
The Israeli Tech: Gender Distribution Report 2021

Data: Jan 1st, 2020 – Jun 30th, 2021





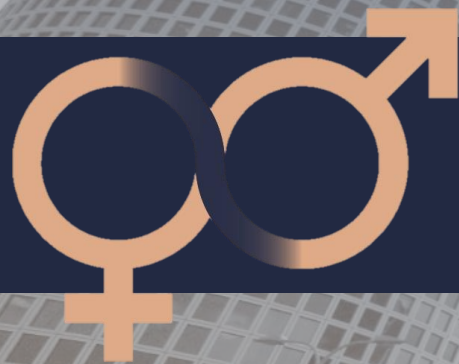
Overview

Wherever you look in the Tech world these days, you find both numbers and expectations running high: company valuations, amounts raised by young Start-Ups, salaries, the number of workers, entrepreneurs' ambitions and so on. With all these developments taking place, one would expect to see advancement in less noticeable parts of the Tech universe – such as the diversity of the Tech community, especially the gender gap.

This report describes a more complex situation. The gender gap has narrowed, but only in specific places. As Israeli Tech advanced to new levels on a (almost) daily basis in the last several months (at least from a financial perspective), testing the new landscape, specifically the presence of women in the industry, or the lack of it, depending on where you look, has become much more apparent.

Analysis of the capital influx that accounts for the recent boom in the industry underscores the absence of women in large investment rounds. Just 2% of the mega rounds (higher than \$50m), went to companies that were led by female entrepreneurs in strategic positions, much less than their total share in the local tech world. In dollar values since 2018, this translates to \$18.1 billion for companies led by men as opposed to \$0.36 billion for companies headed by women.

Nevertheless, most of the report's findings are not discouraging: the share of women founders has grown dramatically, accounting for 21% of start-ups established after 2018, and we expect this will increase in the coming years; the total dollar value raised by women-led companies has grown dramatically since 2017; and the percentage of women in strategic leadership positions in new companies has increased by 50% from 2017 to 2021 – much faster than the growth of the industry.



Despite important gains, this report shows that the local Tech industry still has a long way to go to achieve a more diverse landscape.

Methodology



The data for this report is based on the ecosystem of Israeli entrepreneurs and tech companies.

To understand the representation of gender in the industry, we examined the data from two perspectives: women as entrepreneurs and women as company leaders, with the assumption that the dynamics in the industry for each one differs.

We examined the leadership roles of founders holding strategic positions in their company's management – CEOs, CFOs, CTOs, Presidents and Chairs – positions that lead capital allocation processes, especially of companies that are already in growth stages.

Moreover, in order to study the changes in the tech landscape over the last 3 to 4 years, we focused on two periods: from 2000 to 2017 (included); and from 2018 to mid-2021.

The difference in the numbers for each group – women as entrepreneurs and women as company leaders - supports the findings about the magnitude of the changes that have taken place over time, and also how difficult it is to close the gender gap in the Israeli Tech industry.

The report examines:

5,836

founders in strategic management positions who led financial rounds in 2000 – 2021

8,600

investment deals during the years 2000 – 2021

16,937

companies that were established between 2000 – 2021 (8,491 of them – Active)

26,022

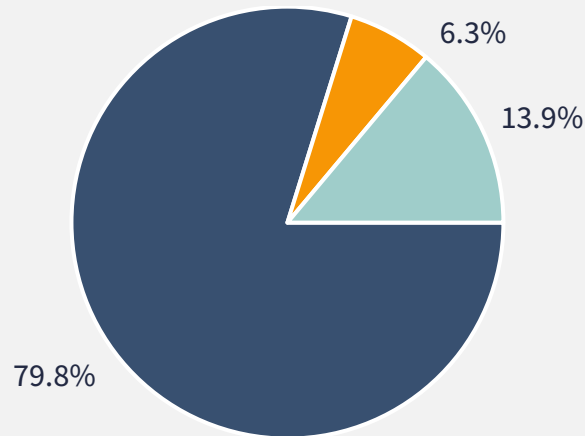
entrepreneurs who established companies between 2000 – 2021

