

Doing More With Less?

Founder Diversity and Capital Efficiency in Regulation Crowdfunding, 2016–2025

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Central Research Question. Within Regulation Crowdfunding, do underrepresented founders achieve funding outcomes comparable to or better than other founders, despite raising smaller amounts and capturing a smaller share of deals? Does this mirror the “do more with less” pattern already documented in traditional venture capital?

About this report. This report examines whether underrepresented founders in Regulation Crowdfunding achieve funding outcomes comparable to or better than other founders, using the complete population of Reg CF offerings filed between 2016 and 2025. It was researched and written by Jack Jesaitis during a summer 2026 research internship at Crowdfund Capital Advisors.

About Crowdfund Capital Advisors. Crowdfund Capital Advisors is a research and advisory firm focused on investment crowdfunding. Its principals co-authored the framework that became Title III of the JOBS Act, the law that created Regulation Crowdfunding, and have since advised governments, regulators, and multilateral institutions on crowdfunding policy. CCA builds and maintains CCLEAR and publishes the CCA Crowdfinance Indices, the first daily benchmark of crowdfunding activity.

About CCLEAR. CCLEAR is Crowdfund Capital Advisors' proprietary database of the Regulation Crowdfunding market, covering every offering filed since the market opened in May 2016. It tracks more than 11,000 offerings and over \$3 billion in capital formation across more than 9,000 companies, with founder demographics, deal terms, security structures, and daily funding activity captured in structured form. Licensing inquiries: data@cclear.ai.

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Disclosure. Crowdfund Capital Advisors' principals also manage a fund that invests in Regulation Crowdfunding offerings. This report uses the complete CCLEAR population of Reg CF offerings, and no fund holding was weighted or treated differently in any analysis presented here. Nothing in this report is investment advice.

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I. Executive Summary

Regulation Crowdfunding (Reg CF) has been a full, open capital market since 2016. Unlike traditional venture capital, which is closed to accredited investors and institutions, Reg CF is open to ordinary, non-accredited investors too, and every single offering that comes through it is disclosed publicly. That means this report can look at all of the data rather than just a sample of it. That's what makes it possible to ask a question venture capital's own data can't rigorously answer on its own. Do underrepresented founders actually perform better with the capital they raise than their raw funding numbers would suggest? This is the "do more with less" pattern that landmark studies (BCG and MassChallenge, 2018; Cook, Marx and Yimfor, forthcoming in the *Journal of Finance*, 2026) have already documented in traditional venture capital, and this report sets out to answer that same question using every Reg CF offering filed between 2016 and 2025.

The headline finding here isn't a simple yes or no, it's intersectional. The pattern holds for two of the three groups this report measures, and it breaks down for the third. Female-only founders (companies with a female founder and no minority founder) and minority-only founders (a minority founder and no female founder) each show a real, independent capital-efficiency advantage, and that advantage survives even after controlling for deal size, industry, geography, and security type. Founders who are both female and minority, though, do not get the combined benefit of those two effects. On some measures they actually underperform the comparison group of founders with neither identity. We want to be clear that this isn't a one-off result either. It held up across three separate outcome measures tested independently, whether an offering gets funded, how much it raises, and whether the company comes back for a follow-on raise.

Headline findings

- Representation is rising faster than capital. The share of offerings with a female founder, and separately the share with a minority founder, each roughly doubled from 2016 to 2023 (about 15% to roughly 30–32%), but the share of dollars raised by those same groups barely moved, staying in the high teens to low 20s across the entire period.
- Female-only founders (a female founder, no minority founder) really do more with less, and this effect is real, not a fluke. Once you control for funding target size, industry, geography, and security type, these offerings turn out to be funded at twice the odds (odds ratio 2.00) and raise approximately 46% more than comparable offerings with neither a female nor minority founder.
- Minority-only founders (a minority founder, no female founder) show that same do-more-with-less advantage once you isolate them from founders who are also female. An earlier, pooled analysis that combined all minority-founder offerings regardless of gender showed only a marginal effect on funded rate and no measurable effect at all on amount raised, but once minority-only founders are separated out, a real, significant advantage shows up on both funded rate (odds ratio 1.36) and amount raised (about 13.6% more).
- The intersection does not get the combined benefit, and we confirmed this three separate ways. Founders who are both female and minority still get funded at a higher rate than the comparison group, but their amount-raised advantage disappears entirely, and their rate of returning for a follow-on raise (11.8%) turns out to be the lowest of all four groups, lower even than founders with neither identity (14.1%). This same underperformance, relative to what you'd naively expect from combining the two single-identity effects, shows up independently in the funded-status regression, the amount-raised regression, and the follow-on-raise data.
- The gap is driven far more by what founders build than by where they live. Security-type choice and industry sector explain far more of the variation in funding outcomes than geography ever does. Female-led offerings turn out to be disproportionately concentrated in industries (Personal Services, Luxury Goods, Education and Training, Apparel and Fashion) that fund and raise roughly half as well as Technology across the board, for founders of any identity. This mirrors a "market size" dynamic already documented in traditional venture capital, where women founders are described as clustering in categories investors judge to have a smaller addressable market.

There are two scope limitations that shape how the founder-type findings in this report should be read. First, founder identity here is observer-coded from the public offering record rather than self-reported by founders, so what this

report measures is perceived founder identity as a prospective investor would encounter it, not identity as founders would report it themselves. Second, the underlying data identifies whether a company has a minority founder, but not which specific race or ethnicity that founder belongs to, so every minority-related finding here refers to the combined category as coded in the dataset. Both are discussed in full in Section III's "Founder-type data" and in Section XI.

So where does this leave us? Regulation Crowdfunding does show the "do more with less" pattern documented in traditional venture capital, for two of the three groups it can measure. Whether that pattern also holds for founders at the intersection of both identities is really the more important open question this data raises, and we think that's a stronger, more specific finding than a flat confirmation or a flat rejection of the original research question would have been.

II. Why This Report, Why Now

The funding gap between underrepresented founders and their peers in traditional venture capital is well documented at this point, but the story usually told about that gap is incomplete. Most coverage stops at the size of the disparity (how little capital reaches women-led or Black-led startups) without asking the second, more important question. What happens to the capital that does reach them? A small but rigorous body of research suggests the answer is that underrepresented founders actually tend to convert capital into results more efficiently than their peers, not less. If that pattern turns out to be real and general, it means venture capital isn't just inequitable, it's inefficient, passing over founders who would deliver a better return on the marginal dollar.

What the venture capital literature shows

Take a 2018 study by Boston Consulting Group and the startup accelerator MassChallenge. Based on five years of investment and revenue data from more than 1,500 accelerated companies, it found that women-founded and women-cofounded startups received less than half the average investment of male-founded startups (\$935,000 versus \$2.1 million) but generated more than twice the revenue per dollar invested, 78 cents on the dollar, compared to 31 cents for male-founded startups. Over those same five years, the women-founded companies in the study produced 10% more cumulative revenue despite starting with less than half the capital.

A working paper by Lisa Cook, Matt Marx, and Emmanuel Yimfor, circulated by the National Bureau of Economic Research and forthcoming in the *Journal of Finance* in 2026, reaches a related but distinct conclusion for Black founders. Using a race-disambiguation method applied to more than 100,000 startup founders, the authors find that Black founders raise roughly one-third as much venture capital in the five years after founding as comparable startups matched on year, industry, and state. What's interesting is that only about a third of that gap is explained by observable factors like founding team size, investor networks, and geography, and the gap disappears entirely at later funding stages, after Series B. That suggests some investors initially underestimate Black-founded companies and then revise that assessment once there's an actual track record to look at.

Crunchbase's ongoing tracking of Black founder funding shows just how volatile and thin this channel has remained. From a 2021 peak of \$4.9 billion (1.4% of all U.S. venture funding, in the immediate aftermath of pledges made following the killing of George Floyd), funding to Black-founded startups fell to \$705 million in 2023, \$730 million in 2024, and \$942 million in 2025, and it never came close to that half-a-percent mark again.

PitchBook's tracking of women founders tells a similarly two-track story. Companies founded exclusively by women have received a flat 2.3% of venture dollars for over a decade, while the broader category of companies with at least one female cofounder has grown from about 5% of capital in 2008 to roughly 25% by 2024. It's that second, broader figure, not the 2.3% one, that's the correct population to compare against Reg CF's own founder-type data, for reasons we explain in Section III.

Why Regulation Crowdfunding is a useful place to test this

Regulation Crowdfunding offers something traditional venture capital research simply cannot, a complete, disclosed population of transactions rather than a sample. Every Reg CF offering filed since the market's 2016 inception has a baseline public record through the SEC's EDGAR system, but that public filing alone is just a starting point, not the complete, structured population this report actually uses. Layering the CCLEAR dataset on top of those EDGAR-based disclosures is what turns that starting point into a complete population, with founder demographic data, deal terms, and daily funding activity all captured in structured form. That's what makes it possible to test the "do more with less" pattern directly, at full population scale, instead of relying on an accelerator's client roster or an algorithmically disambiguated sample of VC deals.

This report was actually originally framed around a different question, whether Regulation Crowdfunding is closing the venture capital funding gap for underrepresented founders, or simply reproducing it at a smaller dollar scale. That framing required a like-for-like comparison against a matched set of venture capital deals, and that's data this project simply doesn't have access to. Rather than treat that as a dead end, we revised the central question to something Reg CF's own data can actually answer rigorously. Does the same capital-efficiency pattern documented in venture capital also appear within Reg CF itself? The external venture capital research above becomes the pattern

being tested against, not a dataset being replicated. As the findings in Sections IV through IX show, the answer turned out to be more specific, and more interesting, than either a clean yes or a clean no.

III. Data & Methodology

Testing that pattern rigorously starts with the dataset itself. This report draws on CCLEAR, the full historical Regulation Crowdfunding database since the market’s inception, comprising 11,140 offerings and 9,209 companies. CCLEAR is built and maintained by Crowdfund Capital Advisors and has tracked the Regulation Crowdfunding market continuously since its first filings in May 2016, the month the market opened. It begins with the SEC’s EDGAR filing record, which establishes the population of offerings, and layers onto it structured fields the filings themselves do not carry: founder demographics, a curated industry classification, security-structure families, resolved platform identity, and daily commitment and backer activity captured over the life of each campaign. Coverage from the market’s first day, combined with daily capture rather than periodic snapshots, is what makes analysis at full population scale possible, and it is also why the figures in this report cannot be reproduced from EDGAR alone or from a dataset assembled after the fact. The analysis relies on four data-quality and derivation rules we developed and locked in during the project’s initial data-quality review, and we’re summarizing them here because every figure in this report depends on them.

Throughout this report, founder-type outcomes are measured three separate ways, whether an offering gets funded at all, how much capital it raises relative to its stated target, and whether the company comes back to Reg CF for a follow-on raise. These three measures show up again and again across Sections V, VIII, and IX, and together they’re the operational form of the “funding outcomes” referenced in this report’s central research question on the cover page.

Founder-type data

This report records founder identity at the company level, using the database’s Female and Minority_Founder fields as ground truth throughout, and assumes that record holds true across a company’s multiple offerings. Those two fields are observer-coded rather than self-reported. They are populated by CCLEAR’s review of the public offering record, principally the founding-team information issuers publish on their own campaign pages, at the point a company enters the dataset. What the founder-type flags therefore capture is perceived founder identity as it would be apparent to a prospective investor reading those same public materials. For this report’s central question that distinction is not purely a limitation, since Reg CF outcomes are produced by thousands of retail backers reading those same pages, which makes perceived identity a defensible construct to measure. It is nonetheless a different construct from self-reported identity, and comparisons to research built on self-report should be read with that in mind.

It’s worth being precise here. Both are any-founder flags, not all-founder flags, per the database’s own column documentation. Female = Y means the company has at least one female founder, not that every founder is female. Minority_Founder = Y means the company has at least one minority founder, not that every founder is a member of a minority group. A mixed-gender or mixed-identity founding team can, and does, trigger both flags at once. Female = Y and Minority_Founder = Y co-occur on 36.7% of all Female = Y records, and the relationship holds in the other direction too, Minority_Founder = Y and Female = Y co-occur on 37.5% of all Minority_Founder = Y records. This is actually what determines which external venture capital benchmark is the correct comparison population in Section VII.

This report’s Minority_Founder findings refer throughout to the single combined category (vs African American, Asian Pacific, Hispanic) as coded in the source data. We discuss the implications of this limitation more fully in Section XI.

Reg CF activity is concentrated among a handful of platforms

One more piece of dataset context belongs here, alongside the founder-type flags above, since it is the same kind of descriptive detail as the industry and security-type breakdowns in the derivation-rules table below. Every offering in the core dataset resolves to a platform through Portal_ID, a curated foreign key into a separate platform table, rather than through the raw platform-name text field recorded directly on the offering, which turns out to be blank on most rows and is not a reliable source on its own. Once the analysis is joined through that curated key instead, the platform field is essentially complete, and five platforms turn out to account for most of all Reg CF activity in the 2016–2025 core window.

Platform	n	% Female = Y	% Minority = Y	Funded rate*
Wefunder	2,734	25.7%	26.2%	80.0%
StartEngine	1,913	17.3%	22.7%	83.0%
Honeycomb	1,036	53.4%	37.5%	56.6%
Republic	797	29.1%	34.0%	88.1%
Mainvest	779	36.6%	22.8%	50.3%

* *Funded status is the same definition used throughout this report, total amount raised exceeding the disclosed target, restricted here to offerings with recorded transactional raise data; a small number of offerings per platform lack that data and are excluded from the rate rather than counted as unfunded.*

These five platforms together account for 69.6% of all offerings in the core dataset, a real concentration rather than a long tail, and founder-type representation varies meaningfully across them. The share of offerings with Female = Y ranges from 17.3% at StartEngine to 53.4% at Honeycomb, more than a threefold spread. This is presented here as descriptive context about where Reg CF activity actually happens, not as a causal claim about any platform’s practices, and it is not run through the interaction model or the controls used elsewhere in this report.

Honeycomb’s female-founder share is worth reading carefully rather than at face value. Honeycomb is a debt-based platform, 93.7% of its offerings are Security_Type = Debt, built around local food and beverage businesses, unlike the other four platforms above, which are equity-focused. Food Service and Restaurants offerings run higher on Female = Y platform-wide (44.8%) than Technology and Software offerings do (17.1%), which explains part of the gap. But Honeycomb’s own food-service offerings still run higher on Female = Y (55.1%) than food-service offerings on the other four platforms (38.4%), so part of the difference looks like a real platform-level pattern on top of the industry mix, not industry composition alone. Given how different Honeycomb’s product is from the other four platforms, a direct platform-to-platform comparison risks overstating how comparable they actually are.

