January Ventures

7th EARLY STAGE FOUNDER SENTIMENT REPORT

The 7th Annual January Ventures' Founder Sentiment Survey reveals that founders are choosing to build optimistically even in the face of challenging trends.

With this year's data finding that optimism about raising capital is at its highest point in seven years, more founders than ever say that AI is central to their business model and that the gender gap in fundraising sentiment has effectively closed for the first time since we began tracking it.

Our mission at January Ventures is to make venture capital more accessible and transparent to the outlier founders who will define our future. This year's data shows that these founders are building independent of whether the systems meant to support them have kept pace or not.

We surveyed 482 founders. Of those surveyed, 32% had not yet begun to raise capital, 52% had raised an angel or pre-seed round, 14% had raised a seed round, and 1% had reached Series A.

Our respondents varied widely in age, with 32% under 30 and nearly 10% over 50. The UK and US made up the majority of respondents with 31% and 50%, respectively. 37% of respondents identified as women, and 53% of respondents identify as people of color.

KEY INSIGHTS

72%
Feel optimistic about raising capital

8%
Successfully closed a funding round

54% ▸ 38%
Drop in reliance on existing networks from 2023 to 2025

OF 482 FOUNDERS SURVEYED:

CAPITAL RAISED

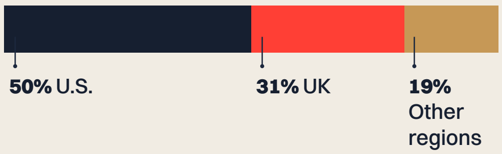
32% Not yet raising

52% Angel / pre-seed round

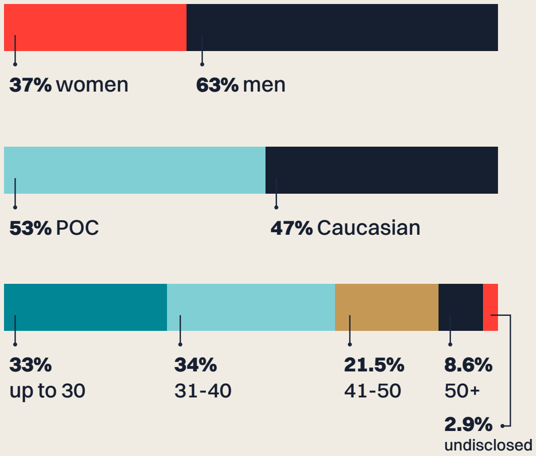
14% Seed round

1% Series A

FOUNDER LOCATION



FOUNDER DEMOGRAPHICS



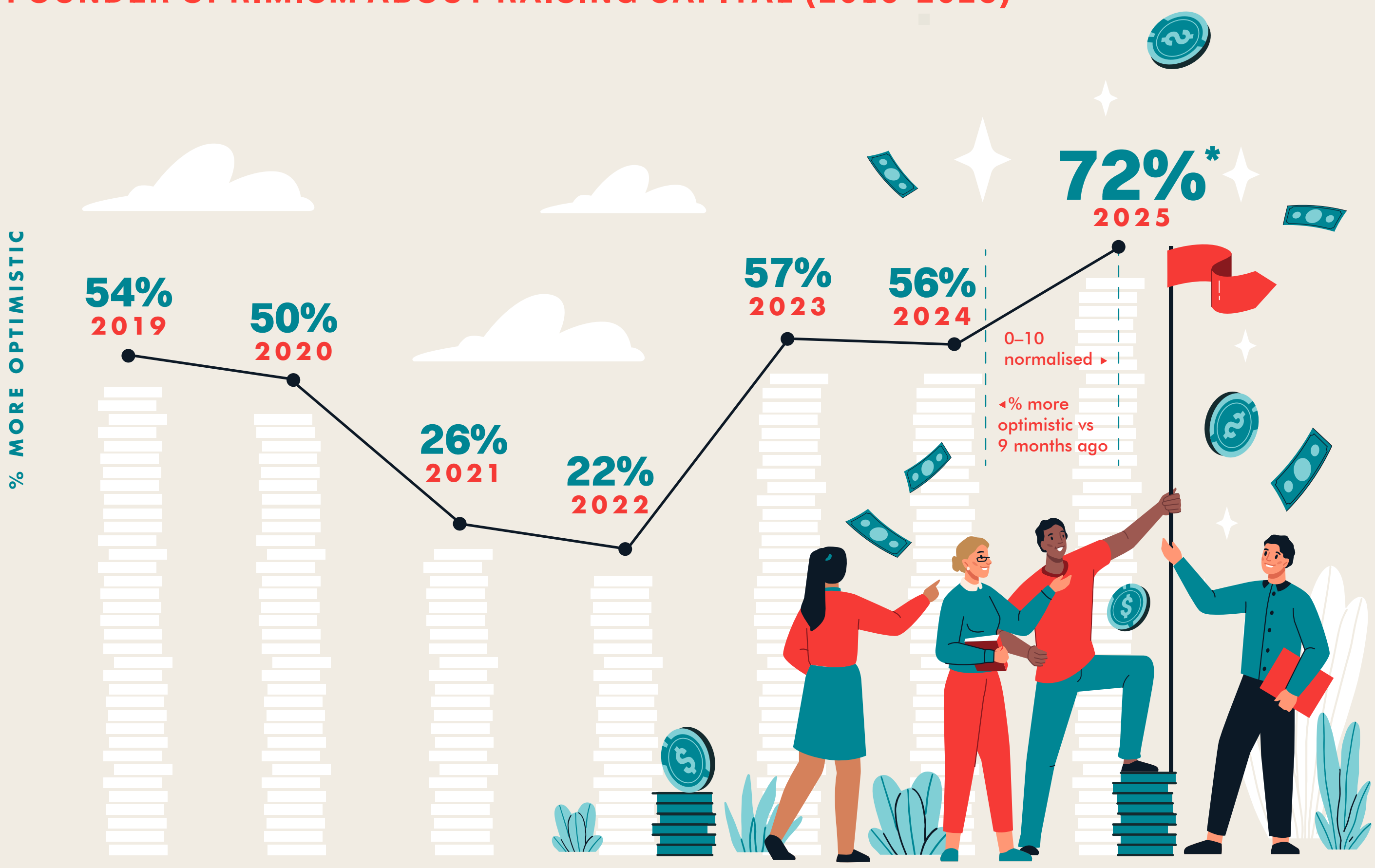
01

Founder optimism has rebounded despite challenges raising capital

Of the 67% of respondents who attempted to fundraise, **only 8% actually closed a round.** The remaining 92% are stuck: 42% encountering difficulty, 39% still in process and cautiously optimistic and 11% have paused entirely.

However, founders score their optimism about raising capital at **7.2 out of 10,** the highest in seven years of tracking. Belief and outcomes are sharply decoupled.

FOUNDER OPRIMISM ABOUT RAISING CAPITAL (2019-2025)

