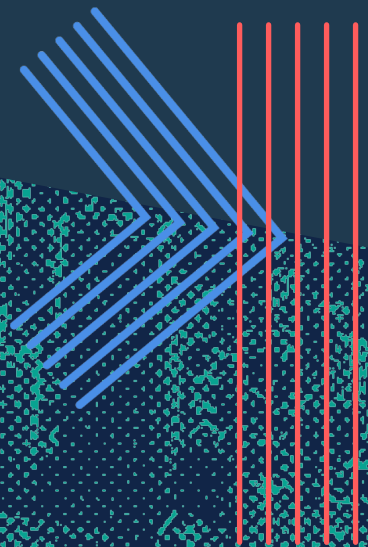


# BRIDGING THE GAP:

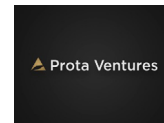
## COLLABORATIVE NETWORKS FOR HISTORICALLY EXCLUDED SEED FOUNDERS

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A GET Cities report on how the cohort model can be used as a vehicle to challenge systemic inequities in Chicago's tech entrepreneurship ecosystem.



# TECH EQUITY WORKING GROUP (TEWG) MEMBERS



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Design by Studio Lutalica



# THANK YOU SEED FOUNDER

# COHORT MEMBERS

## TEWG SEED FOUNDER COHORT 1



## TEWG SEED FOUNDER COHORT 2



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# EXECUTIVE SUMMARY



GET Cities Chicago has moved the needle to build a more inclusive tech industry through the creation of the **Tech Equity Working Group (TEWG)** - an alliance of over 20 Chicago-based accelerators, incubators, funds, and mission-aligned ecosystem supporters. TEWG identifies and closes gaps to strengthen pathways for funding and connection for women (cis and trans) and nonbinary entrepreneurs. In 2022, only **1.9% of venture capital (VC)** went to all-women founded teams with **less than 1% of VC** dollars going to Black and Latina/e women. TEWG worked to address this gap in funding through the creation of its Seed Founder Cohort initiative.

TEWG's inaugural Seed Founder Cohort launched in Spring 2022 and consisted of a 12 month intervention for nine pre-seed and seed level Chicago-based women founders. TEWG launched its second ten-member cohort in 2023. These two seed founder cohorts acted as microcosms for TEWG to learn how to better serve this unique population of founders.

Cohort initiatives centered around four key areas: network introductions, corporate connections, building a founder community, and public relationships support. Cohort initiatives also stressed the importance of relationship-building and were centered on people – founders, TEWG members, investors, and executives. In addition, the cohort was designed in a way to push the Chicago tech community to be more innovative and impactful by asking founders what they need most and providing for those needs.

The cohort model provides access to the necessary resources for success at the seed level by fostering a sense of community and facilitating connections to better equip founders to support themselves through challenging times and achieve significant milestones in their entrepreneurial journeys. Though TEWG's work does not guarantee investment in these startups, we view TEWG's Seed Founder Cohort as an important mechanism to help historically excluded founders raise capital by breaking down systemic barriers that keep women (cis and trans) and nonbinary founders from raising at the same rate as their peers who are men.



# WHO WE ARE:

## GET Cities Chicago & the Tech Equity Working Group (TEWG)

GET Cities is a national initiative designed to accelerate the power and influence of historically excluded people in tech through ecosystem alignment and activation to build a more equitable and vibrant economy. GET Cities launched in 2020, powered by SecondMuse Foundation, with catalytic funding from Pivotal Ventures and in partnership with Break Through Tech.

As a national initiative with hubs in Chicago, the DC Metro Area, and Miami, GET (Gender Equity in Tech) Cities works to radically increase equity and intersectionality in tech through our three signature pillars:

1. Aligning the ecosystem of organizations working in tech around shared goals, values, and accountability.
2. Expanding access to capital and capital deployment for historically excluded communities to advance through entrepreneurship.
3. Increasing access and advancement to the tech industry for historically excluded people, with a focus on gender.