Derivation rules

Several fields in the raw data needed additional processing before they could actually be used in this report’s analysis, so we applied the rules and filters below to derive the more granular, transaction-level fields the analysis actually runs on.

Concept	Rule applied
Reg CF universe	Offering type in the four confirmed Reg CF categories (10,973 rows)
Year anchor	Filing date year
Trend window	2016–2025 treated as the complete trend period (2025’s founder-demographic review backlog has been cleared); 2026 excluded as a partial year
Amount raised	Sum of daily transaction amounts per offering, excluding rows specifically flagged as duplicate continuation-round entries (not follow-on offerings generally) or prior-round carryover
Funded status	Derived amount raised compared against the disclosed target
Geography	Company state of record, not filing state, rolled up to Census four-region groupings for regression use given how thin some individual states are
Industry	A curated 23-category industry field, rather than the raw NAICS classification (Agriculture and Food Technology; Apparel and Fashion; Automotive and Smart Mobility; Beverages; Blockchain and Cryptocurrency; Consumer Goods and Retail; E-Sports and Gaming; Education and Training; Energy and Utilities; Environmental and Clean Technology; Financial Services; Food Service and Restaurants; Healthcare, Biotechnology, and Life Sciences; Industrial and Manufacturing; Luxury Goods and Services; Maritime and Shipping; Personal Services; Real Estate and Construction; Space Technology and Exploration; Sports and Fitness; Technology and Software; Telecommunications and Media; and Transportation and Logistics)
Security type	53 raw security-type values collapsed into six families, Debt, Convertible, SAFE (Simple Agreement for Future Equity), Revenue Share, Equity, and a residual “Other” bucket (n = 161) for values that do not map cleanly to the

	other five (a small but real category, not a data-cleaning artifact)
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Statistical testing

In the interest of transparency, we used AI assistance to help choose and apply the right significance test for each comparison in this report, and to interpret diagnostic measures like pseudo R^2 correctly. Every underlying number still comes directly from Reg CF’s own data; AI’s role here was verifying methodology, not generating results.

Two kinds of significance tests show up throughout this report. Raw, unadjusted group comparisons, like the funded-rate gap in Section V, are tested with a two-proportion z-test. Regression results in Sections VI and VIII come from two different model types depending on the outcome being measured. Funded status, a yes/no outcome, gets modeled with logistic regression and reported as an odds ratio. Amount raised, a continuous outcome, gets modeled with linear regression on log-transformed amount raised and reported as a coefficient converted to a percent effect. Both model types control for target size, industry, geography, and security-type family alongside founder type, which means each model is estimating founder type’s effect while holding those other factors statistically constant. This matters because founder-type groups aren’t evenly spread across those other factors. Section VI, for example, shows that security-type choice varies sharply by founder type, so without controlling for it, a raw founder-type effect could really just be picking up the fact that a given group happens to raise more often through an instrument that performs well on its own, not a founder-type effect at all. The odds ratios and coefficients reported in Sections VI and VIII are what’s left over once those other explanations are accounted for. Throughout the report, we call a result statistically significant at the conventional $p < 0.05$ threshold; where a 95% confidence interval is reported instead of a p-value, an interval that excludes 1.0 for an odds ratio, or 0 for a coefficient, is the equivalent marker of significance.

Section VIII also reports a pseudo R^2 (for the logistic funded-status model) and an adjusted R^2 (for the linear amount-raised model). Both are ways of describing how much of the outcome’s overall variation the full model accounts for, on a scale from 0 (no explanatory power) to 1 (fully explains it). Values well under 1 are completely normal for social-science data with this many unmeasured factors, so the comparison that actually matters isn’t the absolute number, it’s the one this report draws directly, the same model with versus without its controls, which shows how much of the outcome those controlled-for factors explain on their own.

What the venture capital comparison is, and is not

This report cites external venture capital research throughout, but we want to be upfront that it is not a matched, controlled comparison. This project doesn’t have access to raw, deal-level venture capital data, only externally published aggregate figures. So every venture capital citation here should be read as directional context, essentially asking. Does the pattern documented elsewhere also appear in Reg CF’s own, fully population-level data? That’s a different, and in some ways more rigorous, question than trying to force a comparison across two datasets with different populations, reporting conventions, and levels of granularity.

IV. Who's Raising Capital? (Representation Over Time)

Before getting into whether underrepresented founders do more with less, it's worth first establishing the more basic fact of how their presence in the Reg CF market has changed since 2016. In the table below, the last two columns show what share of each year's total dollars raised went to female-founded and minority-founded offerings, respectively.

Year	Total offerings	Female = Y (%)	Minority = Y (%)	Total raised	\$ share to Female	\$ share to Minority
2016	189	29 (15.3%)	28 (14.8%)	\$28.4M	16.7%	11.6%
2017	527	104 (19.7%)	104 (19.7%)	\$84.5M	18.6%	17.9%
2018	774	130 (16.8%)	162 (20.9%)	\$105.3M	16.3%	18.7%
2019	726	155 (21.3%)	176 (24.2%)	\$158.5M	20.0%	28.8%
2020	1,162	250 (21.5%)	266 (22.9%)	\$322.1M	17.7%	22.0%
2021	1,573	365 (23.2%)	391 (24.9%)	\$537.4M	20.8%	24.5%
2022	1,596	425 (26.6%)	404 (25.3%)	\$459.2M	22.0%	19.9%
2023	1,468	472 (32.2%)	440 (30.0%)	\$424.7M	20.8%	20.0%
2024	1,427	457 (32.0%)	444 (31.1%)	\$372.4M	20.7%	22.0%
2025	1,035	336 (32.5%)	308 (29.8%)	\$355.4M	21.0%	21.4%

2026 excluded from the table above as a partial year (see Section XI).

Female- and minority-founded representation in Reg CF offerings, 2016-2025

Full population, 2016-2025 (2026 excluded as a partial year)

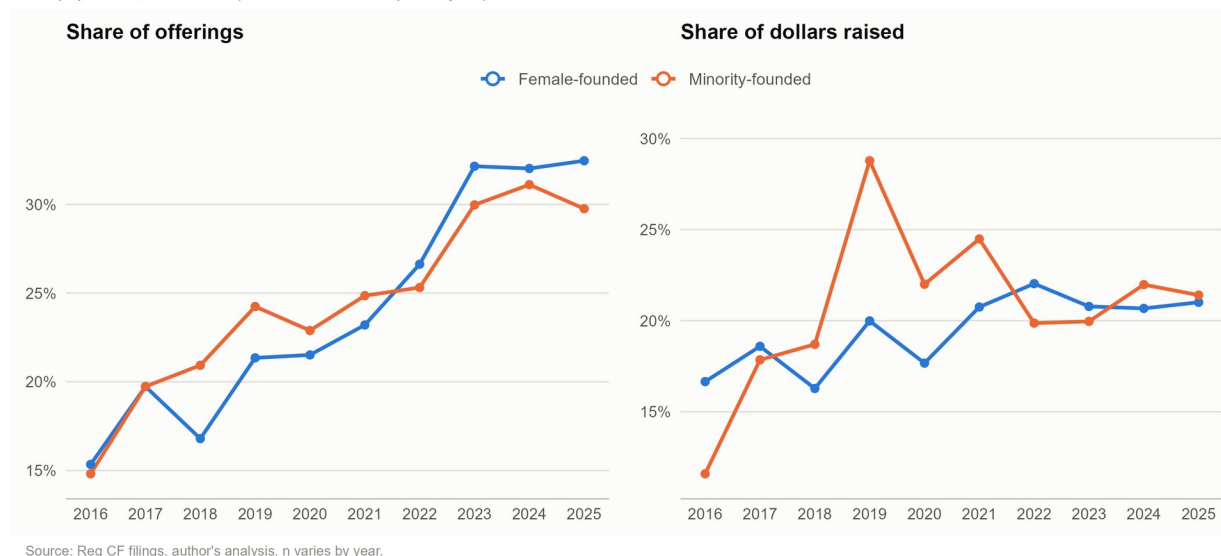


Figure 1. Founder-type representation over time. Share of offerings vs. share of dollars raised.

Founder-type representation among Reg CF offerings roughly doubled by 2023, rising from about 15% to roughly 30–32% for both female and minority founders (32.2% for female, 30.0% for minority in 2023), and it's held at roughly that level through 2025. But representation of dollars raised did not keep pace. It stayed within a comparatively narrow band, in the high teens to low twenties, across the entire ten-year period, with no clear upward trend to match the rise in who's filing. In other words, Reg CF has become substantially more inclusive in terms of who participates, without becoming proportionally more inclusive in terms of who actually captures the capital. We think this divergence is worth holding in mind on its own, separately from the efficiency findings in Section V. It describes representation, not performance, and the two turn out to tell different parts of the story.

V. The Funding Gap and Efficiency Despite It

This section asks the question at the center of the report. When underrepresented founders raise less, is it because they perform worse, or because they are simply asking for and receiving smaller amounts while succeeding at comparable or higher rates? The answer turns out to depend heavily on whether founder-type groups are analyzed separately or in combination, a methodological choice that changes the conclusion substantially, as this section demonstrates step by step.

The raw gap

Group	n	Funded rate	Median raise / target ratio
Female = N	7,077	73.4%	2.13
Female = Y	2,565	77.7%	1.77
Minority = N	7,107	74.0%	2.02
Minority = Y	2,535	76.1%	1.91

The raw funded-rate advantage for female-led offerings is statistically significant, a two-proportion test yields $p < 0.0001$. The raw advantage for minority-led offerings is smaller but still statistically significant on its own ($p = 0.039$). That said, as a later part of this analysis shows, this raw comparison still substantially understates the true minority-only effect, since it pools minority-only founders (who show a much larger advantage) together with founders who are also female (whose combined effect drags the pooled average down).

Running that same logic on the female comparison shows it applies there too, just less decisively. Female-only founders fund at 80.2% ($n = 1,645$) versus 72.9% for founders who are both female and minority ($n = 912$), which is nearly indistinguishable from the 71.9% comparison rate for founders with neither identity ($n = 5,413$). So pooling those two groups together cuts the true 8.3-point female-only-versus-neither gap roughly in half, down to the 4.3-point gap the pooled Female = Y/Female = N comparison above actually shows. (This is a fresh four-group pull; the small differences from the table above reflect the same population-version drift already discussed elsewhere in this report, and they don't change the conclusion.)

The minority comparison loses even more to that same dilution, proportionally. A 6.2-point minority-only-versus-neither gap shrinks to just a 2.1-point gap once pooled, which is part of why it lands in marginal territory, while the female comparison, starting from a larger true effect and a larger raw gap, stays decisively significant either way. Female-only versus neither alone tests at $p < 0.0001$, an even stronger result than the already-significant pooled figure.

The same table shows a related pattern that's worth calling out directly. When female- and minority-led offerings do get funded, they clear their target by a narrower margin than comparison-group offerings do. The median raise-to-target ratio is 1.77 for female-led offerings versus 2.13 for the comparison group, and 1.91 for minority-led offerings versus 2.02 for the comparison group. Funded more often but overshooting the target by less is a different shape of gap than the funded-rate comparison above, and it's consistent with the same backer-network explanation we discuss next for capital efficiency per backer, though this project can't confirm that link directly.

Amount raised per backer

Group	n	Median \$ / backer	Mean \$ / backer
Female = N	5,712	\$887.18	\$1,787.58
Female = Y	2,189	\$843.22	\$1,679.72
Minority = N	5,787	\$902.47	\$1,777.09
Minority = Y	2,114	\$802.72	\$1,704.61

Both female-led and minority-led offerings actually raise less per backer, not more. That might look like another instance of the "do more with less" pattern, but it isn't, and we don't think this metric should be read as a founder-performance measure. It more plausibly reflects the wealth or reach of a founder's backer network, how much the

average individual backer is able or willing to contribute, than it does founder execution. Read this way, it actually echoes a mechanism identified in the Cook, Marx, and Yimfor venture capital research, that underrepresented founders have systematically thinner access to the networks that produce large checks. The same underlying dynamic may be showing up here on the crowdfunding side, through smaller average contributions from a founder's own network, rather than through investor decision-making.

Ruling out the obvious alternative explanation

Before concluding anything about the funded-rate gap, it is necessary to rule out a mundane explanation, that underrepresented founders simply ask for less, making their targets easier to clear.

Group	n	Median target	Mean target
Female = N	7,077	\$25,000	\$65,372
Female = Y	2,565	\$30,000	\$51,774
Minority = N	7,107	\$25,000	\$64,897
Minority = Y	2,535	\$25,000	\$52,947

That explanation doesn't hold up. Female-led offerings actually set a higher median target than offerings without a female founder (\$30,000 versus \$25,000), so their higher funded rate can't be attributed to asking for less. Minority-led offerings set the exact same median target as offerings without a minority founder. In both comparisons, the founder group's mean target comes out lower than the comparison group's only because a small number of very large targets among offerings without a female or minority founder pull that comparison-group average up, not because underrepresented founders are systematically asking for smaller amounts.

Section V — Raw gaps and context checks

Blue = group of interest (Yes); gray = comparison group (No). Rules out "asked for less" and the naive per-backer read before the interaction result.

