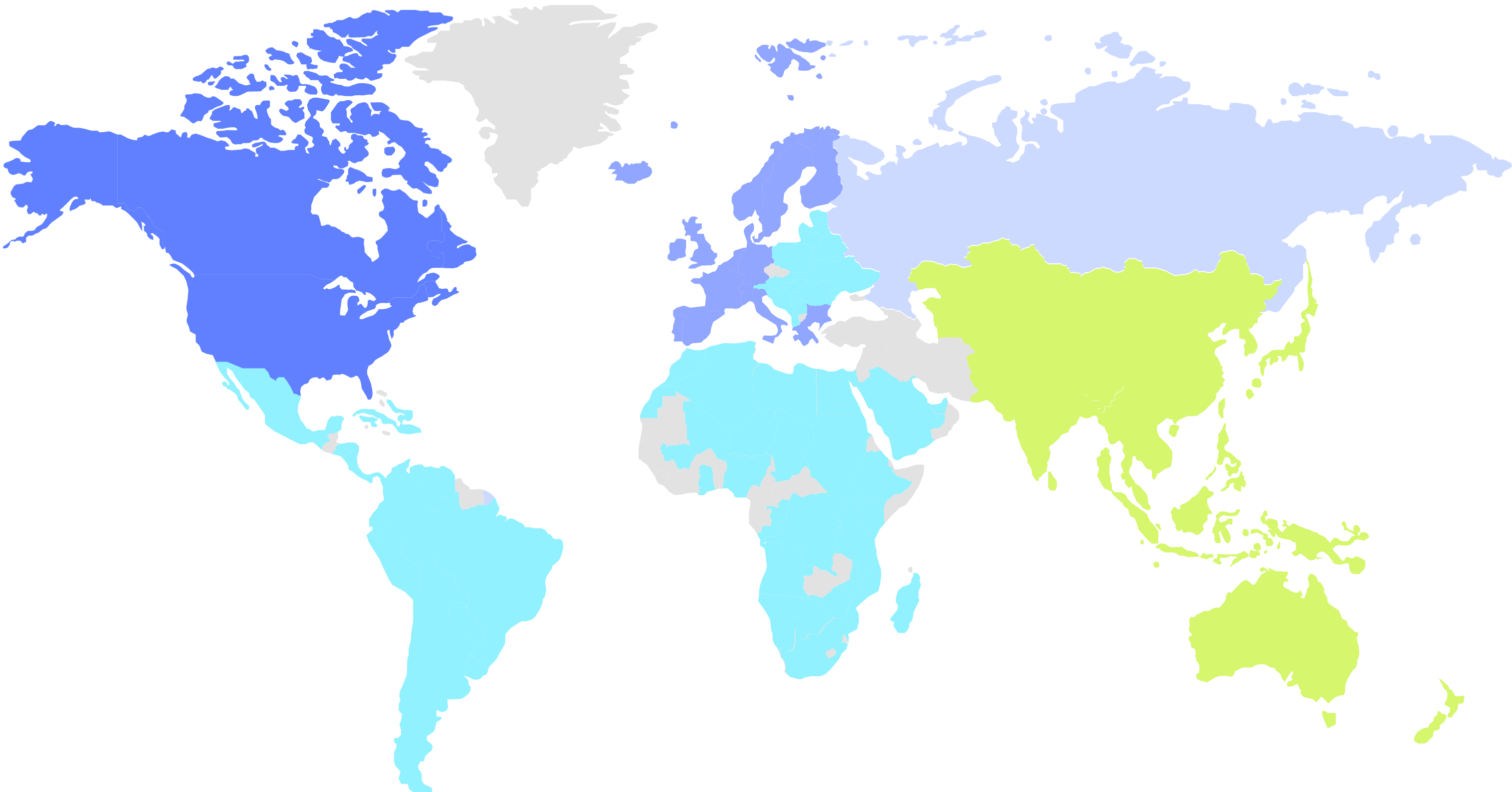
> The core mechanism here is evaluative asymmetry: the same metrics are assessed using a more stringent interpretive lens

Growth trajectories that are considered satisfactory or promising for some founders are deemed insufficient for others. Markets are more frequently labeled as “niche” or limited, even when objective indicators suggest comparable scalability.