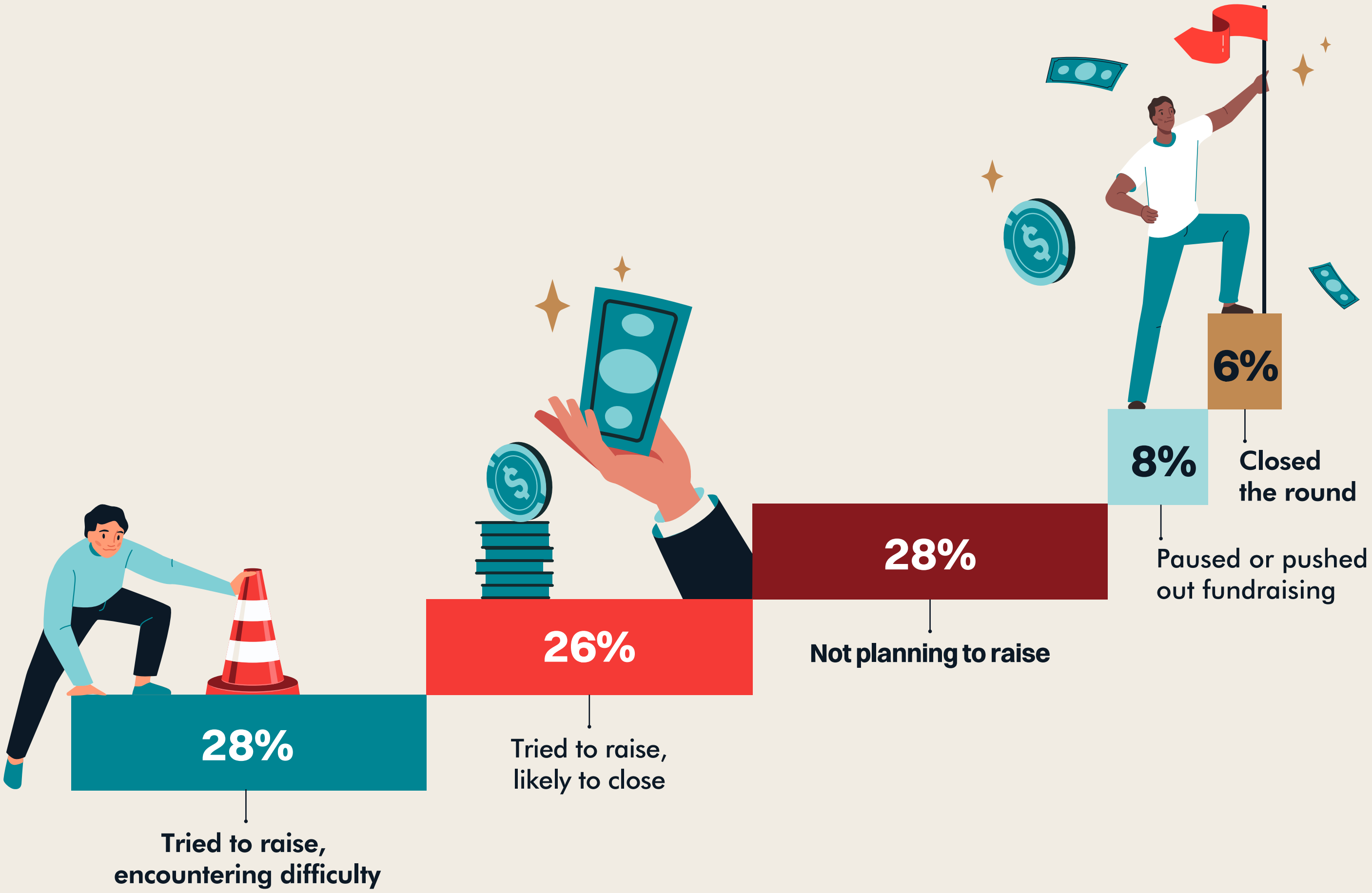


The most revealing number: **28% of founders did not plan to raise at all.** Combined with the 53% who have raised $0 to date, a clear picture emerges: the majority of this founder cohort is operating entirely outside the venture capital system.

A female founder who is bootstrapping shared:

> "The current climate is less forgiving, but more honest. It rewards founders who are close to the problem, build with urgency, and prioritize revenue and durability over hype."

FUNDRAISING STATUS OF RESPONDENTS



02

Building on Empty: The percentage of early stage founders with less than 6 months of runway has risen again

OF STARTUPS WITH <6 MO. OF RUNWAY

54% of founders have less than 6 months of runway. But the more telling figure is what founders themselves say they need to survive the current climate: only **8% think less than 6 months is sufficient.** However, founders score their optimism about raising capital at 7.2 out of 10, the highest in seven years of tracking. Belief and outcomes are sharply decoupled.