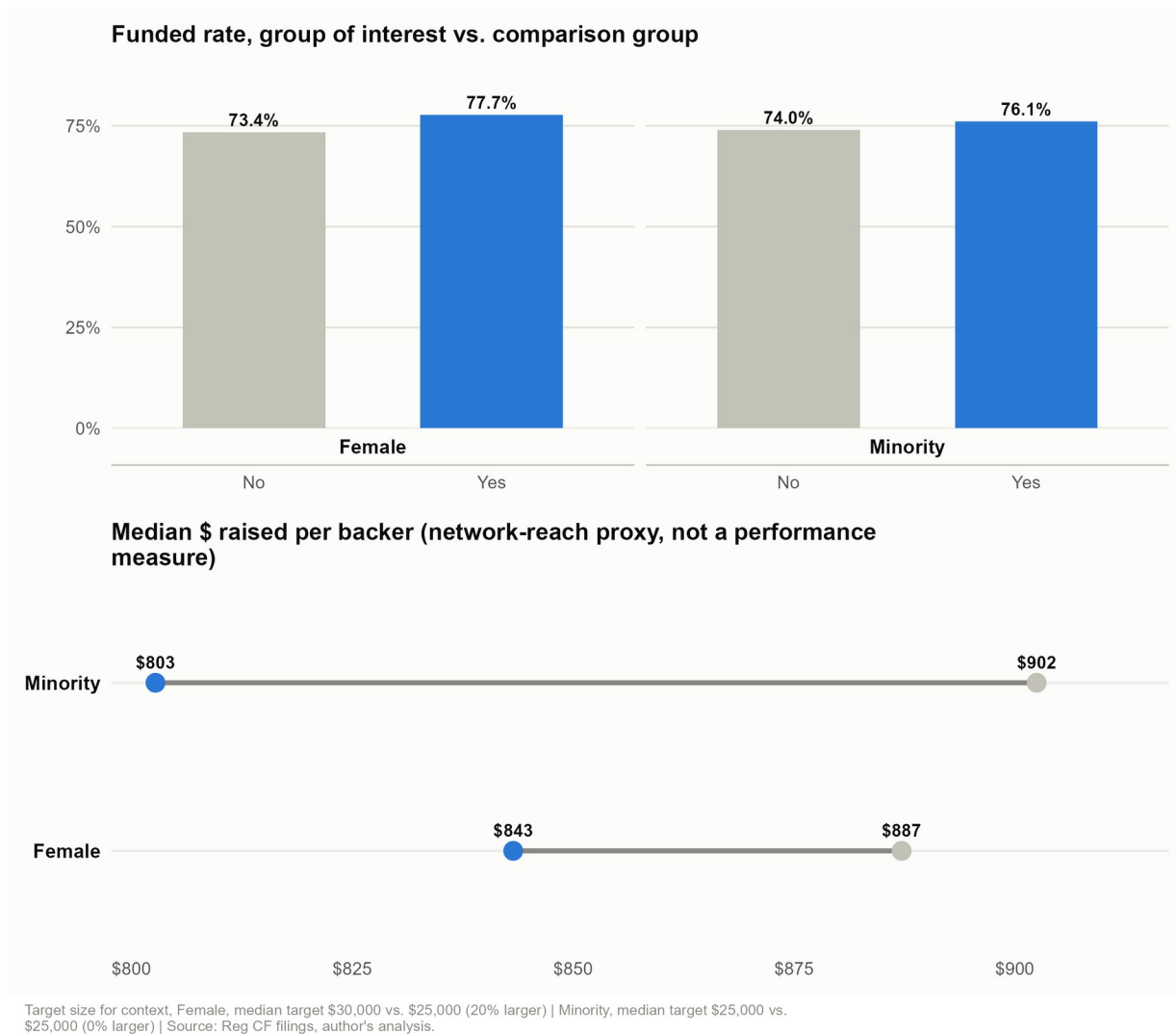


Figure 2. Raw funded-rate gap and per-backer capital efficiency, by founder-type group.

Why isolating groups changes the conclusion

The analyses above treat “Female” and “Minority_Founder” as two separate, independent comparisons, but in practice, the two groups substantially overlap. Of all offerings with at least one of the two founder types, roughly a quarter have both. Once you split the population into four mutually exclusive groups (female-only, minority-only, both, and neither), a pattern shows up that the pooled comparisons above completely conceal.

Group	Funded status, odds ratio vs. neither	Amount raised, % effect vs. neither
Female-only	2.00 (p < 0.001)	+46.5% (p < 0.001)
Minority-only	1.36 (p < 0.001)	+13.6% (p = 0.019)
Both (interaction)	0.56× relative to the additive prediction (p < 0.001)	−31.8% relative to the additive prediction (p < 0.001)

Both, net combined effect vs. neither	1.54 ($p < 0.001$, CI excludes 1)	+13.5% (95% CI -1% to +30%, not distinguishable from zero)
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The two rows above labeled “relative to the additive prediction” describe a discount, not a standalone effect, and they’re easiest to follow by starting from the single-identity rows above them. Female-only founders get funded at 2.00 times the odds of founders with neither identity and raise 46.5% more; minority-only founders get 1.36 times the odds and raise 13.6% more. Now, if those two effects simply stacked, the way two independent bonuses would, a founder who is both female and minority should get funded at roughly 2.73 times the odds (2.00 times 1.36) and raise roughly 66.5% more. That stacked prediction is the “Naive (if stacked)” bar in the bottom two panels of Figure 3 below.

But that’s not what actually happens. Founders who are both female and minority actually get funded at 1.54 times the odds and raise 13.5% more, the same numbers you’ll see in the “net combined effect” row above and the “Actual” bar in Figure 3. The interaction row (0.56× and -31.8%) is simply the size of that shortfall. The real odds boost is only 56% of what stacking predicted, and the real amount-raised boost is 31.8% smaller than the stacked prediction, landing at +13.5% instead of the +66.5% stacking would imply.

Section V — The Female x Minority interaction

Gray = Neither / Naive (if stacked); blue = Female-only; orange = Minority-only; aqua = Both

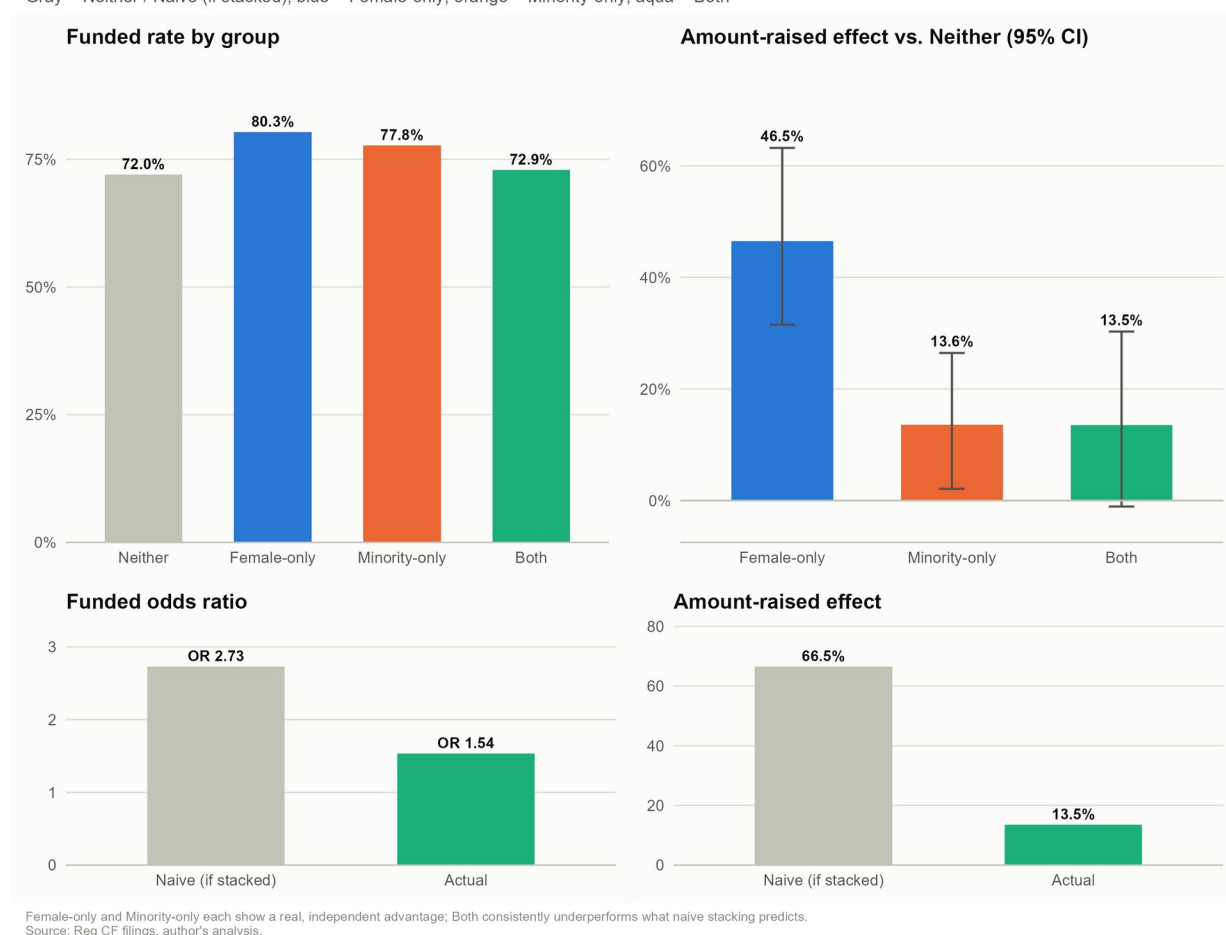


Figure 3. The Female x Minority interaction. Funded rate, amount-raised effect, and the sub-additive penalty for founders who are both.

Once isolated from one another, both female-only and minority-only founders show real, statistically significant advantages on both getting funded and how much they raise. This directly overturns the pooled result above, which had suggested minority status alone carries no measurable effect. That null result, it turns out, was simply an artifact of averaging together minority-only founders (who do show an advantage) with founders who are both female and minority (whose combined effect drags the pooled average down).

The interaction term itself, the same $0.56\times$ and -31.8% shortfall shown in the table above, is large, negative, and highly significant in both models ($p < 0.001$). Founders who are both female and minority simply do not receive the sum of the two individual advantages. On whether an offering gets funded at all, the combined group still comes out ahead of founders with neither identity, a real advantage, just smaller than you'd naively expect. On how much money gets raised, though, that advantage disappears entirely. The combined effect is statistically indistinguishable from no effect at all. Section IX shows this same pattern holding up a third time, independently, in an entirely different outcome measure, whether a founder returns for a follow-on raise. Why the shortfall exists is a separate, still-open question, and we want to be honest about that. This report can show that something structural happens at the intersection of both identities, but not what that something is. Section VIII digs into this further, and Section X names backer-network access, compounding bias, and industry composition as plausible mechanisms this dataset just can't distinguish between.

VI. Where the Gap Shows Up (Industry, Geography, Instrument)

Industry, geography, and security-type family are the three control variables behind every regression model in this report (the full versions appear in Section VIII), and in several cases they turn out to be far larger predictors of funding outcomes than founder identity itself, which we think is worth examining on its own before turning to what it implies about the founder-type effects.

Security type

Security-type choice turns out to be the single strongest predictor of funding outcomes in the entire model, bigger in effect size than any founder-type variable. Relative to Equity offerings, Debt offerings fund at roughly a third the rate (odds ratio approximately 0.37) and raise about 80% less; offerings using “Other” security structures (a residual catch-all for the raw security-type values that don’t map cleanly to Debt, Convertible, SAFE, Revenue Share, or Equity) fund at roughly a sixth the rate (odds ratio approximately 0.17) and raise about 89% less.

Section VI — Where the gap shows up, by security type

Blue = better than Equity; red = worse than Equity; gray = Equity itself (the reference)

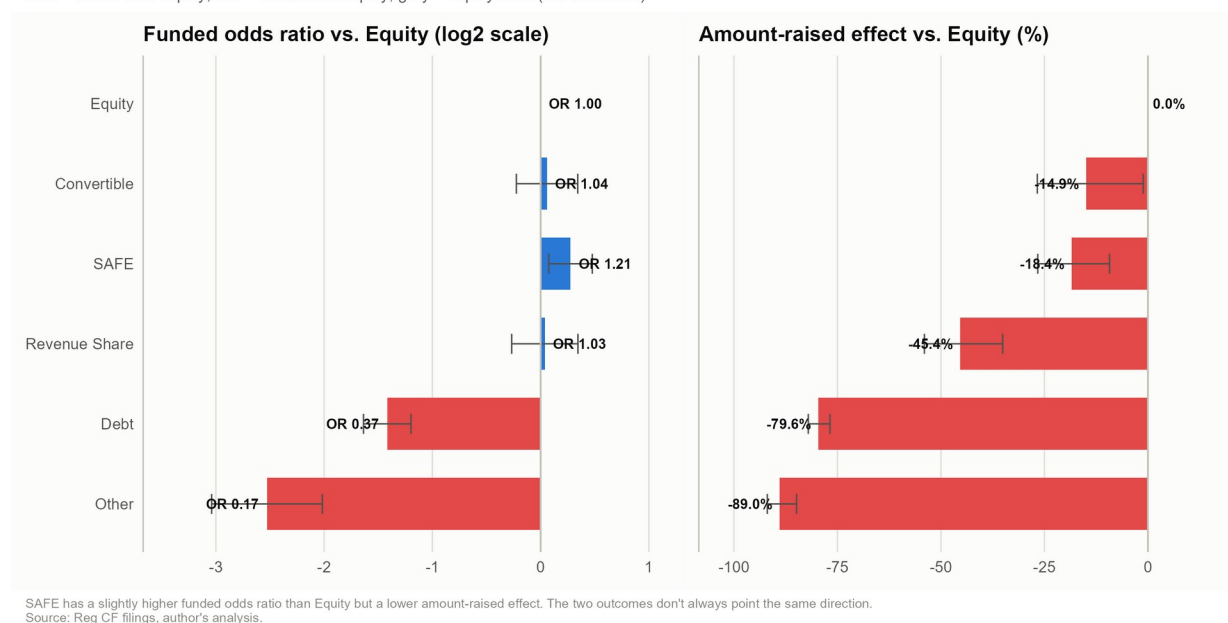


Figure 4. Funded-odds and amount-raised effects by security-type family, vs. Equity.

The left panel plots the funded odds ratio on a log2 scale instead of a raw odds-ratio scale, and here’s why. Odds ratios are lopsided on an ordinary scale. An effect that doubles the odds ($OR = 2$) and one that halves them ($OR = 0.5$) are equally large in opposite directions, but 2 sits twice as far from 1 as 0.5 does, which visually overstates increases relative to decreases. Log2 units correct for that, so doubling and halving the odds appear as equal-sized steps in opposite directions, 0 is no effect, 1 is odds double, -1 is odds halve. The “OR” labels printed on each bar translate back to an ordinary odds ratio for reference. The right panel (amount-raised effect) isn’t log-scaled, though, it’s just a straightforward percent effect versus Equity.

Security type matters for this report’s central question beyond just the size of these effects, too. Founder-type representation itself differs sharply by instrument. As the instrument-type subsection at the end of this section shows in detail, 40.5% of Debt and Revenue Share offerings have a female founder, versus 18.2% of Equity offerings, more than double, with a similar pattern for minority founders. Because Equity dominates this report’s pooled dollar figures, controlling for security-type family, the way Section VIII’s regression models do, keeps the founder-type

effects reported throughout this report from getting confounded with which instrument a given group just happens to raise through more often.