Companies Founders Status: More Female Founders Since 2018

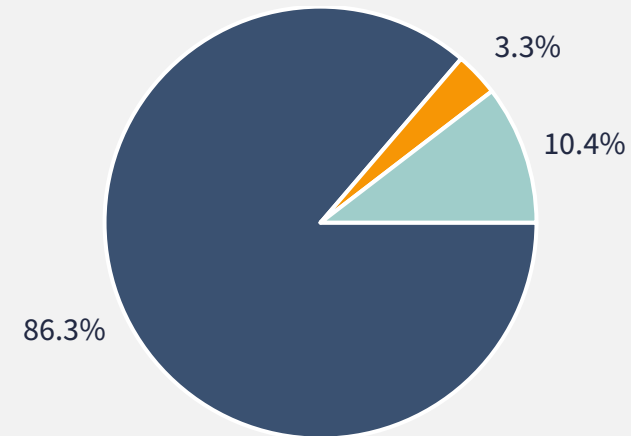
The first place to look for a change in the landscape is in the percentage of women who become entrepreneurs. While in companies established before 2017, just 15.6% had women among the founding teams; from 2018 to 2021, the share of companies having at least one woman on the founding team has increased to 20.5%. One interesting change in companies established between 2018 and 2021 is that the share of women-only founding teams increased by 90%, to 6.3% of the total.

Companies Founders Gender Distribution

- Males
- Females
- Both Females & Males

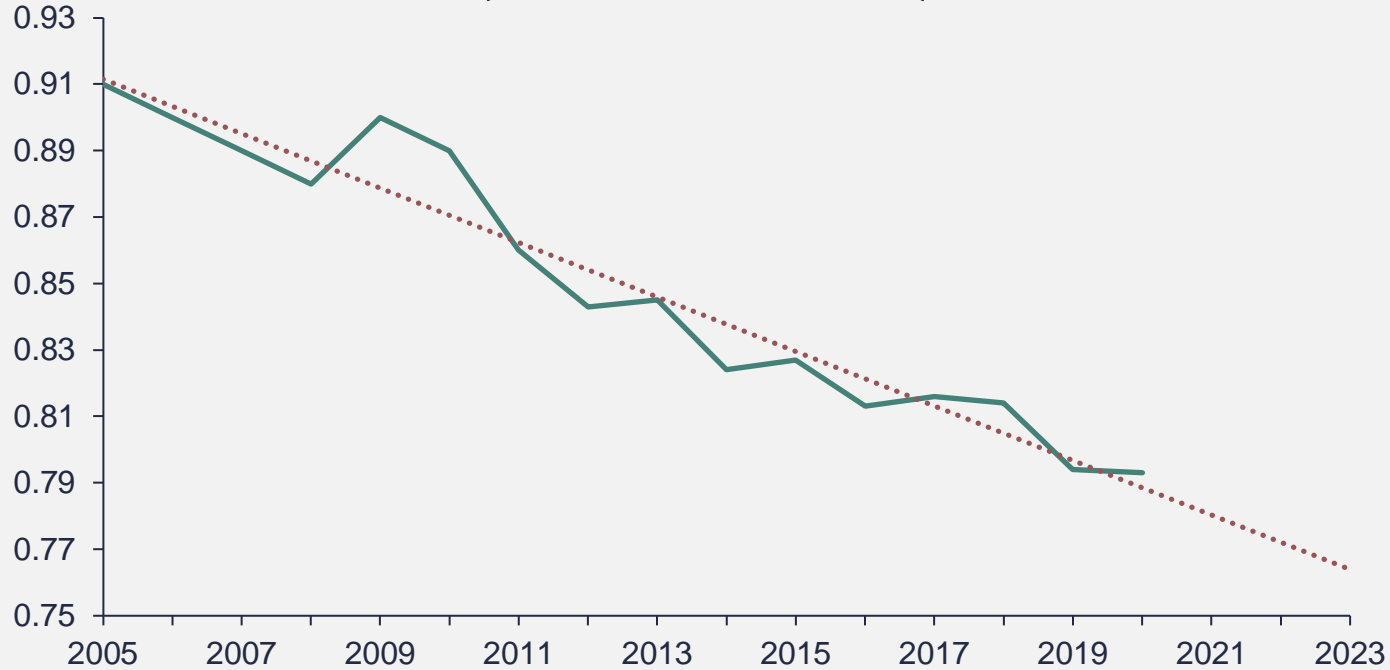


Companies established 2018-2021



Companies established 2000-2017

Share of Male Only Founders in Israeli Tech: 2005-2020
(with forecast 2021-2023)