GET Cities Chicago (GET Cities' Chicago hub) has moved the needle to build a more inclusive tech industry through the creation of the [Tech Equity Working Group \(TEWG\)](#). TEWG is an alliance of over 20 accelerators, incubators, funds, and mission-aligned ecosystem supporters in Chicago who design city-wide solutions and collective infrastructure to address gender and racial inequities for Chicago-based tech founders.

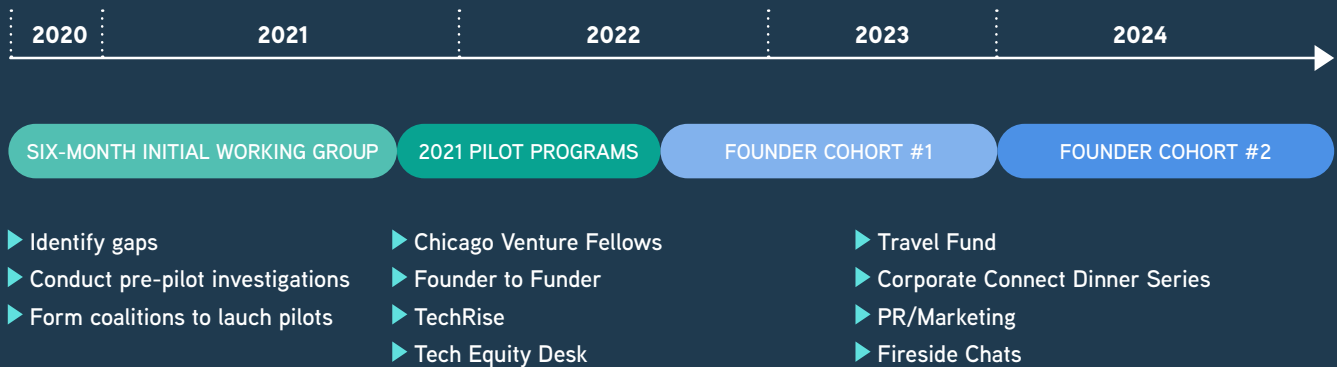
TEWG identifies and closes gaps among incubators, accelerators, and funds that need to be filled in order to strengthen pathways for funding and connection for women (cis and trans) and nonbinary entrepreneurs. They do this by:

- Convening city-wide partners in a working group on a monthly cadence.
- Leveraging collective group networks, expertise, and resources to advocate for founders and start-ups with venture capitalists (VCs) and corporates while sharing new opportunities and supporting one another's work in a de-siloed approach.
- Designing and prototyping resilient pilot interventions that are poised to scale for multiplied impact.

The people who benefit from TEWG's piloted interventions are consulted as co-designers and brought into TEWG convenings as advisors to test and validate city-wide interventions to support historically excluded tech founders.



## History of TEWG



TEWG began in 2020, and focused its first year on coalition building and formalizing partnerships. In 2021, TEWG became a working group to pitch, pilot and scale city-wide tech-equity focused interventions. The group launched four early projects:

- ▶ **Chicago Venture Fellows** - A four month cohort that offers aspiring venture capitalists from underrepresented groups a chance to build a track record of sourcing and analyzing deals and builds diverse deal flow for VCs around Chicago.
- ▶ **Founder to Funder** - An online tool that helps founders in Chicago easily identify growth pathways that are fit for their business beyond traditional funding. This tool did not scale.
- ▶ **TechRise** - A pitch competition providing non-dilutive funding, knowledge and networks for historically underrepresented tech founders.
- ▶ **Tech Equity Desk** - A grant initiative that helps scale the growth of small business enterprises through tech-enablement and digital tools via existing entrepreneur support organizations (ESOs) on Chicago's South and West Sides.

Instead of launching different pilots in 2022, TEWG decided to focus on one initiative together: supporting seed founders.

After collecting city-wide data on gaps in start-up funding, TEWG's efforts coalesced around the singular challenge of how to support seed stage founders in Chicago. The goal of the cohort was to help women, trans, and nonbinary founders reach their next funding milestone and build valuable connections with the Chicago tech, venture capital, and corporate communities.

Cohort participants would also provide feedback on their experiences in the cohort with the goal of co-designing TEWG's founder-focused interventions with a reach beyond their own cohort towards impacting the larger seed founder community in Chicago.