Industry

Relative to Technology and Software (the most common industry category and the model's reference point), Energy and Utilities offerings fund at roughly double the rate and raise approximately 191% more. Space Technology shows an even larger apparent advantage (odds ratio approximately 5.3, raising about 97% more), though we'd treat that one with some caution given the small sample size and wide confidence interval. At the other end, Personal Services, Luxury Goods, Education and Training, and Apparel and Fashion all fund and raise at roughly half the rate of Technology, regardless of founder identity.

Section VI — Where the gap shows up, by industry

Blue = better than Tech; red = worse than Tech; gray = Tech itself (the reference)

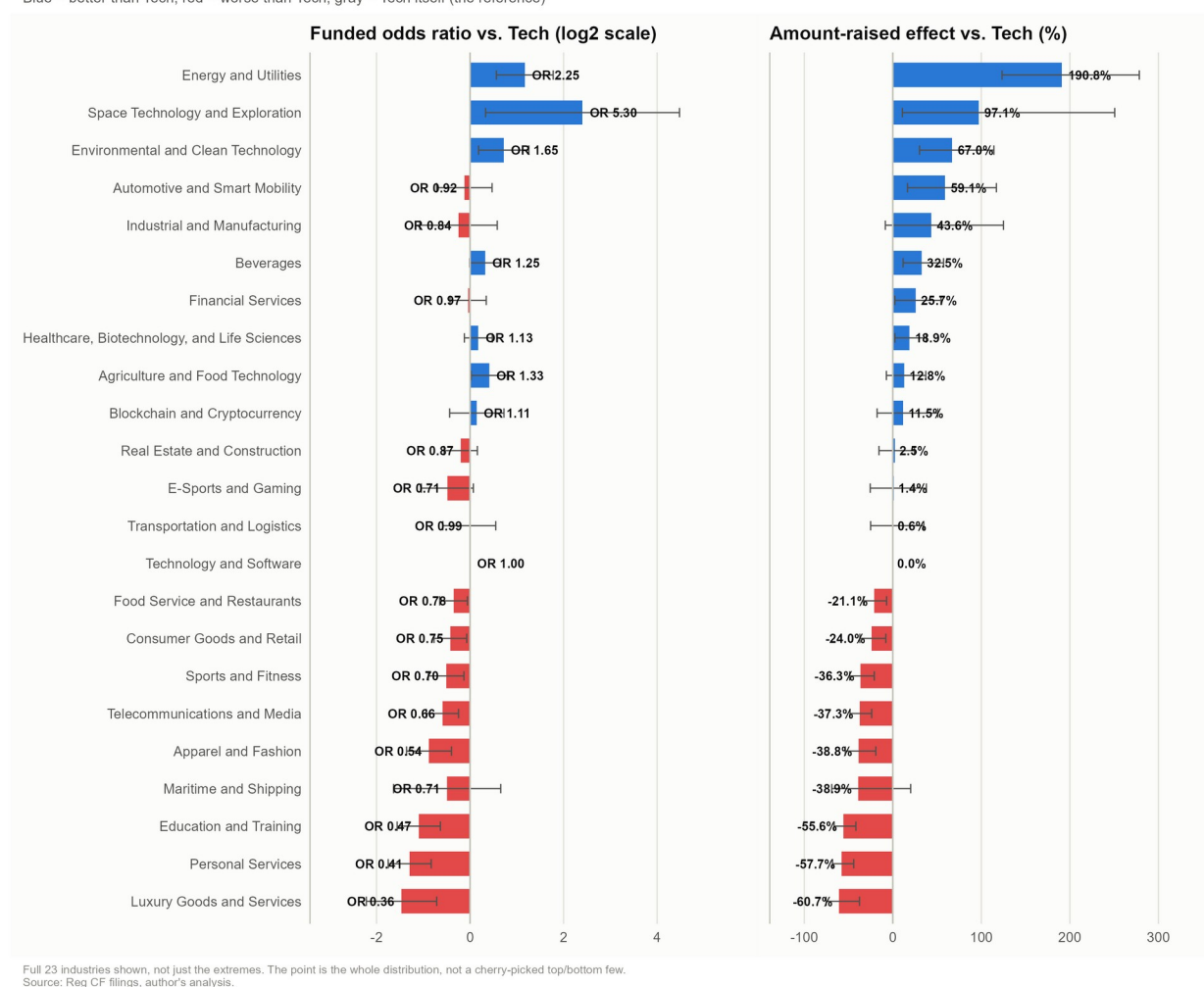


Figure 5. Funded-odds and amount-raised effects by industry, vs. Technology and Software.

Figure 5 connects directly back to the female-only founder effect described in Section V. Female-led offerings are disproportionately concentrated in the lower-funding industries shown above (Personal Services, Luxury Goods, Education and Training, Apparel and Fashion), and because those industries fund and raise worse for every founder regardless of identity, a raw comparison that doesn't account for industry effectively penalizes female founders twice, once for being female-led, and again for clustering in industries that fund poorly for everyone. Controlling for

industry removes that second penalty, which is exactly why the female-only effect grows larger, not smaller, once industry is accounted for (see Section VIII). This mirrors the “market size” dynamic we described in the venture capital research in Section II. Investors, and apparently crowdfunding backers too, tend to fund technology and infrastructure categories more generously than consumer, education, and personal-service categories, and women founders are disproportionately building in the latter.

Geography

Geography (measured at the Census four-region level, given how thin the individual state-level cells are) was not a statistically significant predictor of funded status in the full model. That’s a notable contrast with security type and industry, and it suggests that where a Reg CF company is headquartered matters far less to its funding outcome than what it’s building and how it structures the raise. We included it here for the same reason security type and industry are included, it’s one of the control variables the full model tests alongside founder type, not a factor that turned out to actually matter. Ruling geography out as an explanation is itself a useful result, since it means the funding-outcome gaps documented throughout this report can’t be explained away as regional. This is a different question from the one Section IX asks about geography, though. Section IX looks at where underrepresented founders are raising capital at all, meaning representation across states, not whether being headquartered in a given region changes the odds of getting funded once a company has already filed. A state can be underrepresented in absolute terms while showing no funding-outcome penalty for the founders who do file there, and that’s exactly the pattern this report finds.

Does the pattern hold by instrument type?

Every analysis in this report up to this point is pooled across security types, and Equity offerings dominate that pool by dollar volume. Debt and revenue-share offerings are a genuinely different kind of raise (a different investor base, smaller checks, and, as this subsection shows, smaller and differently set targets), so we think it’s worth asking directly whether a pattern this report treats as fundamental actually holds up once Equity’s size in the dataset is set aside, or whether it’s in some sense an artifact of that size. This subsection re-runs the report’s core measures (founder-type composition, the raw funded-rate gap, target-setting, and the Female x Minority interaction model) split into three groups, Equity; Debt + Revenue Share; and Other Structures (SAFE, Convertible, and the existing “Other” catch-all, grouped together here as a residual set of instruments rather than run individually). All three groups draw from the same underlying offering population and the same derivation rules as the rest of the report, so the comparison stays internally consistent.

Founder-type representation is far higher outside Equity

Section VI — Founder-type representation is far higher outside Equity

Share of offerings with a female or minority founder, by security-type family, 2016-2025. Debt and revenue-share offerings run more than double Equity's female representation.

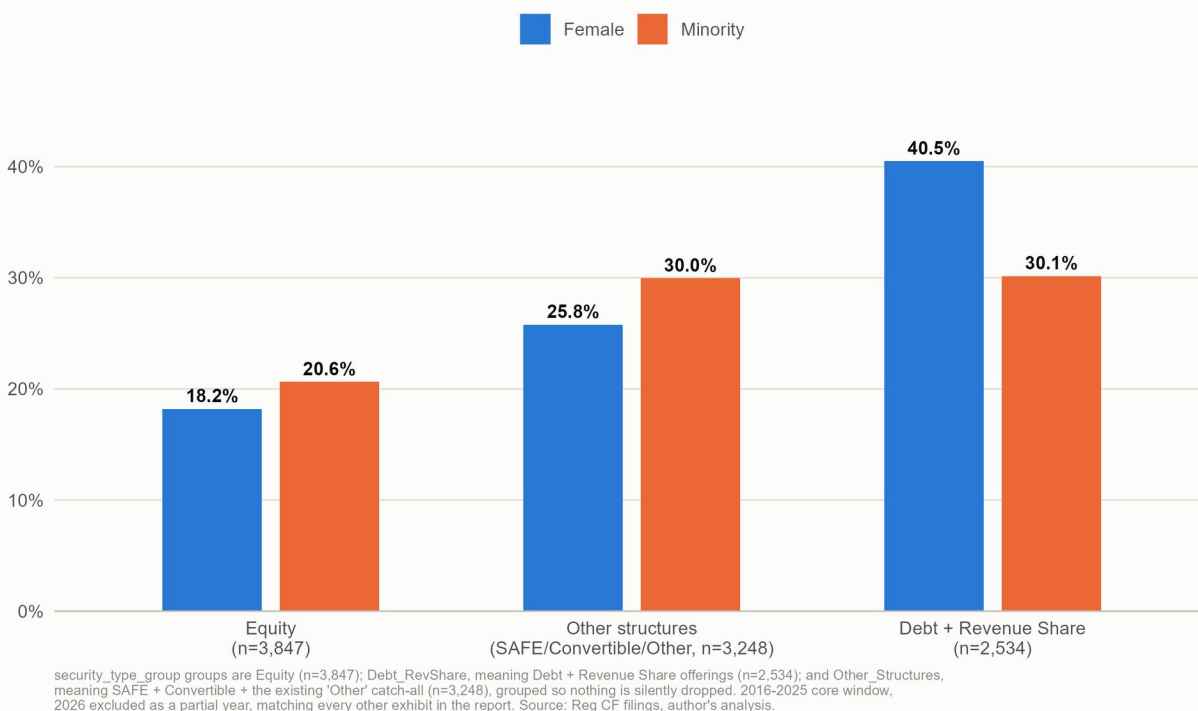


Figure 6. Share of offerings with a female or minority founder, by security-type family.

Over 2016–2025, 40.5% of Debt and revenue-share offerings have a female founder, versus 18.2% of Equity offerings, more than double. Minority representation follows the same direction, though less sharply, 30.1% in Debt and Revenue Share and 29.9% in Other Structures, versus 20.6% in Equity. Because Equity accounts for most of the report’s dollar volume, every pooled dollar-share figure elsewhere in this report is, by construction, weighted toward the instrument type where underrepresented founders are least represented. That’s a real limitation of measuring representation in dollar terms, not a data error, and we’d rather state it plainly than leave it implicit.

The minority-founder funded-rate advantage reverses in Debt and Revenue Share

	Equity	Debt + Revenue Share	Other Structures
Female-led funded rate	85.0% (n=700)	65.7% (n=1,026)	86.3% (n=837)
No female founder	79.2% (n=3,147)	59.0% (n=1,508)	74.6% (n=2,411)
Minority-led funded rate	83.2% (n=794)	60.3% (n=764)	82.4% (n=973)
No minority founder	79.5% (n=3,053)	62.3% (n=1,770)	75.5% (n=2,275)

Female-led offerings fund at a higher raw rate than offerings without a female founder in every instrument type. Minority-led offerings do too, in Equity and Other Structures, but within Debt and Revenue Share, the raw comparison actually reverses, 60.3% funded for minority-led offerings versus 62.3% for offerings without a minority founder. Taken alone, that would read as evidence the minority-founder advantage doesn’t hold for this instrument type, but that conclusion doesn’t survive closer inspection. It’s the same pooling artifact that anchors Section V’s interaction finding, showing up again here. The four-group interaction model below, which separates minority-only founders from those who are also female, finds a real, statistically significant funded-odds advantage for minority-only founders within Debt and Revenue Share specifically (odds ratio 1.44, 95% CI 1.10–1.87). The raw two-group comparison simply averages that real advantage together with the “Both” group’s much weaker

result in the same instrument type, and the pooled average comes out negative. The lesson from Section V generalizes here too. Whenever a minority-founder effect looks inconsistent or absent, check whether minority-only and Both are being averaged together before concluding the underlying advantage isn't there.

The interaction model holds in every instrument type, with one real exception

Section V's interaction finding, that the "Both" group underperforms what its two single-identity effects would predict, was estimated on the same Equity-heavy pooled data as everything else in this report up to that point. So is that pattern also just an artifact of Equity's size, or does it hold up once we examine the three instrument groups here separately?

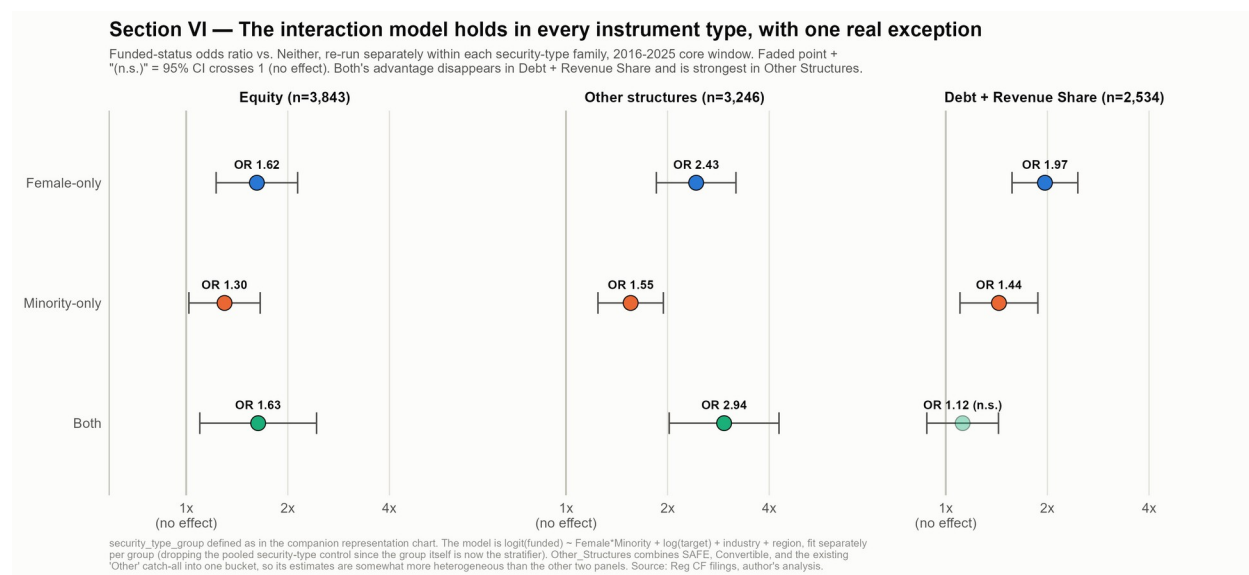


Figure 7. Interaction-model funded-status odds ratios vs. Neither, re-run separately by security-type family.