Women’s presence as entrepreneurs – in only female teams or in multi-gender teams – rose dramatically over the last two decades. Looking at the share of “male-only teams” over the last 15 years gives a clear picture of the strides female entrepreneurship has made during that period.

The number of women founders is expected to increase over the coming years – a linear trend continuing from the last decade (Red dotted line) – and to reach nearly 25% among the companies that will be established in the coming years.

— Share of Male only Founders
- - - Share of Male only Founders – Linear Trend

Companies Founders Status: A Glimpse to the Future Gender Distribution

Company Leadership By Gender:

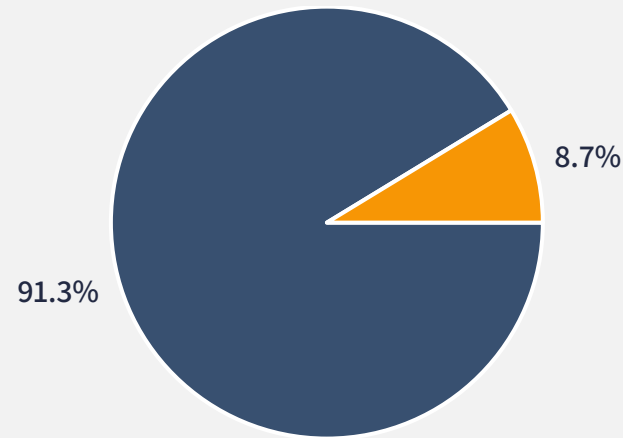
More Women in Strategic Positions

The increase in women's presence also contributes to a higher number of women founders in strategic management positions in companies that were established after 2017.

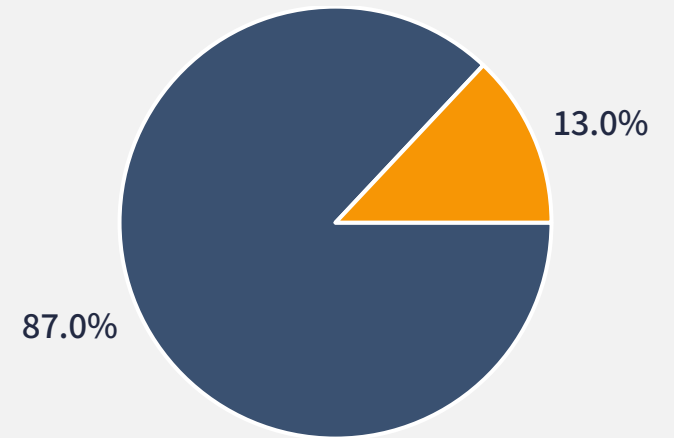
Of the 1,264 founders of companies established since 2018, the share of women holding management positions increased to 13%.