In Spring 2022, TEWG launched its inaugural Seed Founder Cohort - a 12 month intervention for nine pre-seed and seed level Chicago-based women founders. In 2023, TEWG launched its second ten-member cohort of Chicago-based women founders. These two cohorts acted as microcosms to learn how to better serve this unique population of founders.

This report lays out how and why the cohort intervention was created, with a focus on cohort initiatives, and provides analysis of the cohort's impact on the members it served.



# IDENTIFYING A GAP:

## Women (cis and trans) and Nonbinary Founders at the Seed Level

This report defines “seed founder” as someone past their initial startup phase, and who is usually funded by angel investors, incubators, venture capital firms, and/or friends and family, in the pre-series A stages of fundraising, with their companies valued somewhere between \$200,000 and \$4 million<sup>1</sup>. The founders in these cohorts are defined as a seed founder because they are either approaching seed funding or in the process of obtaining seed funding. The TEWG cohort focuses on seed founders due to their unique stage in the funding process.

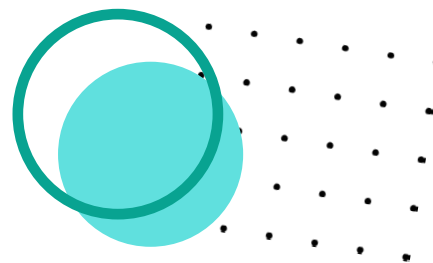
### GAPS IN FUNDING

#### National

In 2023, U.S. investors invested a total of \$170.6 billion into startups with \$3.3 billion going to seed stage founders. However, this funding is not equally distributed. In 2022, only 1.9% of VC funding went to all-women founded teams with less than 1% of VC dollars going to Black and Latina/e women. Also, companies led by women typically raise \$1.2 million in the pre-seed and seed stages while teams led by all men raise more than twice as much, at \$4.8 million. In 2023, women-only teams received only 2.8% of all venture funding. And we don't even have significant or reliable data on trans and nonbinary founders.

#### Chicago

A report published by TEWG members, Chicago: Blend and World Business Chicago (WBC), found that between 2018 - 2023, 36.5% of the new venture-backed companies founded in Chicago had at least one woman founder, which is the higher than Boston, New York, San Francisco, Los Angeles, and other major U.S. cities. Yet, these women-led companies only receive 14.9% of VC funding, which is lower than the percentage of VC funding going to women-led companies in Boston, Austin, Atlanta, San Francisco, New York, Los Angeles, and Seattle.



<sup>1</sup> It is worth noting that exact stage definitions are commonly debated, with Chicago VCs defining pre-seed ranging from < \$500K to < \$2M and the seed stage from \$500K to \$3M or \$4M. The average seed deal in 2021, at the time the cohort was created, was \$3.8M, which is 20% higher than the previous year's record high, in part due to 28 seed deals that year at more than \$20M.

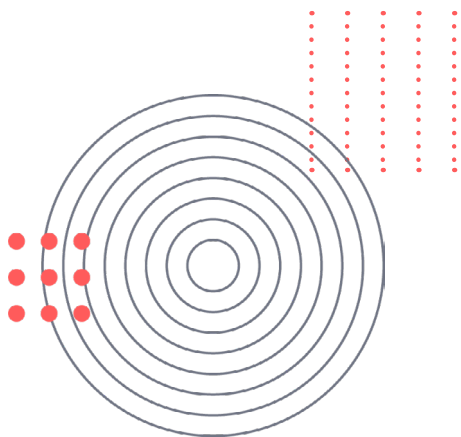




## GAPS IN SUPPORT

Additionally, Chicago's robust entrepreneurial ecosystem supports founders in the very beginning of their startup journey through programming, mentorship, and other support systems. Organizations that support early-stage founders include: [P33](#), [World Business Chicago](#), innovation centers at the local universities (Northwestern's [The Garage](#), University of Chicago's [Polsky Center](#) for Entrepreneurship and Exchange, Illinois Tech's [Kaplan Institute](#) and Depaul's [Coleman Center](#)) and incubators ([1871](#), [MATTER](#), and [mHUB](#)).