As in Figure 4, each panel's x-axis here is plotted in log2 odds-ratio units rather than raw odds ratios, so a doubling and a halving of the odds appear as equally sized steps in opposite directions instead of the lopsided spacing a raw odds-ratio scale would produce. The "1x (no effect)" reference line marks an odds ratio of exactly 1, which is $\log_2 = 0$.

Re-run separately within each of the three instrument groups, every founder-type group's funded-status odds ratio comes out greater than 1 relative to Neither. So the report's headline finding is not an artifact of Equity's size in the dataset. (Neither itself isn't plotted as its own point in Figure 7, since its odds ratio against itself is always exactly 1 by definition; it appears instead as the "1x (no effect)" reference line each panel is measured against.) The one real divergence is the "Both" (female and minority) group specifically. Its advantage is strongest in Other Structures (odds ratio 2.94, 95% CI 2.02–4.28), stronger even than in Equity (1.63), and weakest, not statistically distinguishable from no effect at all, in Debt and Revenue Share (1.12, 95% CI 0.88–1.43). In other words, the sub-additive penalty documented in Section V, where the "Both" group underperforms what its two single-identity effects would predict, is itself unevenly distributed across instrument types, sharpest in Debt and Revenue Share, essentially absent in Other Structures.

One caveat worth carrying forward here, Other Structures combines SAFE, Convertible, and the existing "Other" catch-all into a single bucket, so it's a more heterogeneous group of instruments than the other two panels, and its estimates should be read with that in mind rather than as one single, clean instrument type.

Target-setting reverses outside Equity due to platform incentives, not founder behavior

This table continues that same by-instrument robustness check we introduced above, just applied here to target-setting instead of founder-type representation, the raw funded-rate gap, or the interaction model.

	Equity	Debt + Revenue Share	Other Structures
Female-led median target	\$14,998	\$30,000	\$50,000
No female founder, median target	\$10,001	\$50,000	\$50,000

Section V reports that female-led offerings set a higher median target than offerings without a female founder, which serves as evidence against the simplest alternative explanation for the funded-rate gap, that female-led founders just ask for less. That finding doesn't generalize past Equity, though, and in Debt and Revenue Share it actually runs the opposite direction. Female-led offerings there set a lower median target (\$30,000) than others (\$50,000). In Other Structures there's no difference at all.

Reading this table requires some context Section V doesn't currently provide. Under Reg CF's all-or-nothing rule, an offering must meet its stated target to receive any of the money raised, which gives issuers (and the platforms coaching them) a real incentive to set the target artificially low relative to what they actually plan to raise, rather than at their true funding need. This dynamic is likely doing most of the work behind Debt and Revenue Share's much higher targets overall (a \$50,000 median versus Equity's roughly \$10,000), and it means target size throughout this report is better read as a strategic, platform-shaped number than a direct measure of capital need.

We also re-ran capital efficiency (amount raised per backer) by instrument for completeness, though it isn't charted separately here. The by-instrument comparison doesn't show any new pattern beyond what Section V already establishes. Amount raised per backer runs both directions depending on the specific founder-type/instrument-type cell, which is consistent with that metric's existing interpretation as a backer-network-reach proxy rather than a performance measure. It just wasn't a clean enough story to justify its own dedicated exhibit.

The bottom line is that the report's central finding is not an artifact of Equity dominating the dataset. If anything, the underlying pattern is more visible outside Equity, since that's where underrepresented founders are more heavily represented in the first place. The one qualification we'd carry into the Recommendations section is that the "Both" group's disadvantage isn't uniform across instrument types. It's most severe in Debt and Revenue Share (funded-status odds ratio 1.12, not statistically distinguishable from no effect), essentially absent in Other Structures (odds ratio 2.94, the strongest of the three), and somewhere in between for Equity (odds ratio 1.63).

Further research required. This report can show that the "Both" group's disadvantage varies sharply by security-type family, but it can't show why. Whether that variation reflects founders' own structural preferences, or unequal access to the legal and financial advice that shapes which instrument a company ends up using, is a question a founder-survey layer on top of this dataset could test directly. (See Section X, "For future research.")

VII. Does Reg CF Show the Same Pattern as Traditional Venture Capital?

“Is Regulation Crowdfunding closing the venture capital funding gap for underrepresented founders, or simply reproducing it at a smaller dollar scale?” That is the question this section takes on directly.

This section is explicitly a cited comparison, not a matched analysis, we want to be upfront about that. This project doesn’t have access to raw venture capital deal data, only externally published aggregate figures, as we discussed in Section III.

How this comparison was built

The Reg CF figures in Figure 8 are a single calendar year taken directly from the Section IV representation table, not a cumulative or multi-year average, 2025’s dollar-share row (21.0% to female-founded offerings, 21.4% to minority-founded offerings). We chose that year to line up as closely as the data allows with PitchBook’s and Crunchbase’s own most recently published figures at the time this report was written, which is why the chart pairs a 2025 Reg CF figure against 2024 external benchmarks rather than the same calendar year on both sides. Both external figures rely on the same kind of secondary sourcing this project uses throughout Section II. This project doesn’t hold a data license with either platform, so the PitchBook and Crunchbase numbers are cited as they appear through their public dashboards and industry-press coverage (see Appendix B), not pulled from a raw deal-level dataset. Crunchbase’s own figures in particular are noted in Appendix B to shift retroactively between articles as the underlying data gets revised, so the 0.4% figure should be read as that publication’s most recent restatement rather than a fixed number. The definitional caveats specific to each comparison, which PitchBook line is the fair match for the Female flag, and why the minority comparison is directional rather than validated, are covered in the two subsections right below.

One more comparability check is worth stating here. Venture capital invests almost exclusively through equity-type instruments, common and preferred stock, SAFEs, and convertible notes, rarely debt or revenue-share deals, while the Reg CF dollar-share figures above are pooled across every instrument type this report tracks. Restricting the 2025 Reg CF figures to equity-type instruments only (Equity, SAFE, and Convertible, which together already make up 89.7% of 2025 Reg CF dollar volume) moves the female share down by 0.8 points and the minority share down by 0.2 points, changes too small to affect the comparison’s conclusion in either direction, and the same holds across the full 2016–2025 trend.

Female founders, a closer comparison than it first appears

Section III established that Reg CF’s Female flag means “has a female founder,” not “all founders are female,” and that’s what resolves which of PitchBook’s two tracked lines is the correct comparison here. It’s the broader “female and male co-founded” line, which reached roughly 25% of venture capital dollars by 2024, not the narrower “all-women founding teams” line, which has stayed flat at 2.3% for over a decade. Reg CF’s own dollar share to female-founder companies has moved in a comparable range, roughly 16% to 22% across 2016–2025 (Section IV), which is a meaningfully closer comparison to venture capital’s 25% figure than the 2.3% figure would have suggested. Framed against the correct comparison population, Reg CF’s representation of female founders in dollar terms isn’t dramatically out of step with venture capital’s own trajectory.

Minority founders, directionally consistent, not a validated match

The comparison for minority founders needs to be read more cautiously, for a reason specific to this project’s data. Reg CF’s Minority_Founder flag is a single combined category, while the external venture capital literature (the Cook, Marx, and Yimfor study; Crunchbase’s ongoing tracking) is specific to Black founders. These aren’t the same population, and this report can’t disaggregate its own minority-founder data finely enough to test whether it matches any one external study’s specific population. What we can say is that the qualitative pattern, a combined-category advantage for minority-only founders that doesn’t extend to founders who are also female, is directionally consistent with a literature that documents both real capital-efficiency advantages for underrepresented founders and evidence that structural, network-based factors, not underlying quality, explain much of why that advantage doesn’t translate

into proportional funding. It is not, and we don't want to present it as, a validated equivalence between Reg CF's minority-founder population and any specific externally studied group.

Section VII — Does Reg CF show the same pattern as traditional VC?

Blue = our Reg CF data; gray = a published external benchmark (different source; the minority panel also compares a different population)

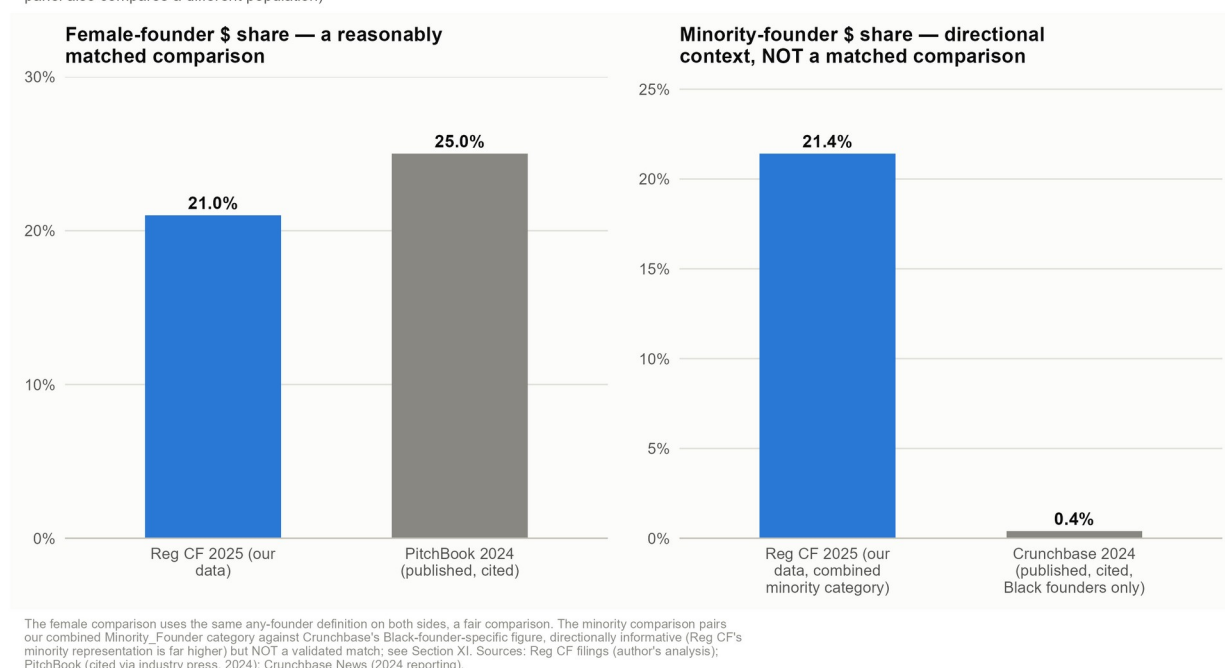


Figure 8. Reg CF vs. published venture capital benchmarks, female- and minority-founder dollar share.

We want to flag something about the chart above. The scale of the minority-founder gap (21.4% versus 0.4%) reflects population scope, not a literal 50-fold access difference. Crunchbase's 0.4% figure counts only Black-founder-led venture deals specifically, while Reg CF's 21.4% covers the much broader combined Minority_Founder category defined in Section III. Because the two figures measure different populations, the gap between them isn't a like-for-like comparison and shouldn't be read as a literal access ratio.

The market-size echo

One VC-side finding deserves a specific mention here, because it directly explains a Reg CF-side result. Tasneem Dohadwala, founding partner of Excelestar Ventures, described a structural mismatch behind part of the venture capital funding gap in an April 2026 Forbes interview. Her fund's investment threshold requires a minimum \$700 million total addressable market, but many women founders build in categories, she named women's health and niche consumer products specifically, that don't fit that mold, regardless of the quality of the underlying business. Section VI's industry finding is really the same dynamic showing up in Reg CF. Female-led offerings cluster in Personal Services, Luxury Goods, Education and Training, and Apparel and Fashion, categories that fund poorly for founders of every identity. The mechanism travels across capital channels even though the channels themselves are structurally very different.

Further research required. Every venture capital comparison in this report, here and in Section II, is citation-based directional context against externally published aggregates, not a controlled, population-matched comparison. This project doesn't have access to deal-level venture capital data. If such data becomes available, converting this from a directional citation into a true matched comparison would meaningfully strengthen the report's central claim, rather than just contextualize it. (See Section X, "For future research.")

VIII. What Actually Explains the Gap? (Multivariate / Predictive)

This section presents the full regression models underlying the findings we summarized in Sections V and VI, and walks through why the modeling choice, pooled versus interaction, changes the conclusion about minority-founder status specifically.

Pooled model (Female and Minority_Founder as separate, additive predictors)

This model treats being female and being a minority founder as two separate, independent predictors. If an offering has both, the model simply adds each variable's estimated effect together, it has no way to represent founders who are both as their own distinct group, which is exactly the gap the interaction model below is built to close.

Predictor	Funded status. Odds ratio (95% CI, p)	log(Amount raised). Coefficient (95% CI, p) → % effect
Female = Y	1.66 (1.47–1.87, p < 0.001)	0.262 (0.171–0.353, p < 0.001) → +30.0%
Minority_Founder = Y	1.14 (1.01–1.27, p = 0.028)	0.005 (–0.083–0.093, p = 0.914) → +0.5%, not significant
log(Target)	0.70 (0.66–0.73, p < 0.001)	0.307 (0.267–0.348, p < 0.001) → +36.0%

Both models control for target size, industry (23 categories), Census region, and security-type family. Funded-status model pseudo $R^2 = 0.086$ (versus 0.023 with no controls), $n = 9,623$; amount-raised model adjusted $R^2 = 0.158$, $n = 9,559$.

Read on its own, this model would suggest a real, controls-surviving advantage for female-led offerings, and a smaller, but on whether an offering gets funded, still statistically significant, advantage for minority-led offerings (OR 1.14, $p = 0.028$). That significance doesn't carry over to the amount actually raised, though. The pooled Minority_Founder coefficient there is 0.5%, $p = 0.914$, indistinguishable from zero. Taken at face value, this model reads as “minority status helps a little with getting funded, but not with how much money comes in.” That's a real result, but as the interaction model below shows, it's an incomplete one. This is the point where a lot of analyses would just stop, and we think that would be a mistake.