Importantly, this cluster does not reflect weaker performance. Instead, it reveals the application of a different evaluative scale, leading to systematically discounted assessments, lower valuations, and less favorable investment terms despite equivalent evidence.

GEOGRAPHIC DISTRIBUTION:

Cluster presence and barrier intensity across 127 countries



CLUSTER A: Distrust towards the subject

CLUSTER B: Distortion in outcome evaluation

Both clusters

No data

275	North America	Cluster A
212	MENA	Both clusters
132	Latin America	Both clusters
92	APAC	Cluster B
62	Western Europe	Cluster A
29	CEE	Both clusters
20	CIS	Cluster A

COUNTRY-LEVEL SUMMARY OF FINDINGS

Latin America (LATAM)

BRAZIL

Founders face severe Regional/Cultural Barriers due to high interest rates and bureaucracy, which investors use to justify risk aversion toward women. Intersectional Bias is prominent for women from peripheral regions or racial minorities, who face a "double bias".

There is also a strong Co-Founder Proxy issue, where technical questions are directed to male employees rather than the female CEO.

COLOMBIA

A dominant theme is Market/Product Bias, where women-led startups are frequently mislabeled as "social businesses" or foundations rather than scalable ventures. Commitment Doubts are also visible; in one case, a husband had to wear a company t-shirt to events to validate the business to investors. Single mothers face specific exclusion from credit markets.

MEXICO

Founders report Market/Product Bias where social impact projects are perceived as "charity". Co-Founder Proxy issues are reported, with conversations steered toward male partners to provide "visibility".

ARGENTINA

Competence Skepticism is high in deep-tech; investors struggle to believe women can lead companies at the intersection of AI and biology, viewing biotech as a "male-led" space.

CHILE

Femtech and women's health are often dismissed as "niche" (Market/Product Bias), particularly regarding menopause. Neurodivergent founders report specific Competence Skepticism.

Sub-Saharan Africa

NIGERIA

Reports of Inappropriate Comments are severe, with founders documenting explicit requests for "sexual compensation" in exchange for funding. Higher Bar for Traction is systemic; women are asked to prove revenue metrics while men receive funding on ideas alone. Regional/Cultural Barriers in the Northern region include pressure for women to remain as housewives.

KENYA

Inappropriate Comments include investors treating pitches as dating opportunities or asking for sexual favors. There is a compounding Intersectional Bias where the "Africa Risk" is added to "Gender Risk," making capital scarce. Competence Skepticism leads to questions about whether a woman can handle the technical or "tough" logistics of the market.

SOUTH AFRICA

Intersectional Bias is complex, involving race and Black Economic Empowerment (BEE) policies; funders often prioritize specific demographics or exhibit colorism. Competence Skepticism is high for women in hardware and clean-tech.

GHANA

Founders report Competence Skepticism where investors claim "no founder-product fit" despite significant experience, funding male peers with less finished MVPs instead.

EGYPT

Regional/Cultural Barriers are tied to religious dress and social norms. Wearing a hijab can be a barrier to funding, though others note it invites scrutiny when not worn. Commitment Doubts involve intrusive questions about a husband's ownership, funding, or permission to operate the business.

Middle East & North Africa (MENA)

UAE

Commitment Doubts and Co-Founder Proxy are prevalent. Investors have asked if the husband "owns" the company or suggested dinner with the investor's wife for "approval". A male presence in the room often results in the business being taken more seriously.

SAUDI ARABIA

Investors show Competence Skepticism, often underestimating female-led startups and making the fundraising process significantly slower.

TUNISIA

The ecosystem is described as a "boys' club" (Exclusion from Networks), where the same names receive funding repeatedly. Founders report needing a male co-founder to validate product feasibility.

Asia-Pacific (APAC) - Emerging Markets

INDIA

The Commitment Doubts (Family) cluster is the primary screener. Unmarried founders are asked if they will quit after marriage; married founders are asked if they are "done" having children. Regional/Cultural Barriers include banking sectors demanding collateral that women often do not own.

INDONESIA

Market/Product Bias exists where investors prefer women to stick to "feminine" sectors like fashion or food, rather than tech.