Given the community's focus on early stage founders, TEWG crafted its intervention to instead focus on founders who are past the early stages of funding but are not yet series A founders, since curriculum and advising support can drop off for founders in this stage. For example, in initial conversations with founders, they had questions around institutional fundraising, board governance, corporate partnerships, and acquisition or public offering trajectories - these types of questions are not typically addressed in the majority of programs currently offered to early-stage founders in Chicago.



Kate Calabra (TEWG Member) and founders: Tamika Vantiffin (AEGIS), Corinne Vargas (SMARTCharts) and Manuela Zoninsein (Kadeya)

# DESIGNING THE COHORT

Since the goal of the cohort is to assist historically excluded seed stage founders to the series level, when selecting the initial cohort, TEWG focused on a mix of seed-stage and late pre-seed founders, with a priority on gender, racial, ethnic, and industry diversity.

Input and feedback from Chicago's founder community was a key part of cohort design. During the design stage, TEWG interviewed 25 women – one of whom also identified as transgender – founders, about the obstacles they faced as founders and the resources they utilized in Chicago's tech ecosystem. This feedback was used to design cohort initiatives. After designing the cohort in the spring of 2022, GET Cities selected nine founders to participate in the first cohort.

In spring 2023, GET Cities selected ten founders to participate in the second cohort.

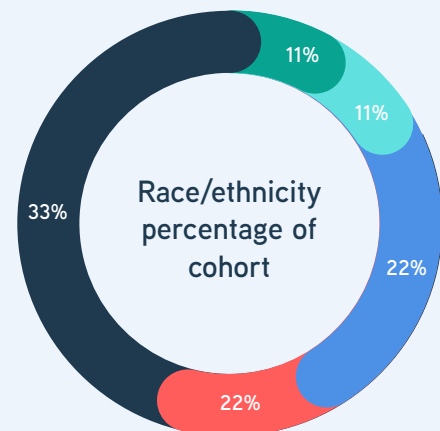
Cohort members participated in the co-design aspect of the program. All cohort members were given an annual stipend to provide their insights and co-design with TEWG during the 12 month intervention, with an additional six month check-in for impact tracking around fundraising, relationships, and remaining hurdles after the cohort ended (an 18-month commitment overall).

**Figure 1.1 Cohort #1 Self-Identified Demographics**

GENDER PERCENTAGE OF COHORT



\*One woman in the cohort also identifies as transgender



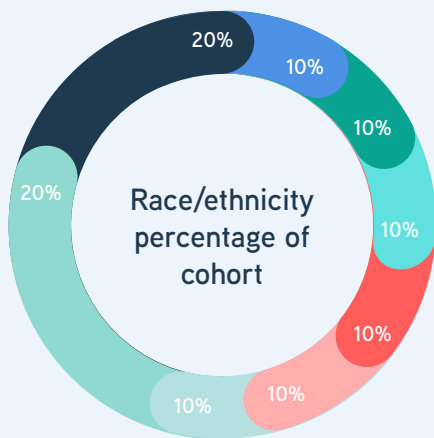
- Black or African American
- Asian or Asian American
- White or European
- White or European and Asian or Asian American
- Hispanic or Latino/a



**Figure 1.2 Cohort #2 Self-Identified Demographics**

GENDER PERCENTAGE OF COHORT

100% Women



- Black or African American
- Asian or Asian American
- White or European and Jewish
- White or European
- Black or African American and Hispanic or Latino/a
- Hispanic or Latino/a and White or European
- Middle Eastern or North African
- Hispanic or Latino/a

A unique aspect of TEWG's Seed Founder Cohort is that, unlike similar initiatives that prioritize education or skill development through a formalized curriculum, the cohort prioritizes community-building among founders and relationship-building across the tech ecosystem.

As a result, the intervention was designed to fill resource gaps identified by founders and test new ways of intervening that went beyond traditional methods (such as mentorship pairings, pitch competitions, or workshops).

By focusing on a small group of founders, TEWG was able to test initiatives that could be scaled out to a larger population of women, trans, and nonbinary pre-seed and seed founders.