Interaction model (Female × Minority_Founder)

Term	Funded status. Odds ratio (95% CI, p)	log(Amount raised). Coefficient (95% CI, p) → % effect
Female = Y (female-only main effect)	2.00 (1.73–2.32, p < 0.001)	0.382 (0.274–0.490, p < 0.001) → +46.5%
Minority_Founder = Y (minority-only main effect)	1.36 (1.18–1.57, p < 0.001)	0.128 (0.021–0.235, p = 0.019) → +13.6%
Female × Minority (interaction)	0.56 (0.44–0.72, p < 0.001)	–0.383 (–0.570 to –0.195, p < 0.001) → –31.8%
Combined effect, both = Y vs. neither	1.54 (1.29–1.82, p < 0.001)	0.127 (–0.011–0.265) → +13.5%, not significant

Cell sizes. Both = Y, $n = 911$; female-only, $n = 1,651$; minority-only, $n = 1,618$; neither, $n = 5,443$, all well-powered.

Section VIII — What actually explains the gap?

Female x Minority interaction model. Blue = effect increases the outcome; red = decreases it. Faded point + "(n.s.)" = 95% CI crosses the null value (OR = 1 / 0% effect), read with caution.

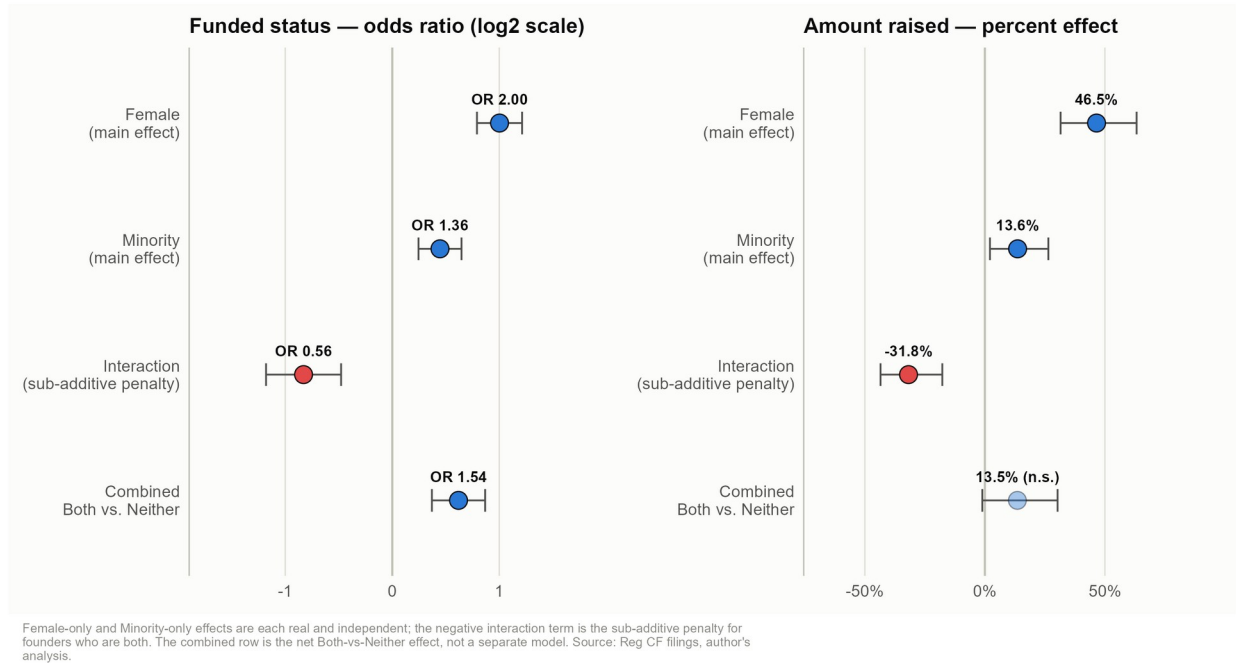


Figure 9. Interaction-model coefficients (*Female x Minority_Founder*), funded status and amount raised.

As in Figure 4, the left panel's x-axis here is plotted in log2 odds-ratio units rather than raw odds ratios, so doubling and halving the odds appear as equal-sized steps in opposite directions instead of the lopsided spacing a raw odds-ratio scale would produce, 0 = no effect, 1 = odds double, -1 = odds halve. The "OR" labels above each point translate back to an ordinary odds ratio, which is why OR 2.00 sits at the tick marked "1."

Adding just a single interaction term changes the conclusion substantially. Minority-only founders (those without a female founder) show a real, statistically significant advantage on both outcomes once you separate them from founders who are also female, and a larger one than the pooled model suggested. The pooled model's blended "Minority_Founder = Y" coefficient was really an average of two very different underlying effects, a real positive effect for minority-only founders, and a large negative interaction effect for founders who are also female. The two outcome measures show this dilution playing out differently. On whether an offering gets funded, the pooled estimate (OR 1.14) is still statistically significant, but it understates the true minority-only advantage by nearly a third (the interaction model's minority-only main effect is OR 1.36). The underlying effect was strong enough to survive being averaged with the both-group's penalty, just not to survive it undiminished. On how much money gets raised, though, the dilution is total. The pooled coefficient (+0.5%, $p = 0.914$) is statistically indistinguishable from zero, which fully masks a real +13.6% minority-only advantage that gets erased by an equally real, and larger, negative interaction term for founders who are also female.

So the correct way to present the pooled result, we think, is as a cautionary example. This is what the data would appear to show if you never tested for an interaction, and it would be an incomplete conclusion at best, actively misleading on amount raised, merely attenuated on funded status. The interaction model is the more accurate description of what the data actually contains.

The practical implication ends up asymmetric across the two outcome measures. On whether an offering gets funded at all, founders who are both female and minority still outperform the comparison group, a real advantage survives, just a reduced one. On how much money actually gets raised, though, that advantage vanishes entirely. The combined effect isn't distinguishable from zero. Being both female and minority appears to help a founder clear the

funding bar, without producing the larger raise that either identity alone tends to produce on its own. Section IX tests this same question with an entirely independent outcome measure and finds the same asymmetric pattern.

Further research required. The consistent, three-times-independent pattern documented above, here, in Section V, and again in Section IX, establishes that something structural is happening at the intersection of both identities. It just doesn't establish what that something is. Backer-network access, compounding bias, and industry composition are all plausible mechanisms this dataset alone can't distinguish between; testing them directly would need founder interviews or a more granular backer-composition analysis. (See Section X, "For future research.")

IX. Capital Deserts and Durable Access

Repeat-raise rates, a third independent confirmation

If the interaction effect described in Sections V and VIII reflects something real about how underrepresented founders at the intersection of two identities are treated by the capital markets available to them, it should show up in an outcome measure that has nothing to do with the funded-status or amount-raised models we've already discussed. Whether a company comes back to Reg CF for a distinct, later-year offering (a genuine follow-on raise, not a continuation of the same round) is exactly that kind of independent test.

Group	Total companies	Follow-on raise, n (%)	Median gap (years)
Female-only	1,259	161 (12.8%)	1.33
Minority-only	1,219	199 (16.3%)	1.35
Both	704	83 (11.8%)	1.18
Neither	4,214	594 (14.1%)	1.17

Minority-only founders return for a follow-on raise noticeably more often than the comparison group (16.3% versus 14.1%). Female-only founders, on the other hand, return somewhat less often than the comparison group (12.8%). If you naively combine those two individual effects onto the comparison-group rate, you'd predict a follow-on rate for the "both" group of roughly 15.0%. The actual rate for that group is 11.8%, 3.2 percentage points below the naive prediction, and the lowest rate of all four groups, lower even than founders with neither identity.

Section IX — Repeat-raise (follow-on) rate by group

Dashed line = the Neither group's rate. Both falls BELOW it despite Minority-only having the highest rate of all four groups, confirming the interaction a third time.

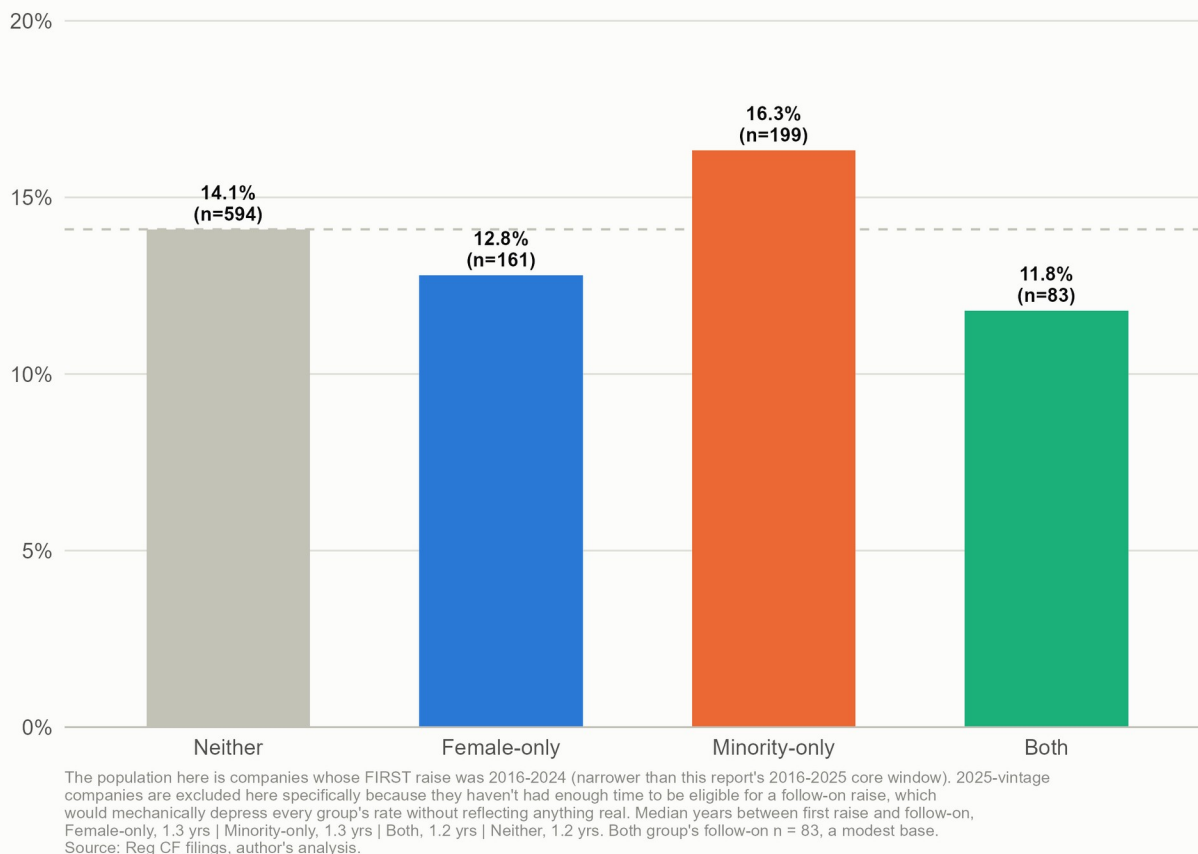


Figure 10. Repeat-raise (follow-on) rate by founder-type group.

This is the third independent outcome measure, following funded status and amount raised, where founders at the intersection of both identities underperform what a simple combination of the two single-identity effects would predict. That consistency across three unrelated measures of success is what elevates this from an interesting regression coefficient into a genuine, load-bearing finding of this report. One caveat is worth noting, though. The “both” group’s follow-on sample (83 companies) is smaller than the other groups’, so while the direction of the finding is well supported by three separate lines of evidence, the precise magnitude in this specific table should be treated as more approximate than the funded-status and amount-raised results.

The interaction shortfall shows up in backer count too

One more outcome measure is worth checking here, even though it sits outside this report’s three core measures. Reg CF’s daily transaction data also tracks each offering’s running backer count, and summing that the same way Amount raised is derived gives a total backer count per offering, essentially how many individual people chose to back a given campaign. That’s not one of the three funding outcomes this report is built around, but since Reg CF is unusual in being funded by ordinary retail investors rather than institutions, it’s a natural extra data point on how broadly a campaign draws support.

Group	n	Median backers	Mean backers
Female-only	1,631	55	219.97
Minority-only	1,630	58	260.07
Both	932	42	187.60
Neither	5,405	48	256.08

Run through the same interaction model used for funded status and amount raised, controlling for target size, industry, and security-type family, female-only offerings draw 25.0% more backers than the comparison group ($p < 0.0001$) and minority-only offerings draw 10.5% more ($p = 0.046$), both real, controls-surviving advantages. And the same sub-additive pattern documented elsewhere in this report shows up again here. Founders who are both female and minority draw 19.6% fewer backers than simply combining the two single-identity effects would predict ($p = 0.012$). This isn’t a formal fourth confirmation of this report’s central finding, since backer count isn’t one of the three outcome measures the rest of the report is built on, but it’s a consistent, independently-derived data point pointing the same direction.

One qualification carries forward from elsewhere in this report. This pattern is clean within Equity-structured offerings, the largest slice of the data, but it doesn’t fully replicate in SAFE or Convertible offerings, where the “both” group’s backer count is comparable to or higher than the single-identity groups, echoing how Section VI documents the “both” group’s disadvantage varying by security-type family.

One more note on the underlying data. About 3.4% of offerings come from portals whose feeds never captured backer counts at all, a gap spread about evenly across founder-type groups rather than concentrated in any one of them, so it doesn’t bias this comparison, but it’s worth knowing before citing an absolute backer count for any individual offering.

Capital deserts, where Reg CF activity is high but venture capital presence is thin

This is the second, and quite different, geography question this report asks. Section VI’s version was a control-variable check. Does where a company is headquartered change its odds of getting funded once it’s already filed? That came back null, which is itself informative, it means the gaps documented throughout this report aren’t a regional artifact. This section asks something else entirely. Is Reg CF filling a geographic gap left open by traditional venture capital? In other words, are there states with substantial founder-diversity activity on Reg CF that traditional venture capital largely bypasses? That’s a question about capital access and representation across states, not about whether headquarters location predicts a given company’s funding outcome. Because this project has no access to state-level venture capital deal data, this analysis pairs Reg CF’s own state-level activity against sourced, published venture capital concentration figures rather than a matched dataset.

Crunchbase reporting from August 2025 puts this concentration in pretty stark terms. California alone accounted for roughly two-thirds of all U.S. venture capital dollars through July of that year, with New York a distant second at \$13 billion, and Massachusetts and Texas third and fourth at roughly \$6 billion and \$5.2 billion respectively. The

same reporting states plainly that states outside this top tier “generally captured no more than a single-digit percentage of investment.”

Against that backdrop, the ten states below show just how widespread this pattern is within Reg CF. Each one combines substantial offering volume with founder-diversity representation at or above the median (we applied a minimum of 20 offerings per state to avoid noise from thin cells). These are a representative sample, not the full picture. The complete 43-state (every US state that clears the same 20-offering minimum used above) analysis is what actually identifies which states are genuine capital deserts and which already have real venture infrastructure, and we discuss that next.