Companies' Founding Team in Management Positions by Gender

● Males ● Females

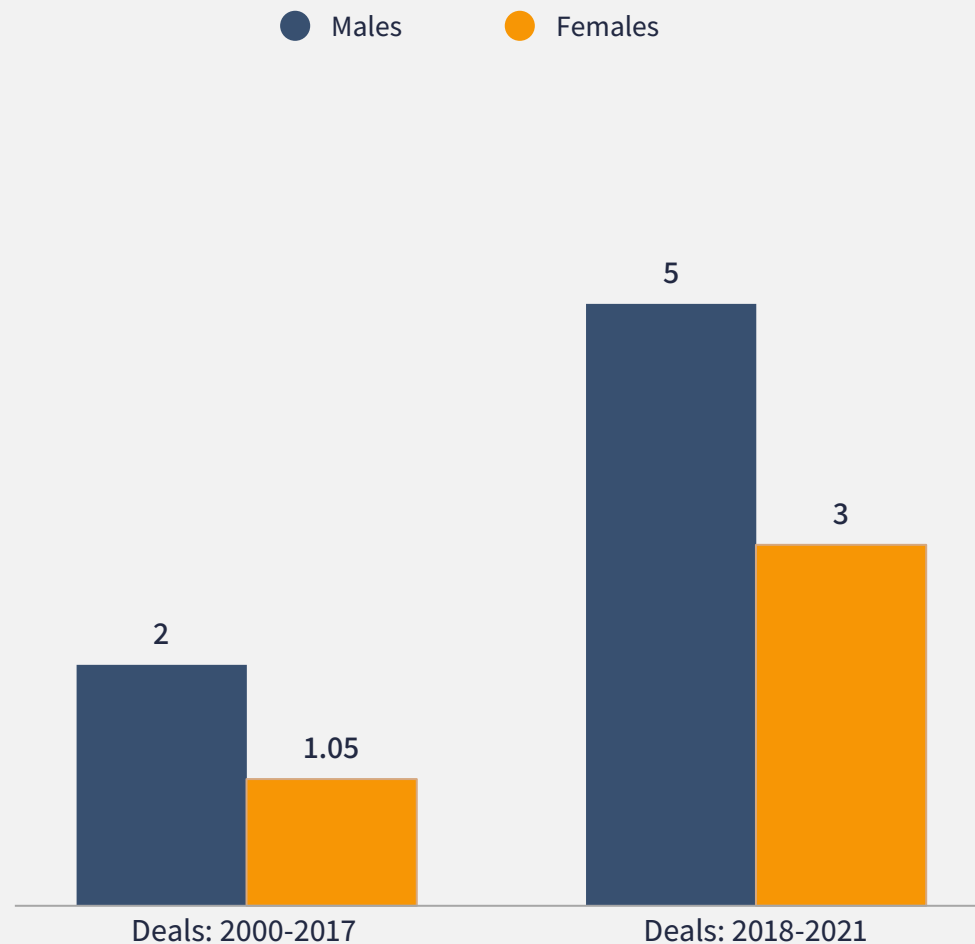


Companies established before 2018



Companies established since 2017

Median Amounts Raised by Gender by Period (\$M)



Capital Allocation By Gender:

Male Leadership Worth Almost Twice

The increased median amounts between the periods reflects the jump in capital allocated to start-ups in the last three years.

However, the difference in the median amounts of companies led by women and by men, respectively, remained practically unchanged. Still, statistically, men receive almost twice the amount as women.

The disparity in the median number is not an evidence of a discrimination but does serve to underscore the lack of diversity in the capital allocation process.

Capital Allocation By Gender:

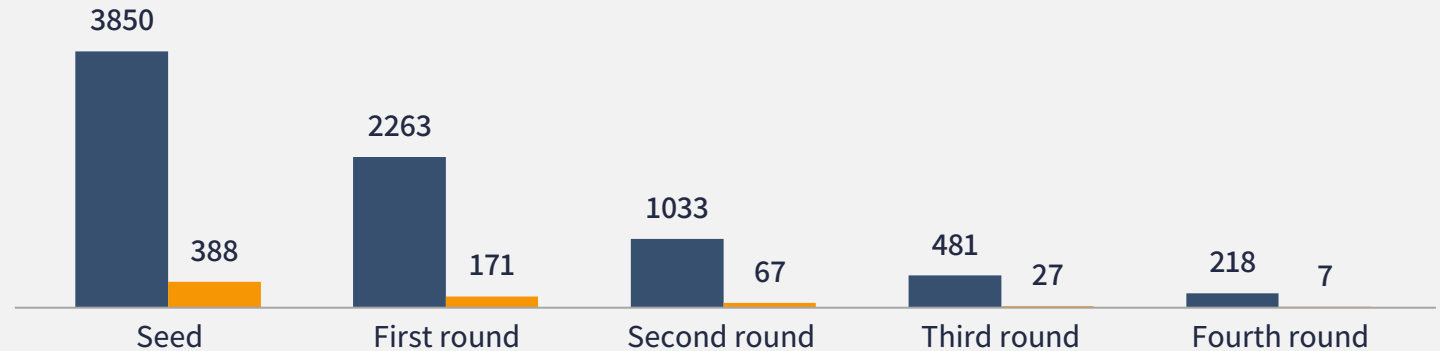
The Later Rounds Following the Manhood

While the Israeli tech landscape has become more diverse, the gender gap has remained unchanged in the capital allocation process.

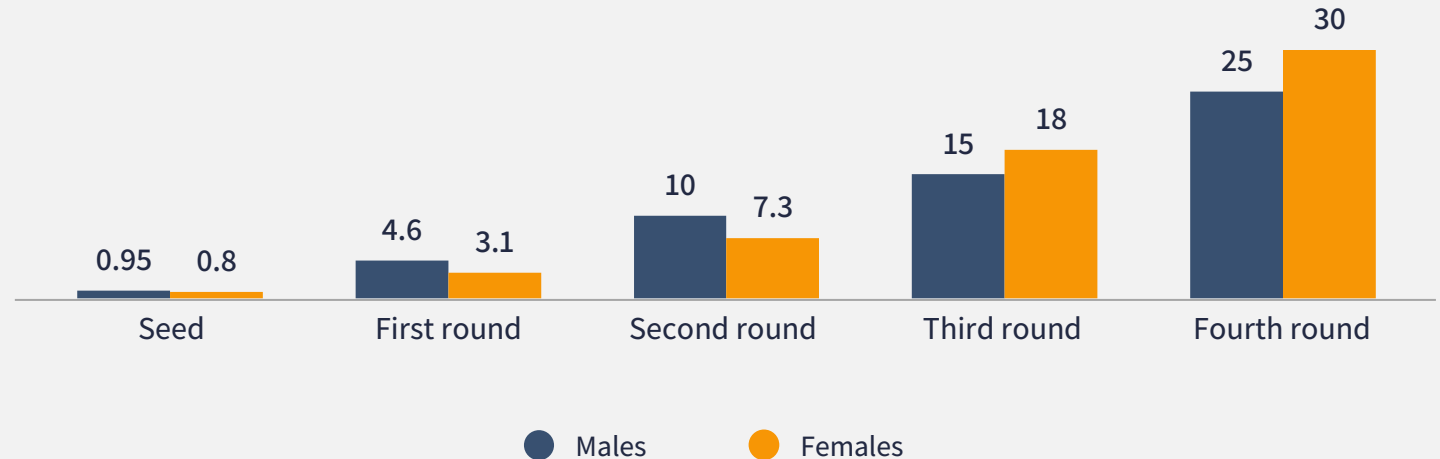
The difference in median amounts and the overall lack of women-led financing rounds show that the money is still going to male-led companies.

Second, third and fourth rounds are rare events in companies led by women. Given the low number of such events, the high median amounts for women-led companies in third and fourth rounds are a statistical anomaly.