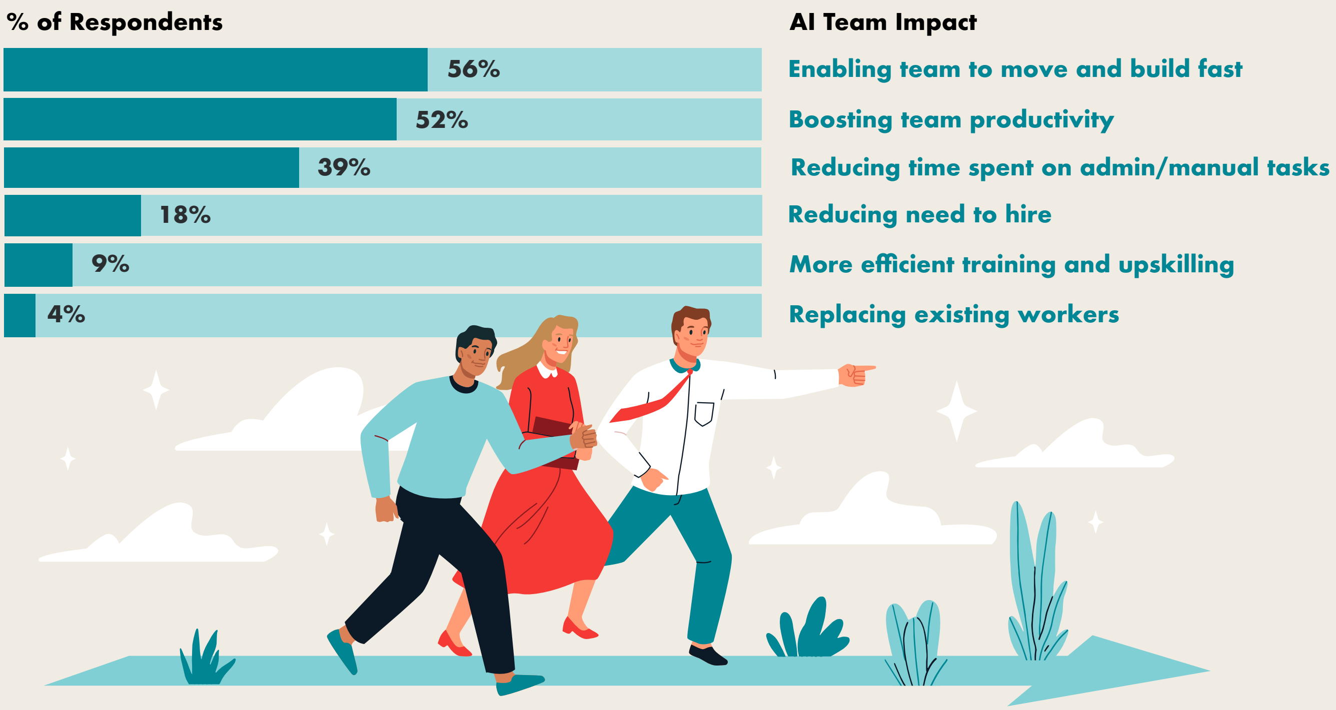
03

For startups, AI isn't replacing people, it's enabling teams to move faster

The average founding team has **3 or fewer people** (true for 57% of respondents). **84% say AI plays at least an important role in their startup, and 60% say it is central to their business model or technology.**

Founders aren't hiring to scale. They are scaling with AI instead.

The effect on teams is concrete:



Notably, those who responded that AI is reducing their need to hire are most likely to be solo founders: **15% of respondents are building entirely alone.** Of solo founders, 53% say AI is central to their model.

A solo male founder building in the Deep Tech space shared:

> "Solo-founders are the future. As a developer with decades of experience I can build faster than a team of a dozen in a day and there's no limit to what I can do. The models are only getting better."