State	Offerings	% Female	% Minority	Total raised	Funded rate
Rhode Island	29	41.4%	24.1%	\$4.3M	72.4%
Iowa	20	40.0%	25.0%	\$2.7M	55.0%
Hawaii	39	38.5%	30.8%	\$23.6M	79.5%
Alabama	45	37.8%	20.0%	\$8.6M	64.4%
Pennsylvania	414	35.0%	22.5%	\$62.5M	80.7%
Tennessee	122	34.4%	13.9%	\$39.8M	73.8%
Oregon	140	33.6%	17.1%	\$32.6M	79.3%
Maryland	151	33.1%	40.4%	\$31.7M	67.5%
Georgia	223	32.3%	43.5%	\$53.2M	66.4%
Ohio	174	32.2%	24.1%	\$33.6M	71.8%

Of the states qualifying on founder-diversity activity, a distinct subset aren’t recognized venture capital hubs at all, and therefore best fit the “capital desert” description, Rhode Island, Iowa, Alabama, Hawaii, Montana, Indiana, Ohio, Missouri, Michigan, Wyoming, Kansas, and New Mexico. A second group (Pennsylvania, Illinois, Georgia, Colorado, and North Carolina) also shows strong founder-diversity activity, but sits within metro areas that already have real, established venture ecosystems (Philadelphia, Chicago, Atlanta, Denver and Boulder, and North Carolina’s Research Triangle respectively), so we’d describe those as a secondary market rather than a desert. The full 43-state table, with every state meeting the minimum-offering threshold, is available to researchers under license, as described in Appendix A.

Section IX — Capital deserts, where diversity activity outpaces VC infrastructure

Dashed lines = the national medians these states exceed (Female 27.1%, Minority 21.0%, 2016-2025 core window). Blue = Female-founder share; orange = Minority-founder share, both of offerings in that state.

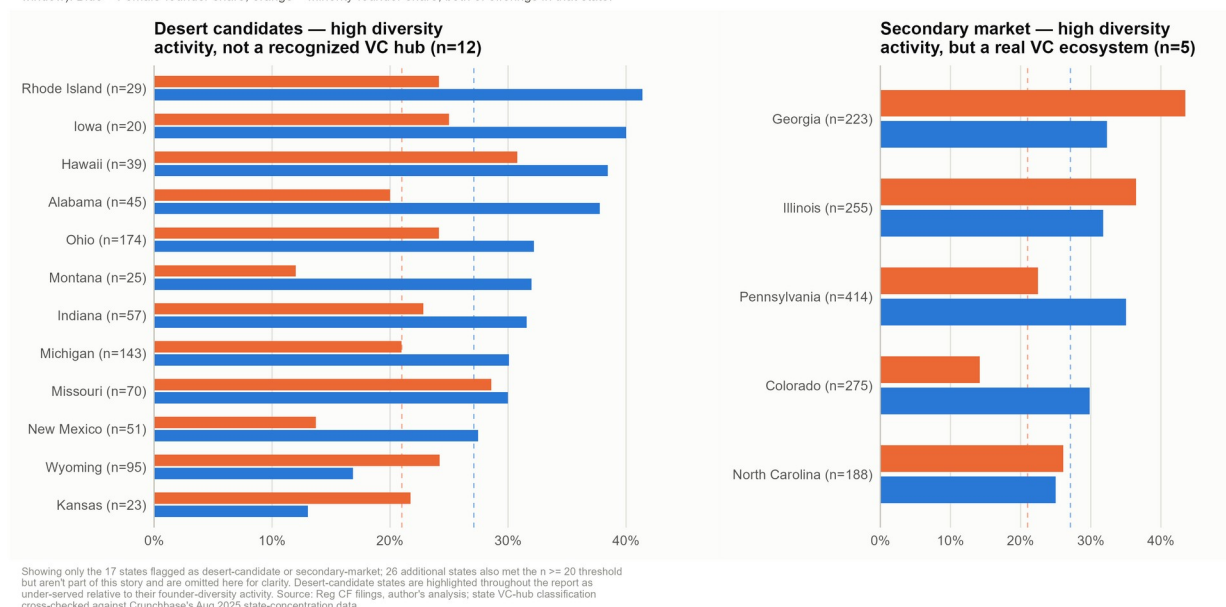


Figure 11. Capital deserts. High-diversity-activity states vs. secondary-market states. Blue is female-founder share, orange is minority-founder share, both as a percent of that state’s offerings.

Annual-report filing and revenue growth by group

This section asks whether women and minority founders file their required Reg CF annual compliance reports at different rates than other founders, and, among filers, how their revenue growth compares, including a “how much revenue per dollar invested” framing. A couple of scoping notes before we get into the findings. First, the literal three-way comparison that was asked for (women vs. minorities vs. white men) isn’t directly tagged in the data, but it’s answerable the same way the rest of this report treats it. Founders not flagged as a minority founder are treated as white, and founders not flagged as female are treated as male, so this analysis uses the same Female/Minority_Founder binary structure as the rest of the report. Second, this section uses company-level founder flags, since the annual-report data links to companies via a tax ID (CIK) that only exists at that level.

The eligible population is 8,727 companies, every company with a Reg CF offering old enough that a first annual-report deadline has already passed. 395 companies whose first raise was in 2026 are excluded as too recent to evaluate, since they haven’t yet reached their first filing deadline.

Filing status is flat across founder type, the real story is how few companies file at all

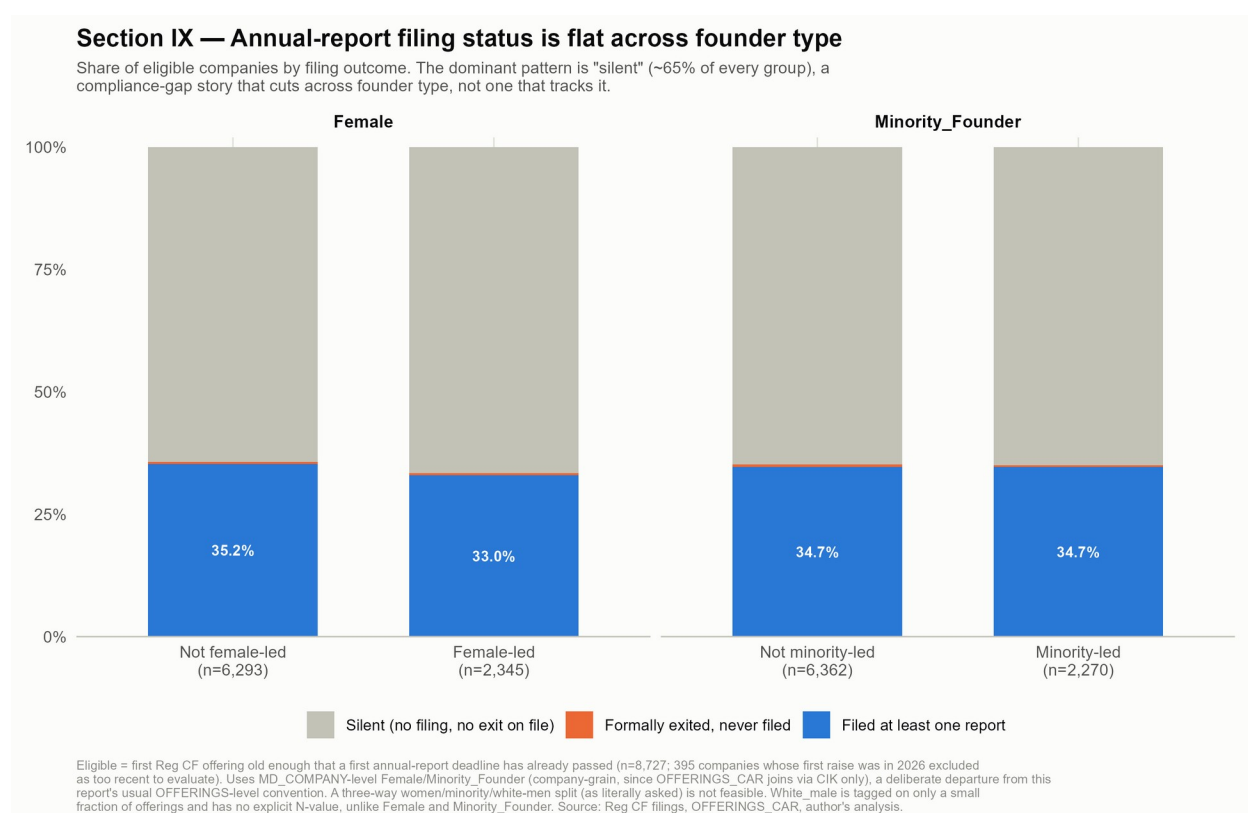


Figure 12. Annual-report filing outcome, by founder-type group.

	Filed at least one report	Formally exited, never filed	Silent
Not female-led (n=6,293)	35.2%	0.5%	64.3%
Female-led (n=2,345)	33.0%	0.4%	66.6%
Not minority-led (n=6,362)	34.7%	0.5%	64.9%
Minority-led (n=2,270)	34.7%	0.4%	65.0%

Female-led companies file at a very slightly lower rate than others (33.0% vs. 35.2%, a 2.2-point gap); minority-led companies file at essentially the same rate as others (34.7% vs. 34.7%, no gap at all). Neither comparison shows the kind of gap that would support a “founders from underrepresented groups are more compliant” or “less compliant” claim in either direction. Formally exiting the reporting obligation without ever having filed is rare everywhere, under half a percent in every group. The dominant pattern here, and we’d argue the more interesting finding than any group difference, is that roughly two-thirds of every group’s eligible companies are “silent,” meaning no annual report on file, and no formal termination of the obligation either. That’s a broad Reg CF compliance-gap story that cuts across founder type rather than tracking it, and we think it’s worth noting as its own limitation of the ecosystem rather than attributing it to any one group.

Among filers, revenue growth tells three different stories depending on which measure is used

The three panels below measure three different things, and each one answers a different question. Latest-year revenue growth is a single-year snapshot, how much did revenue grow in the most recent reporting year alone. Long-run CAGR (compound annual growth rate) instead measures the average annual growth rate sustained across a company’s full filing history, so it only applies to the narrower group of companies with two or more annual reports on file. A one-year jump and a multi-year trend can tell pretty different stories about the same company. Revenue growth per dollar raised divides that growth by how much capital the company took in, the same capital-efficiency lens Section V uses for backer-network reach, just applied here to growth outcomes instead of funding outcomes. It asks whether growth was large relative to the capital behind it, not just large in absolute terms. A group can look stronger on one of these measures and weaker on another, and that’s exactly what the table shows.

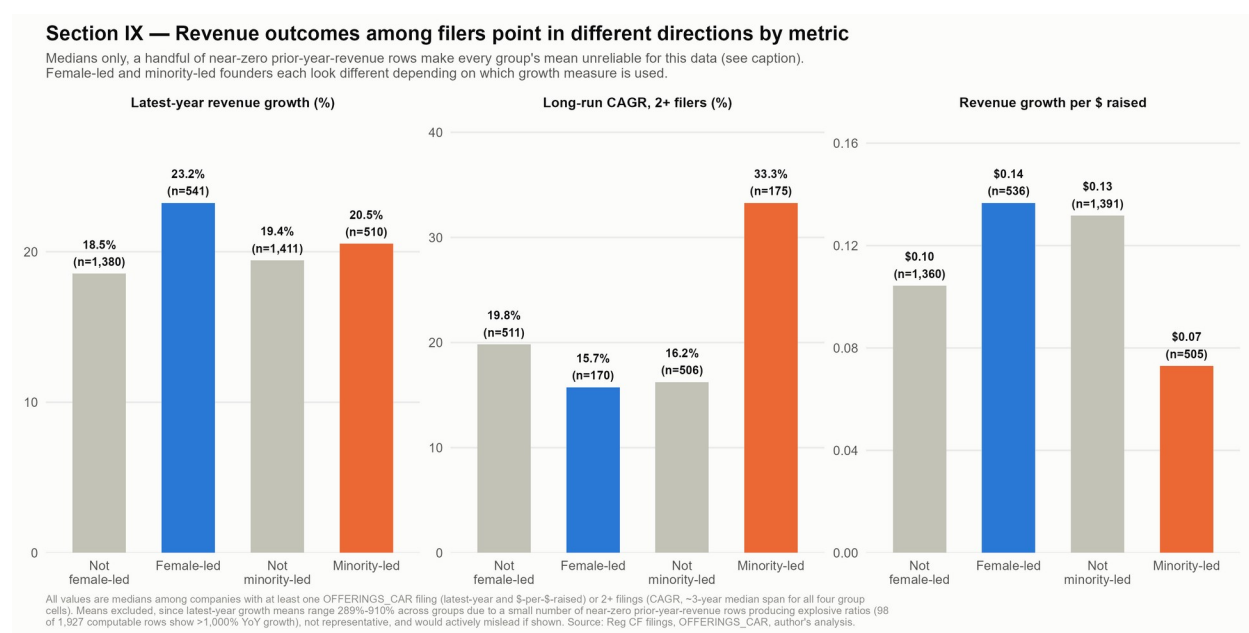


Figure 13. Revenue growth among annual-report filers, by founder-type group and outcome measure.

Metric	Not female-led	Female-led	Not minority-led	Minority-led
Latest-year revenue growth (median)	18.5% (n=1,380)	23.2% (n=541)	19.4% (n=1,411)	20.5% (n=510)
Long-run CAGR, 2+ filers (median)	19.8% (n=511)	15.7% (n=170)	16.2% (n=506)	33.3% (n=175)
Revenue growth per \$ raised (median)	\$0.10 (n=1,360)	\$0.14 (n=536)	\$0.13 (n=1,391)	\$0.07 (n=505)

Female-led companies show higher latest-year revenue growth than others (23.2% vs. 18.5%) and generate more revenue growth per dollar raised (14 cents vs. 10 cents), but a lower long-run compound growth rate among the subset with repeat filings (15.7% vs. 19.8%, which is actually a reversal from the latest-year read). Minority-led companies show a smaller latest-year edge (20.5% vs. 19.4%) but a much larger long-run compound growth rate (33.3% vs. 16.2%), while generating less revenue growth per dollar raised (7 cents vs. 13 cents). So neither group's story is simply "does better" or "does worse." Percentage growth and dollar-for-dollar capital efficiency are different quantities that can move in different directions for the same company, and this data shows exactly that kind of divergence playing out differently for the two groups.