Number of Financing Rounds by Gender, Deals 2000-2021



Median Amounts Raised by Gender (\$M), Deals 2000-2021

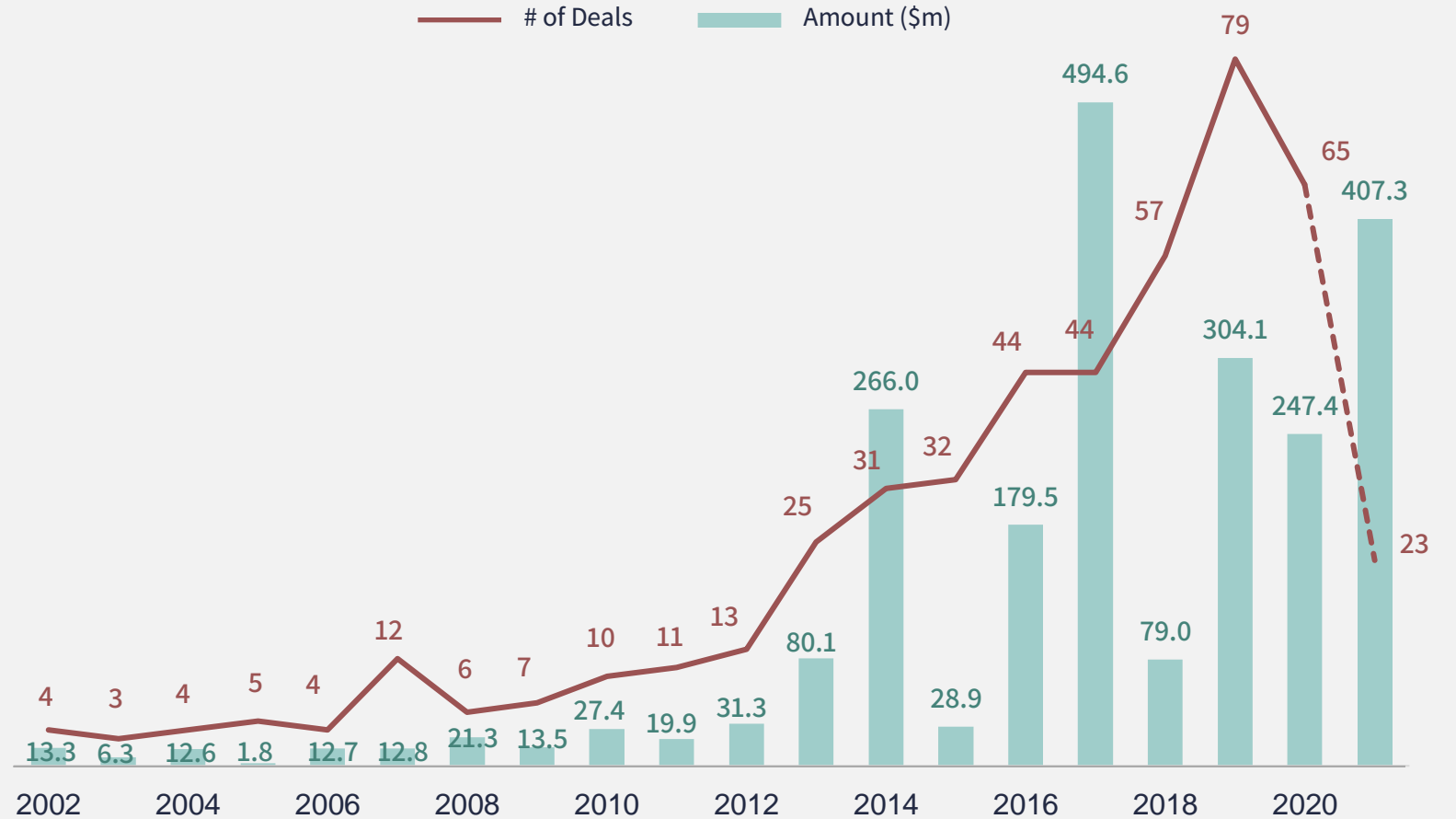


Capital Allocation By Gender:

Female Founders Raised More \$ Since 2017

The amounts raised by companies with at least one female founder has increased significantly over the last two decades, but still far from the overall amounts that were raised each year.

Number Of Deals and Amount Raised In Start-ups with at least one Female Founder



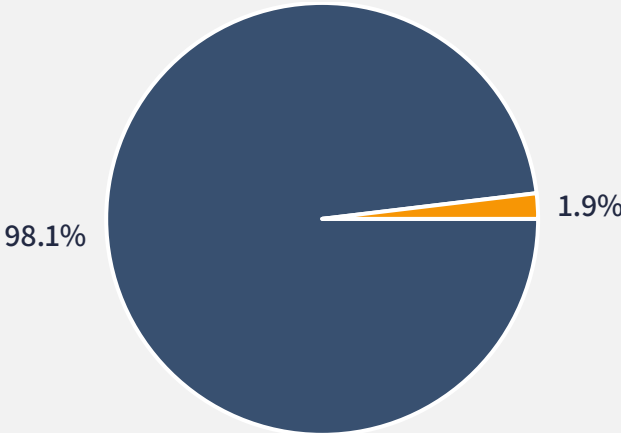
Capital Allocation - Mega Rounds:

The Big Money Went After Male Led Companies

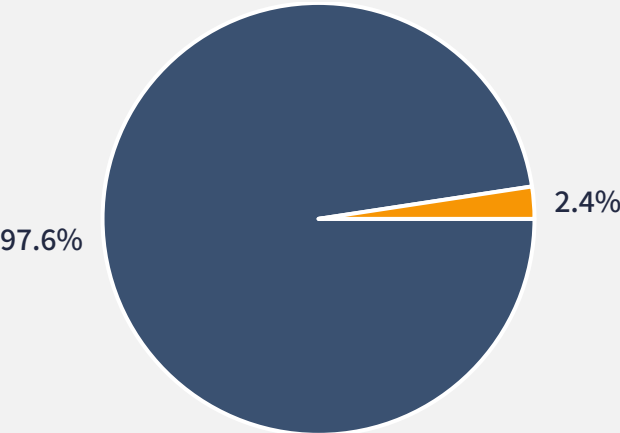
Mega Rounds (>\$50M)

● Males ● Females

Total Capital by Gender Deals
2018-2021



Number of Mega-Rounds by Gender
2018-2021



162 Deals
18.1 \$Billion



4 Deals
0.35 \$Billion

The differential noted on the previous slide is underscored when testing for the capital allocation surge that has reshaped the landscape over the last 3 years. In this category, just 2% of the overall number of financing rounds and raised amounts went to companies led by women.

Gender Distribution in Selected Tech Vertical

The presence of women founders in specific tech verticals varies significantly from the average (20.5% in 2018–2021):

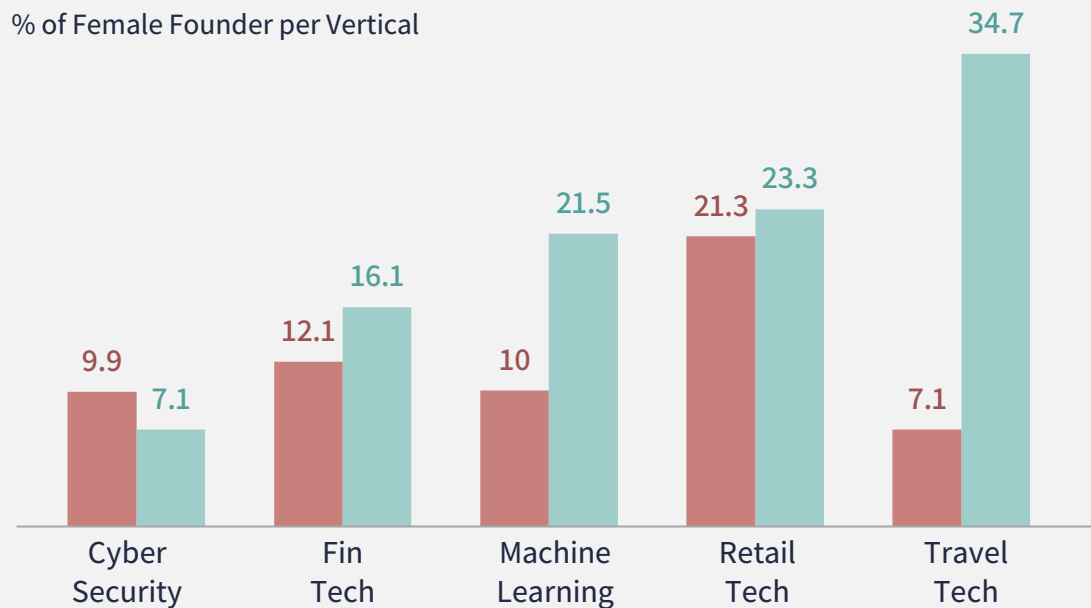
In **Cyber Security companies** – one of the hottest segments nowadays – one finds hardly any women entrepreneurs