The second TEWG Seed Founder Cohort (2023)

# COHORT INITIATIVES

## COHORT INITIATIVES CENTERED AROUND FOUR KEY AREAS:

- ▶ Network introductions
- ▶ Corporate connections
- ▶ Building a founder community
- ▶ Public relationships support

## Network Introductions

### WHY?

A network introduction, as designed in TEWG, is an informal channel for founders to access potential investor networks with the goal of pitching varied investors both in and outside of Chicago. As part of the co-design process, founders disclosed that while investment from Chicago-based funds was possible, many found it easier and quicker to achieve results in other geographies. Given this feedback, TEWG focused on how to bring Chicago-based founders to other startup hubs by traveling outside of Chicago.

### HOW?

Initially, TEWG discussed ways to leverage existing infrastructure to increase founders' ability to build relationships with VCs and their target industries and to build strong personal connections with investors. During the design of the cohort, TEWG ideated around the best ways to help the cohort members make strong VC connections. The group

decided to focus on building awareness around Chicago's women (cis and trans) and nonbinary founders, as well as Black, Latino/a, Indigenous, other founders of color, and LGBTQIA+ founders both in and outside of Chicago. The goal of these network introductions was to provide founders with access to East Coast (e.g. Boston and New York) and West Coast (e.g. LA and Bay Area) investors and customers while networking with other founders and the tech startup ecosystem outside of Chicago. To make this possible, TEWG funded travel for cohort members to other cities. In addition to providing opportunities for cohort members to build their networks, funded travel provided an opportunity to highlight the investment and work being done in Chicago to support founders.



Founder Jessica Bussert (Wave Therapeutics)





Founders from the first cohort and TEWG members meet with investors and key stakeholders at Sand Hill Road (2022)

## 2022

For the first cohort, GET Cities, in partnership with **P33** and **WBC**, led a two-day Founder Roadshow in the San Francisco Bay Area in the fall of 2022. The trip consisted of curated meetings with VCs at Sand Hill Road; a lunch at Accel Ventures where founders heard from and spoke with Mandela Schumacher-Hodge Dixon, former CEO of All Raise; a “Chicago in the Bay” happy hour event attended by investors and supporters from both cities; and attendance to the Techstars’ FounderCon Conference. The funded travel provided founders with warm introductions to venture capitalists, valuable takeaways from FounderCon sessions, and opportunities to hit company milestones such as closing with a major manufacturer and connecting with future talent.

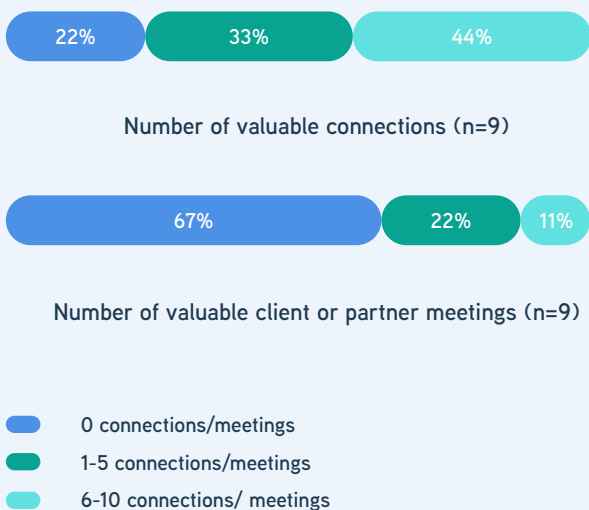
## 2023

In 2023, the Founder Roadshow was scaled out to WBC as the Women & Nonbinary Founder Travel Fund. Through the Fund, WBC organized a series of funded trips for founders. These trips were timed to coincide with conferences and included: Miami (eMerge Americas), Toronto (Collision), Indianapolis (Rally Innovation), and the San Francisco Bay Area (All Raise Summit). The goal of these trips was to introduce historically excluded founders to venture capitalists, potential funding opportunities, and access to exclusive programming. During these trips, founders had the opportunity to build warm connections with VCs and across new markets of partners and customers without worrying about the cost of the trips.