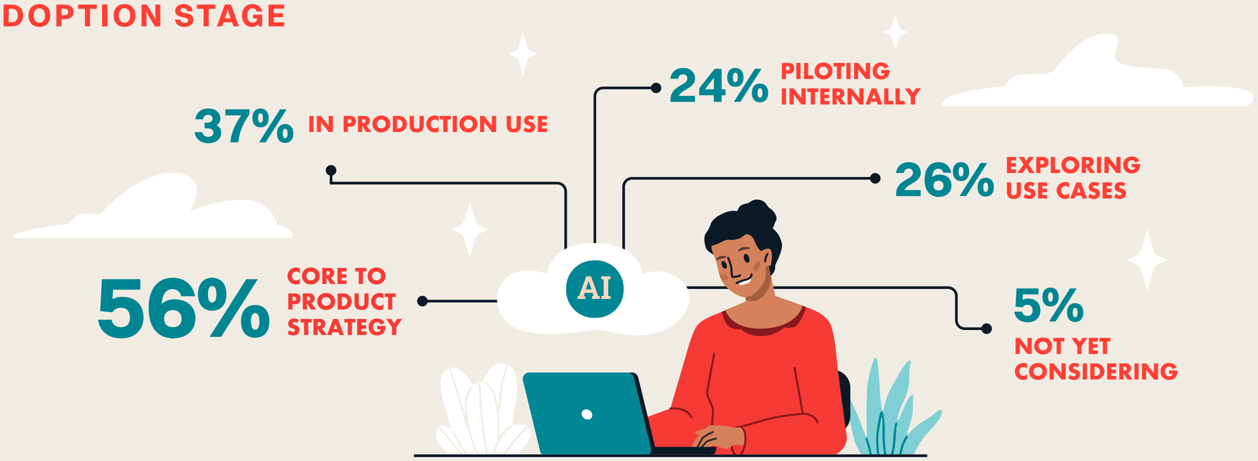
A female founder who has opted not to fundraise said:

> **"As a solo founder, [AI] has improved my velocity significantly, from idea to validation to build."**

Cutting existing team, by contrast, remains marginal at 4% (unchanged from 4% in 2024). The story is not AI replacing humans. Unlike bigger companies, early stage startups don't have workers to cut, so instead AI is a tool to help them move faster.

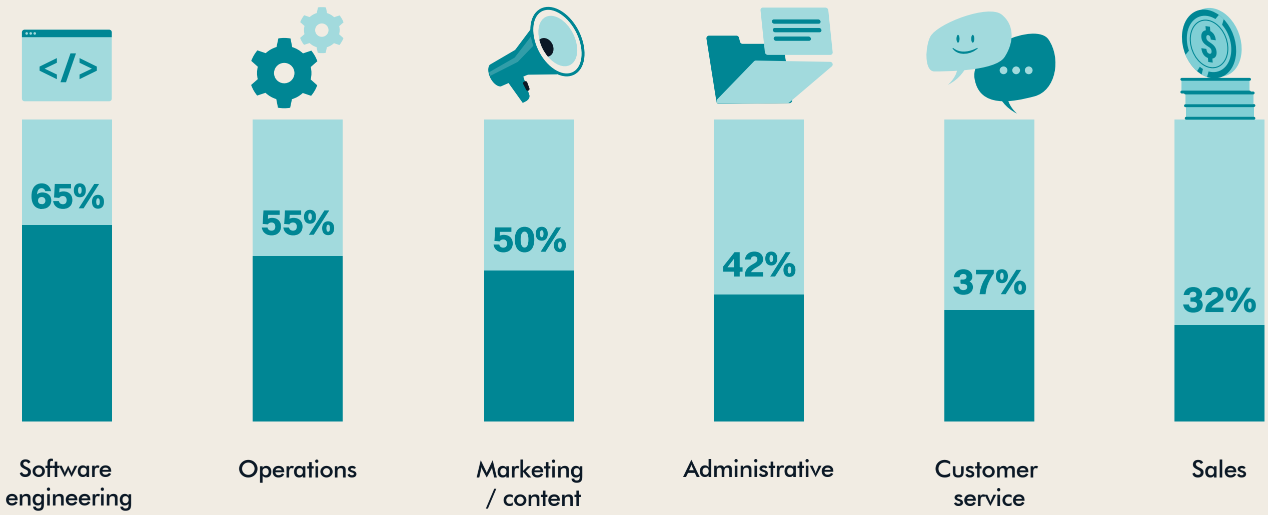
56% of early stage founders have made AI foundational, not experimental. There's an emphasis on adoption depth, not just adoption breadth.

AI ADOPTION STAGE



**Note: these are multi-select.*

WHERE IS AI ACTUALLY BEING DEPLOYED?