VIETNAM

Market/Product Bias is reported in the dismissal of menstrual health products as "niche" or uncomfortable topics for male investors.

Asia-Pacific (APAC) - Emerging Markets

PAKISTAN

Regional/Cultural Barriers include security and mobility restrictions that prevent physical meetings with investors. Market/Product Bias is strong against "handmade" or creative businesses, which are dismissed as unscalable hobbies. Commitment Doubts regarding marital status and children are routinely used as screeners.

Central & Eastern Europe (CEE) & Central Asia (CIS)

UKRAINE

Regional/Cultural Barriers are dominated by war. Displacement and geopolitical instability make fundraising nearly impossible for women who are already viewed as high-risk. Inappropriate Comments are reported, with men feigning investor interest to make personal advances.

KAZAKHSTAN

Competence Skepticism is high in deep-tech/AI, which are viewed as "male" fields. Regional/Cultural Barriers include the "Tall Puppy" syndrome, where women are discouraged from raising their professional skills above men. Pregnant founders report pressure to hide their pregnancy to avoid Commitment Doubts.

ARMENIA

Competence Skepticism exists regarding the maturity of specific technologies (e.g., emotion recognition) when led by women.

THEIR WORDS. UNEDITED

The "Male Proxy" Phenomenon

My husband often goes to events with me wearing a company t-shirt, even after pitching when I come down the stage people approach him to congratulate and/or discuss about our business.

– HealthTech, Colombia

Casual Competence Skepticism

In one of my early fundraising meetings, an investor smiled and said, “Your idea is strong... but scaling this as a woman will be tough.” He said it so casually, like it was common sense. I walked out smiling, but it sat with me for days.

– Age-tech/Silver Economy, India

Market Bias & The "Uncomfortable" Product

Most VCs are chasing tech-driven, male-led startups, and anything 'feminine', let alone periods is often dismissed as niche or uncomfortable.

– Wellbeing & RetailTech, Vietnam

Deep Tech & The Co-Founder Requirement

In the last 6 months I have pitched to 28 investors... 12 male investors asked me within the first 5 minutes: “Are you technical enough to lead a deeptech company?” or ‘Where is your male cofounder.

– Medical HealthTech, Kenya

The "Triple Work" Standard

In our culture, people often believe women can't run businesses... I face doubt, judgment, and constant comparison — not because of my work, but simply because I am a woman. I need to work triple compared to men just to prove my worth.

– TravelTech, Pakistan

Science vs. Gender Bias

We've often faced skepticism during fundraising, not about the science, but about whether women can lead a company at the intersection of AI, biology, and business. Many investors still perceive biotech as a "male-led" space.

– Biotech & AI, Argentina

The "Hidden Mother" Burden

VCs do not usually tell you, but they tend to question capability and time. I am always having to hide my children, my love for cooking meals and being present in their events as it is seen as a waste of my time.

– Medical HealthTech, Mexico

Exclusion from Closed Networks

Investment in Tunisia's ecosystem feels compromised. The same names keep getting funded, while most founders don't even get the chance to pitch.

– Logistics & Supply Chain, Tunisia

THE GAP IS NOT A TALENT PROBLEM.
IT IS AN ARCHITECTURE PROBLEM

The 900+ narratives collected in this study do not describe exceptions. They describe a system. Bias compounds across identities, geographies, and evaluation points — not randomly, but structurally. The same outcomes are read differently. The same metrics carry different weight. The same ambition meets a different bar.

FOR LPS AND FUNDS: The 1.4% capital / 6.2% exit value gap persists not because the opportunity is absent, but because the mispricing is structural and self-reinforcing. Allocation to gender-lens funds is not an impact concession. It is an alpha play on a systematically underpriced asset class. Introduce blind metrics review at the first stage: evaluate traction without the founder's name or photo

FOR INVESTORS: The evaluative bias identified here is a performance risk, not just an equity concern. Replace open-ended questions about family with a standardized commitment scorecard applied equally to all founders. Introduce blind metrics review at first stage. Consistent mispricing of the same asset class has a measurable cost.

FOR FOUNDERS: The obstacles you face are not a reflection of your capability. They are named, documented, and shared across 127 countries.

> Women founders are not the world's biggest risk.
> *They are its most overlooked return*