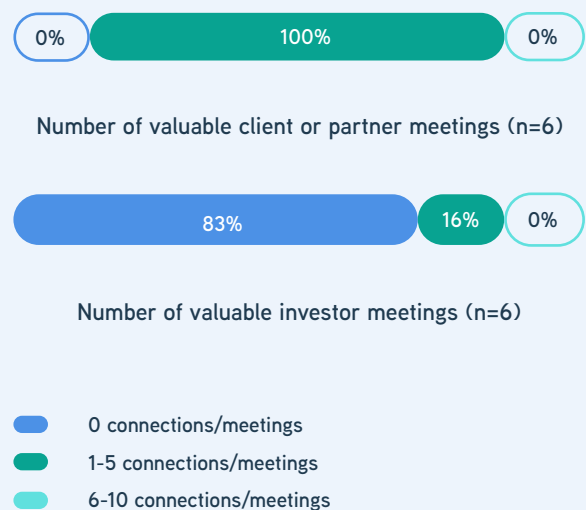
“Conferences are expensive, and as early stage founders, it can be difficult to justify spending so much on a conference without a guarantee that it’s a worthwhile business opportunity. Therefore, having TEWG and GET Cities sponsor these conferences has been immensely beneficial.”

- TEWG Seed Founder Cohort member

**Figure 2.1 Cohort 1 Bay Area Trip**



**Figure 2.2 Cohort 2 Miami Trip**



## FINDINGS

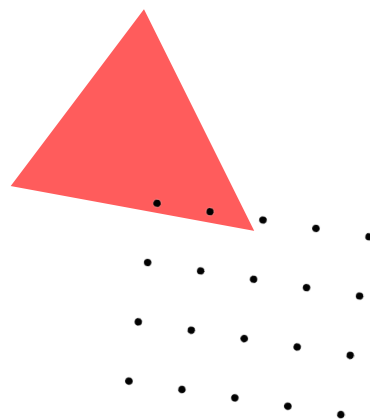
As indicated in figure 2.1 and figure 2.2, over 50% of founders who attended cohort trips made at least one valuable connection during the trip. However, less than 50% had a valuable meeting with investors. This indicates that these trips served as a valuable avenue to foster connections; yet, this did not translate into meetings with investors or other valuable stakeholders. This feedback provides opportunities for improvement for future trips such as setting up meetings with investors prior to the trip.



## Corporate Connections

### WHY?

**Corporate connections, as designed in TEWG, are introductions to executives at Chicago-based corporations.** When designing the cohort, founders expressed the need for industry advisors, partnerships, and customers. However, to do so required founders honing in on corporate executives who had the right familiarity around startups - making breaking into the corporate community a difficult feat for founders. TEWG also saw an interest from executives to work with founders, but executives were unaware of how to begin this engagement. As the corporate-founder connection is somewhat unconventional, the intention of this initiative was to break down these barriers by providing founders with targeted corporate introductions that could expand into capital, customer acquisition, and the exploration of company acquisition.



## HOW?

### 2022

GET Cities hosted an Executive Dinner Series for founders that emphasized relationship building with the Chicago corporate community. The series consisted of two intimate dinners with fewer than 15 people, split between founders and executives. During these dinners, cohort members met with executives from different industry-aligned corporations around Chicago. Guests from companies like London and Partners, IDEO, BMO, AON, Allstate, Boston Scientific, Verizon, and Farpoint Development were present to network with founders, learn about their needs, and deepen relationships between these founders and the corporate or civic community of Chicago. In addition to the dinners, founders were also matched with a specific executive connection with the intention of the executive and founder continuing to build an ongoing relationship. Before or after the dinner, founders and executives coordinated a virtual or live coffee to share more about their work and how they may collaborate. This style of intervention allowed for executives to be involved and provide guidance without the pressure of needing to write a check or deliver on large asks.