04

AI is uprooting pattern of investors backing people they know

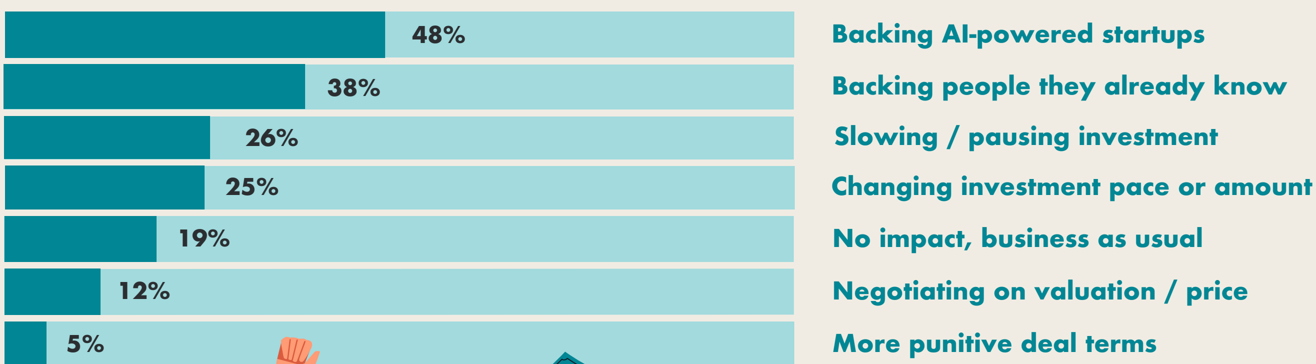
The proliferation and adoption of AI has reorganized the landscape: **48% of founders say investors are backing AI-powered startups**, a behaviour pattern that didn't register in prior years and now ranks as the most commonly observed investor behavior in the dataset.

The pattern that dominated in the past, investors backing people they already know, has pulled back from 54% in 2023 to 38% in 2025. Capital is becoming more accessible to founders outside existing networks.

A male founder who is bootstrapping said:

> “Capital is more selective and disciplined, which favors founders building real, evidence-driven products over hype.”