A quick methodology note here. Latest-year growth is computable for only 1,927 of 3,003 total filers (1,077 excluded, 38 null most-recent-revenue, 38 null prior-revenue, and 1,039 with exactly zero prior-year revenue making the ratio undefined), and long-run CAGR is computable for only 681 of 1,236 companies with 2+ filings (555 excluded on the same grounds). Even among the computable rows, a small number of near-zero-but-nonzero prior-year-revenue figures produce explosive ratios (98 of 1,927 latest-year rows show over 1,000% growth, one as high as 263,773%) that make every group's mean wildly unrepresentative (ranging 289%–910% across groups, versus medians in the high teens to thirties). Medians are really the only reliable read for this data, which is why they're the only figures we reported above.

The bottom line is that annual-report filing rates don't meaningfully differ by founder type. The real gap is that most companies of every type never file at all. Revenue growth among filers is genuinely mixed too. Female-led companies look stronger on a single-year snapshot and on capital efficiency, minority-led companies look stronger on the long-run trajectory among repeat filers, and neither pattern is large or clean enough to support a simple headline claim in either direction.

Further research required. The medians-only treatment above reflects a real data-quality limit, not a stylistic choice on our part. A meaningful share of filer-level revenue-growth rows are extreme outliers driven by near-zero prior-year revenue. A longer, more complete filing panel, or survey-verified financials for a smaller matched sample, could support a sharper growth comparison than this report's filing-based data currently allows. (See Section X, "For future research.")

One more outcome measure belongs here alongside the others above, even though, unlike them, it does not end up as a reportable comparison. We also looked at whether founder type predicts business survival and durability itself. The finding below is why we ultimately could not turn that into a number worth including next to the others in this section, moved here from this report's Limitations section since it fits more naturally with the rest of this section's outcome measures than with a general caveats list.

Business survival and durability by founder type, investigated, not reported

This section asks whether the business-status field this project already tracks shows women- and minority-founded companies lasting longer, on the theory that they might build more sustainable businesses than other founders. The field does exist, a company-level "BUSINESS_STATUS" table, keyed on the company rather than any one offering, covering 8,781 of 9,124 companies with a Reg CF offering (96.2%). It's genuinely distinct from the campaign-status fields used elsewhere in this report (OFFERINGS' Withdrawn/Disappeared/Closed_early describe what happened to the raise itself, and OFFERINGS_CAR's termination-of-reporting flag conflates dissolution with unrelated successful exits), so unlike those, it's at least asking the right question.

It's just not reliable enough to actually answer that question, though. The table is built from three separate status scans run at different times with different methods, and they disagree substantially. 32% of covered companies (2,807 of 8,781) show a different status across scans, including outright reversals, companies tagged "Gone" in one scan and "Live" in a later one. The most complete and current scan (May 2026, 7,362 companies) is an automated, confidence-scored classifier, and a targeted internal audit of 30 companies it tagged "Gone" or "Out of Business" found that only 1 of the 13 cases actually reviewed held up, a roughly 92% false-positive rate. The one batch that did get real human review (December 2025) is both small (870 companies) and was reviewed on a targeted basis rather than a random sample, so it can't stand in as a reliable substitute either.

Even a trustworthy status field would need one more adjustment before a raw percentage meant anything. Female- and minority-led companies are on average younger than the rest of the population, their share of offerings roughly

doubled from 2016 to 2025 (Section IV), so younger cohorts have mechanically had less time to fail, which would bias a raw comparison in their favor regardless of any real difference in durability. That confound is solvable with a cohort-controlled or survival-style design, but the underlying data quality isn't something this project can fix on its own. So rather than publish a founder-type comparison built on a field known to be wrong roughly nine times out of ten in the "went out of business" direction, we're reporting this as an open item instead. The question is a good one, and the data to answer it may already exist, but it needs a verified, ideally human-reviewed business-status field before it can be answered with any real confidence.

Further research required. A verified, ideally human-reviewed business-status field, even a modest, randomly-sampled one, would let a real cohort-controlled survival analysis run on data this project has already built the pipeline for. (See Section X, "For future research.")

X. Key Findings & Recommendations

This section pulls together the report’s core findings and translates them into concrete recommendations for platforms, policymakers, and future research. We’ve tried to distinguish clearly between findings strong enough to justify a business-case argument and the one finding that instead points toward a specific, unanswered question.

Key findings

- Representation is rising faster than capital. The share of offerings with a female founder, and separately the share with a minority founder, each roughly doubled from 2016 to 2023 (about 15% to roughly 30–32%), but the share of dollars raised by those same groups barely moved, staying in the high teens to low 20s across the entire period.
- Female-only founders (a female founder, no minority founder) really do more with less, and this effect is real, not a fluke. Once you control for deal size, industry, geography, and security type, these offerings turn out to be funded at twice the odds (odds ratio 2.00) and raise approximately 46% more than comparable offerings with neither a female nor minority founder.
- Minority-only founders (a minority founder, no female founder) do too, once isolated from the pooled comparison. Once you separate minority-only founders out from those who are also female, a real, significant advantage shows up on both funded rate (odds ratio 1.36) and amount raised (about 13.6% more).
- The intersection does not get the combined benefit. Founders who are both female and minority still get funded at a higher rate than the comparison group, but their amount-raised advantage disappears entirely, and their follow-on rate (11.8%) turns out to be the lowest of all four groups, lower even than founders with neither identity (14.1%). Why this shortfall exists is, we’d say, the report’s single highest-priority open question (see “For future research” below).
- The pattern is broadly consistent with, though more favorable than, what traditional venture capital research has documented for female founders. The minority comparison is directionally consistent but not a validated match, since Reg CF’s combined minority category and the cited external benchmark’s Black-founder-specific figure are simply describing different populations.
- The gap is driven far more by what founders build than by where they live. Security-type choice and industry sector explain far more of the variation in funding outcomes than geography ever does. Female-led offerings turn out to be disproportionately concentrated in industries (Personal Services, Luxury Goods, Education and Training, Apparel and Fashion) that fund and raise roughly half as well as Technology across the board, for founders of any identity. This mirrors a “market size” dynamic already documented in traditional venture capital, where women founders are described as clustering in categories investors judge to have a smaller addressable market.

For platforms and policymakers

- Treat female-only and minority-only founders as distinct, separately-evidenced groups, not as one combined diversity initiative. Both groups show real, controls-surviving capital-efficiency advantages within Reg CF, which is a finding about market performance and not only about equity, consistent with what BCG’s and the NBER’s venture capital research has found in a different capital channel.
- Investigate why founders at the intersection of both identities don’t receive the combined benefit, rather than treating this group as just a smaller version of either single-identity group. The consistent pattern across three outcome measures (funded status, amount raised, and follow-on rate) suggests something structural is happening specifically at the intersection, not simply less statistical power. Backer-network access, compounding rather than offsetting forms of bias, and the specific industries this group tends to build in are all plausible mechanisms worth testing directly, ideally with founder interviews or a more granular backer-composition analysis that this dataset alone can’t provide.
- Direct outreach and platform support toward the identified capital-desert states, Rhode Island, Iowa, Alabama, Hawaii, Montana, Indiana, Ohio, Missouri, Michigan, Wyoming, Kansas, and New Mexico, where Reg CF is already showing meaningful founder-diversity activity without a competing, well-established venture capital ecosystem.

- Consider whether target-setting guidance or campaign coaching could help close the amount-raised gap for the intersectional group specifically, since their funded-rate advantage already shows they're clearing the bar for viability. The shortfall shows up specifically in how much capital they end up raising once funded, not in whether they succeed at all.

For founders and investors

- For female or minority founders deciding whether to raise through Reg CF, the finding here is a real, practical data point, not just an equity argument. Female-only and minority-only founders get funded at meaningfully higher rates and raise more, not less, than founders with neither identity, and that holds up after controlling for deal size, industry, geography, and security type. That advantage does not carry over automatically to founders who are both female and minority, which is worth knowing going in rather than discovering after the fact.
- Reg CF is unusual among funding channels in that its investors are largely ordinary people, not institutions, so this report's findings describe a market they participate in directly. Nothing here is investment advice or a guarantee of future performance. What the data shows is narrower and backward-looking: within this dataset and this period, offerings from female-only and minority-only founders funded at higher rates and raised more than comparable offerings from founders with neither identity, a pattern consistent with what the venture capital research in Section II documents in a different capital channel. What any individual investor should do with that is outside what this report can say.

For future research

The single highest-priority item, which we already named above, is understanding why founders at the intersection of both identities don't receive the combined benefit. This section gathers every place elsewhere in the report where a deeper or differently-designed dataset could plausibly change the picture, flagged inline as each one comes up.

- Test candidate mechanisms behind the Female $\times$ Minority interaction effect directly. The three-times-independent pattern documented in Sections V, VIII, and IX establishes that something structural is happening at the intersection of both identities, just not what that something is. Backer-network access, compounding bias, and industry composition are all plausible mechanisms this dataset alone can't distinguish between; testing them directly would need founder interviews or a more granular backer-composition analysis.
- Pursue more granular race and ethnicity data. This report's Minority_Founder findings are, by necessity, about a single combined category. Disaggregating by specific race or ethnicity, not possible with the data available to this project, would be the most direct way to test whether the minority-only advantage documented here holds uniformly, or whether it's itself an average masking further heterogeneity, the same way the original pooled Female/Minority analysis masked the interaction effect described in Section V.
- Obtain or build a matched, deal-level venture capital dataset. Every venture capital comparison in this report (Sections II and VII) is citation-based directional context against externally published aggregates, not a controlled, population-matched comparison, and this project doesn't have access to raw VC deal data. If such data becomes available through a data partnership or licensing arrangement, converting this from a directional citation into a true matched comparison would meaningfully strengthen the report's central claim rather than just contextualize it.
- Test whether instrument-type differences reflect founder choice or unequal access to advice. Section VI shows the female $\times$ minority interaction's disadvantage varies sharply by security-type family, most severe in Debt and Revenue Share, essentially absent in Other Structures. This report can't distinguish whether that variation reflects founders' own preferences or unequal access to the legal and financial advice that shapes which structure a company ends up using; a founder-survey layer on top of this dataset could test that directly.
- Build or obtain a verified business-status field. Section IX explains why this report doesn't publish a founder-type comparison on business survival, the best available field has an audited ~92% false-positive rate on "out of business" tags. A properly human-reviewed version of the same field, even a modest, randomly sampled one, would let a real cohort-controlled survival analysis run on data this project has already built the pipeline for.

- Move beyond medians for the annual-report revenue-growth findings. Section IX’s filer-level revenue-growth metrics are noisy enough that only medians are reportable, means get distorted by a minority of extreme-outlier rows. A longer, more complete filing panel, or survey-verified financials for a smaller matched sample, could support a more precise growth comparison than this report’s filing-based data currently allows.

XI. Limitations

No data on specific minority subtypes

This is the most consequential limitation in the whole report, which is why we’re stating it here prominently rather than leaving it buried in a general list. The underlying data can identify whether a company has a minority founder, but not which race or ethnicity that founder belongs to. Every minority-related finding in this report refers to the combined category as coded in the dataset. This has two specific consequences. First, Section VII’s venture capital comparison for minority founders can only be described as directionally consistent with the external literature, not a validated match, since that literature studies specific groups (principally Black founders) separately from a combined category. Second, the minority-only advantage documented in Sections V, VIII, and IX is an average across whatever specific groups make up that combined flag in this dataset, which may not hold uniformly for every group within it.

Further research required. If a disaggregated race/ethnicity field becomes available, testing whether this combined-category advantage holds uniformly by specific group, rather than masking further heterogeneity the way the original pooled analysis masked the interaction effect in Section V, would be the single highest-value follow-up analysis this dataset could support. (See Section X, “For future research.”)

Other limitations

- Founder-type data is observer-coded from the public offering record, not founder self-report, when each company enters the dataset, and it’s subject to the limitations of that process, gaps or ambiguity in the public information used to make the call.
- 2025 founder-demographic determinations initially lagged the filing date, since they’re made via internal review rather than founder self-report. That review backlog (136 outstanding November–December 2025 offerings) has since been closed by hand, 134 of them resolved, bringing 2025 completeness to roughly 99.4% (the 2 remaining offerings have broken campaign links and are immaterial to any statistic in this report). So 2025 is now treated as a full core year on the same basis as 2016–2024, and 2026 remains excluded from trend analysis entirely as a partial year.
- All regression results in this report describe statistical association after controlling for observable factors, not causation. We’ve deliberately limited the language throughout to “predicts” or “is associated with,” never “causes.”
- The venture capital comparisons in Sections II and VII are citation-based context from externally published, aggregate research, not a matched analysis against raw venture capital deal data, which this project simply doesn’t have access to.
- A Latino/Hispanic-specific venture capital benchmark does exist (Latino/Hispanic founders received roughly 1.5% of venture capital dollars, per a 2022 report with no confirmed update since), but we did not cite it in Section II, unlike the report’s other venture capital citations. This space is tracked far less rigorously in the external literature than the women- or Black-founder space, and the benchmark’s age made it a weaker source than the ones this report otherwise relies on. We also couldn’t locate any current benchmark for Asian founders or a combined underrepresented-minority aggregate.
- Several control-variable estimates rest on small samples and should be read with appropriate caution, the Space Technology industry category, the non-US-headquartered geography category, and the 83-company follow-on-raise sample for founders who are both female and minority.

Business survival and durability by founder type is a related question this project investigated but does not report a number for, given the same reasoning behind this report’s other data-quality caveats above. See Section IX, “Business survival and durability by founder type, investigated, not reported,” for the full explanation of what we found and why.

Acknowledgments

This report was researched and written by Jack Jesaitis, a finance student at the University of Denver, during a summer 2026 research internship at Crowdfund Capital Advisors. The author thanks Sherwood Neiss for supervising the research and for access to the CCLEAR dataset.

As described in Section III, AI assistance was used to help select and apply the appropriate significance tests and to interpret diagnostic measures. Every figure in this report derives from CCLEAR's own data.

XII. Appendix

A. Data availability

Full model output for the pooled and interaction regressions, including all control-variable coefficients, is available on request for research and verification purposes. Requests: data@cclear.ai. The underlying data is CCLEAR, Crowdfund Capital Advisors' proprietary Regulation Crowdfunding database. CCLEAR is not a public dataset and no offering-level data is distributed with this report. Researchers who wish to replicate, extend, or build on this analysis, including the full 43-state capital-desert table and the per-offering efficiency calculations, can license access for their own research. Inquiries: data@cclear.ai.

B. Full citation list

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