### 2023

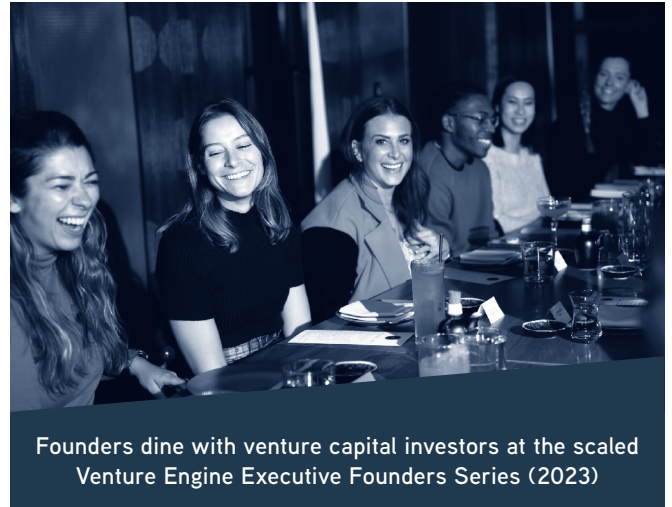
In 2023, the Executive Dinner Series was scaled out as the Venture Engine Executive Founders Series and run by the Illinois Science & Technology Coalition (ISTC). The primary objective of these dinners was to assist founders in establishing relationships with clients, investors, and corporates, that are typically difficult to source, through a series of themed networking dinners. ISTC hosted six dinners in 2023 for cohort members. The dinners differed by connection point and topic. Connection points and topics for the dinners included: venture capital, corporates, ecosystem partners, food, life science and biotech, and climate tech. During these dinners, founders networked with seasoned subject-matter-experts, corporate and ecosystem partners, and venture capitalists. One founder noted that the dinners provided the opportunity to “engage in deeper conversations” which has led to exploring a new commercial relationship.



## FINDINGS

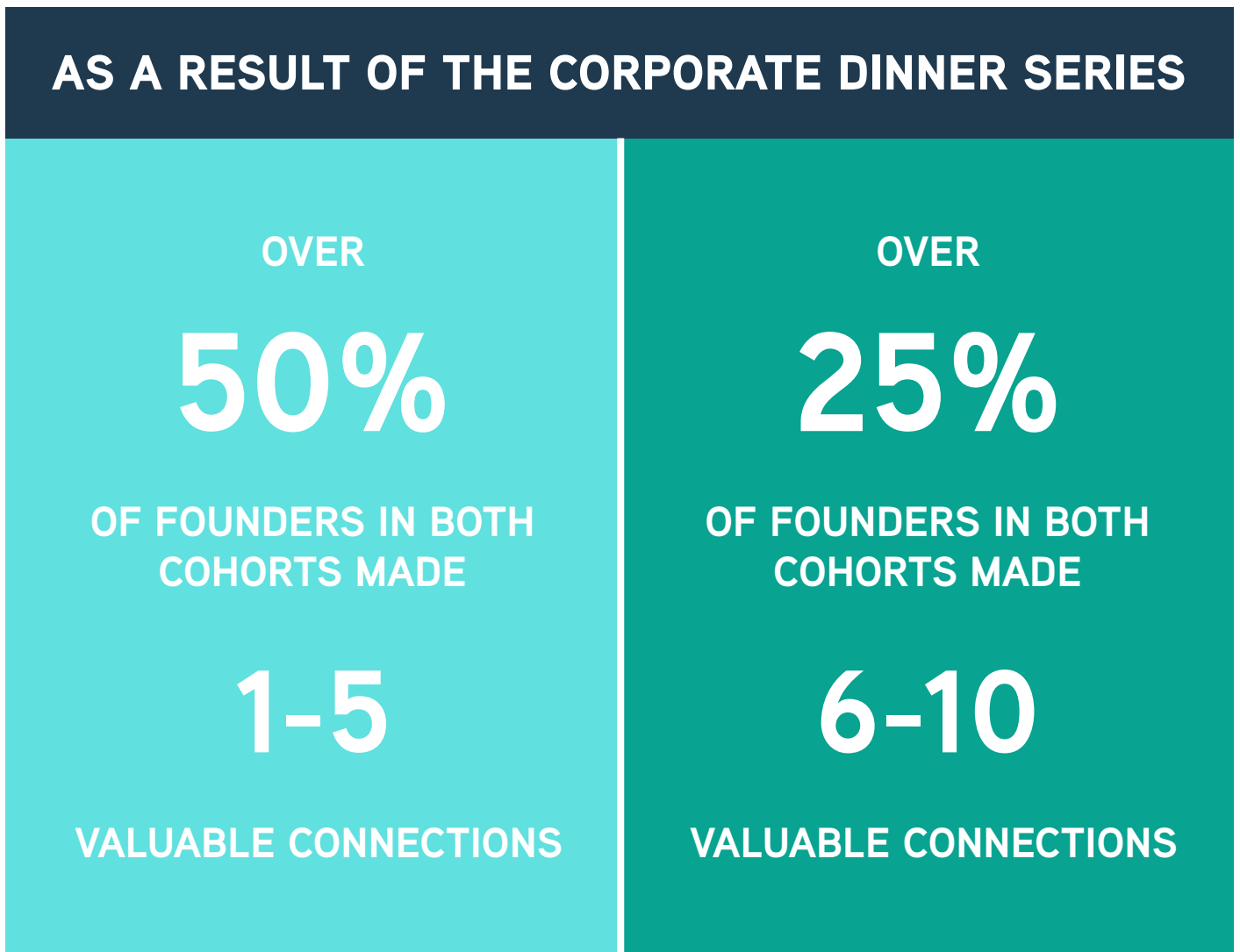
Over 50% of founders from both cohort one and cohort two made at least one valuable meeting or connection during the dinner series, indicating the intervention's success at connecting founders with executives.