OBSERVED INVESTOR BEHAVIOUR



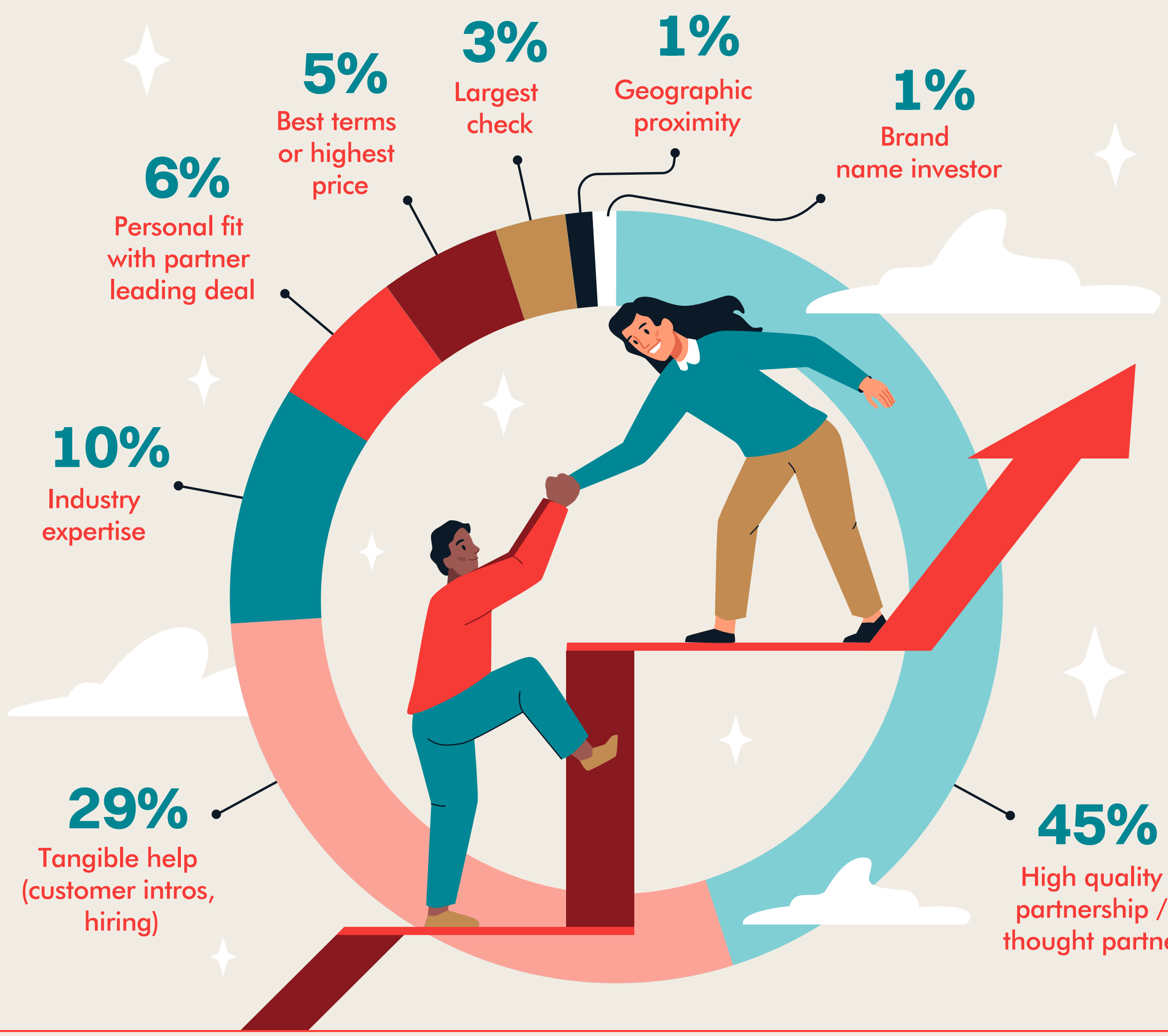
05

What founders want most in a VCs is a thought partner; yet only 4% of founders report getting meaningful support

When asked their top priority in a VC investor, **45% of founders say a thought partner:** someone to work alongside and challenge them. Only 5% lead with terms or valuation, and only 3% prioritise check size.

However, **only 4% of founders report getting meaningful support from VCs.** The thing founders most want from investors is the thing most aren't receiving.

TOP FOUNDER PRIORITIES WHEN CHOOSING AN INVESTOR



06

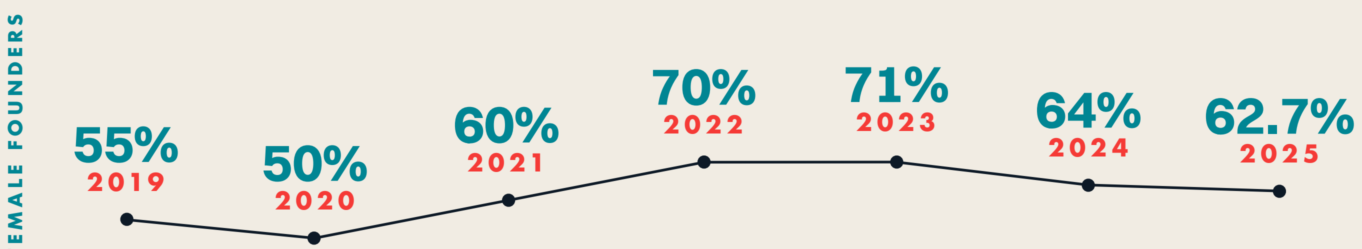
The gender pessimism gap has closed: male and female founders now have similar levels of fundraising optimism

This year's data tells a complicated story on gender.