Almost 35% of funding of **Travel Tech** companies have a woman among the founding teams

The absence of women-led companies in the big money rounds is responsible for the disparity in the share of female founders out of the total in each vertical and the share of female founders out of the total amount of funding

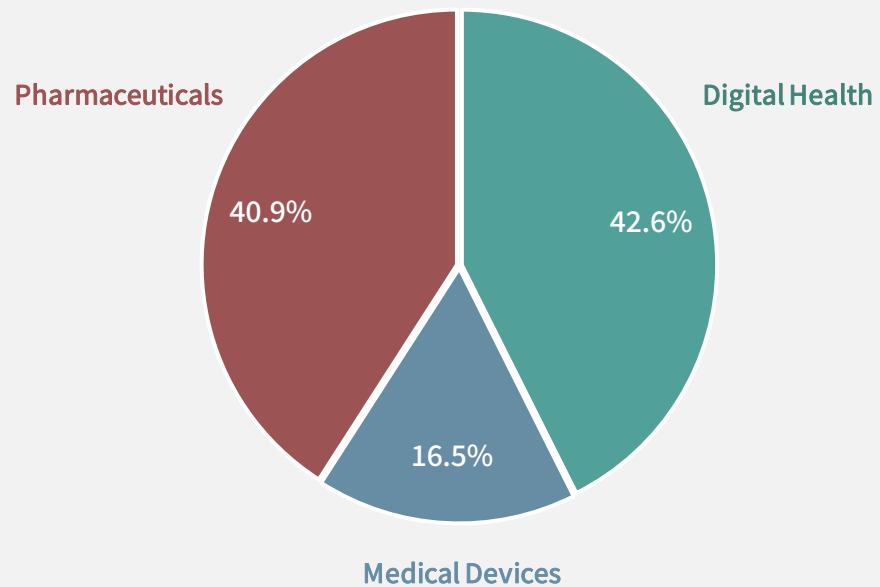
Female Founders By Vertical: Share of the Total & Share of Funding

● % of Female Founders of the Total Funding (\$m)
● % of Female Founder per Vertical



Gender Distribution in Selected Tech Verticals

Share of companies with Female Founders In Life Sciences by Subsectors



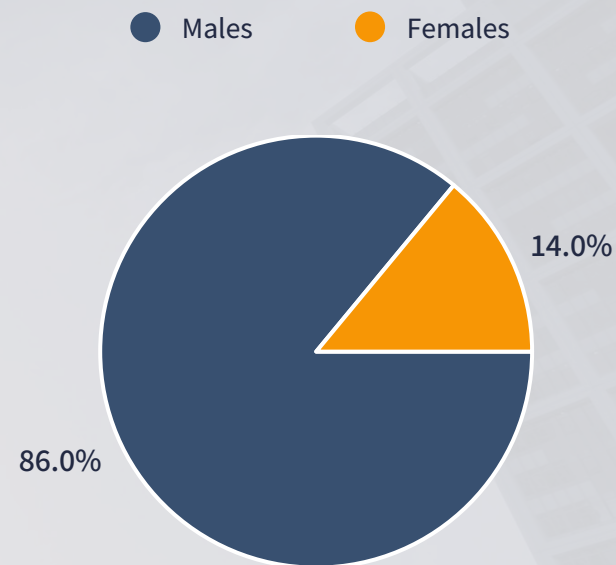
The presence of women founders in **Life Sciences companies** is traditionally much higher, depending on the specific subsector

Gender Distribution in Israeli VCs Partners: * Similar to Tech Leadership Percentages

At the investor side of the local tech ecosystem, the presence of women is similar to their share in leadership positions – 14% of the total partners.

These minor numbers might explain some of the disparity in financing rounds in women-led start-ups.

Israeli VCs Partners by Gender (2021)



*Data is relevant to Partners in active Israeli VC management companies established between 1992 and 2021



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