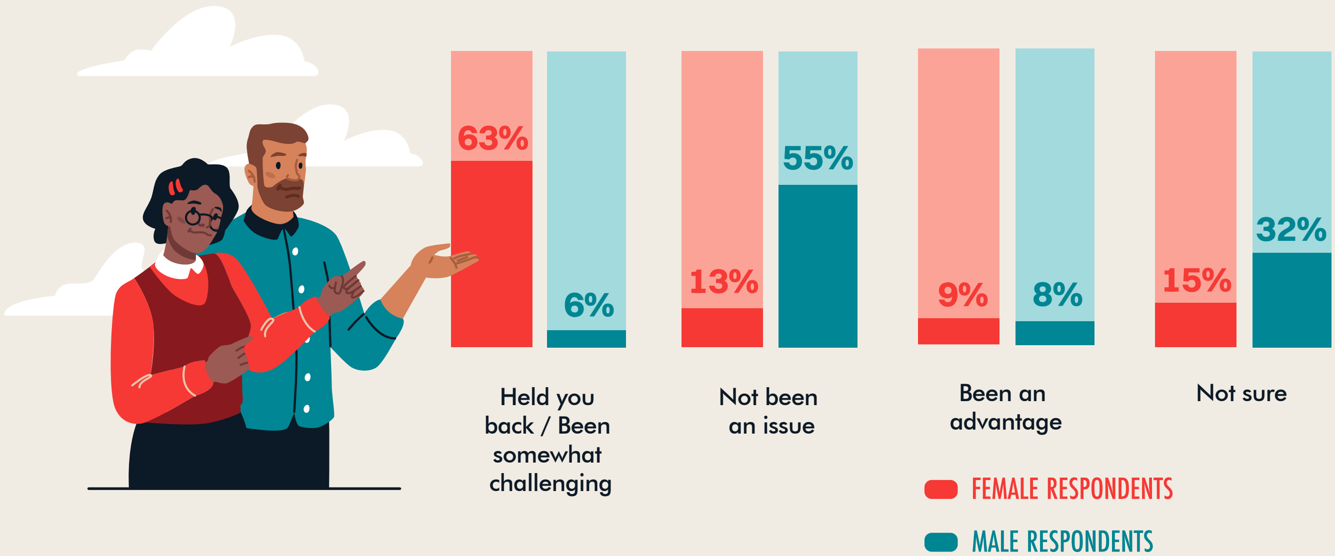
Among female founders, **64% describe their gender as having been either challenging or having held them back.** Only 13% of women said gender had not been an issue.

Compare this to male founders: **55% say gender has not been an issue**; only 1% say it held them back.

FEMALE FOUNDERS: GENDER HAS HELD THEM BACK OR BEEN CHALLENGING (2019-2025)



DO FOUNDERS FEEL HELD BACK BY THEIR GENDER?



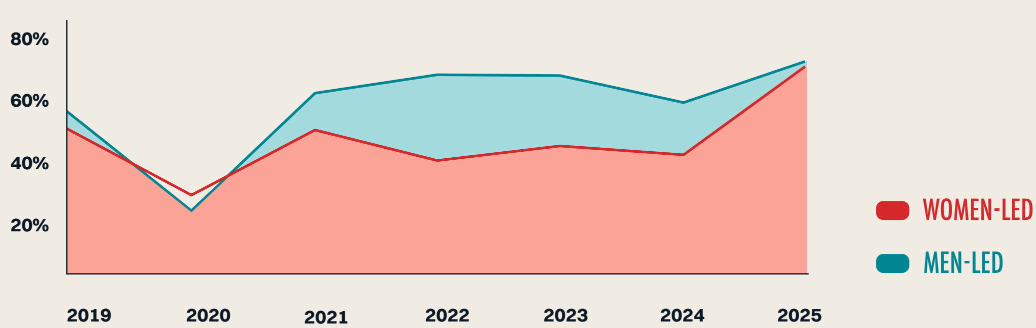
ON ENTREPRENEURIAL COMMUNITY SUPPORT

Female founders scored **82% on the ≥5/10 "feel supported" threshold** in 2025, compared to 80% for men. This is the **first time in the survey's history that women have rated entrepreneurial community support similarly to men.**

> **Looking Back:The long-run trend for female founder community support was sharply downward: from 50% (2020) to just 30% (2023). The 2025 reversal is significant.**

ON FUNDRAISING OPTIMISM:

Women and men score almost identically, **women 7.15, men 7.21** out of 10. The pessimism gap that characterised earlier years has effectively closed on this measure.



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