In both cohorts, over 50% of founders made 1-5 valuable connections with executives and over 25% of founders made 6-10 valuable connections as a result of the corporate dinner series.



Founders dine with venture capital investors at the scaled Venture Engine Executive Founders Series (2023)

Figure 3





# Cohort Community

## WHY?

**Cohort community, as designed in TEWG, is defined as relationships between founders either within the same cohort or between cohorts.** Given the nature of entrepreneurship, founders can feel isolated and alone, especially when starting out. Many founders noted that though they have strong support systems outside of the cohort, their non-founder friends and family members cannot always relate to what they're going through as a founder. Therefore, it is crucial to also have a founder-based support system.


## HOW?

The cohort model cultivates a sense of community and shared experience between founders. As part of the cohort, founders had the opportunity to interact with one another and create a community of other women founders. One way that GET Cities supported fostering a cohort community is by holding a series Founder Fireside Chats, which consisted of closed discussions between seed founders and exited or series founders or experts in different fields. During these events, founders could ask specific questions not typically covered in traditional founder support offerings like workshops or panels.

The most valuable aspect of being part of the TEWG Seed Founder cohort has been the sense of community and support. Connecting with like-minded, driven women founders who understand the unique challenges we face has been both empowering and enlightening. The mentorship and guidance provided have been invaluable, helping me refine my vision and navigate the entrepreneurial landscape with greater confidence. It's a place where ideas are celebrated, and the collective encouragement fuels us to strive for success, making this journey truly enriching.

- TEWG Seed Founder Cohort member

Guest speakers at these chats included Kat Mañalac of Y Combinator, Rose Afriyie of mRelief, Matt Pulley of Home Chef, Matt Primack of Advocate Condell Medical Center, Meaghan Kane Benjamin of Studio Reinvent, and Sarah Doherty of Chicago of Telehealth Robotics. In addition, GET hosted informal get-togethers for both cohorts to discuss personal and professional challenges with one another. These informal happy hours, meals, and social convenings were designed as designated moments for founders to get to know one another, learn from each other, and support one another's goals.



Founders meet with Matt Primack, President of Advocate Condell Medical Center/Advocate Health to discuss positioning for success in navigating large health systems as a founder (2023)

## FINDINGS

The cohort intervention created a safe and supportive space for women founders to be in community with one another. **Founders stated that, in addition to forming outside connections, the long-lasting relationships made within the cohort were just as important.**

## Public Relations

### WHY?

**Public relations support, as designed in TEWG, is a way to yield exposure for founders through social media promotion and marketing opportunities.** As marketing and PR resources can be expensive and the Chicago start-up community is lesser known than the Bay Area and New York communities, founders expressed a need for access to media and press coordination. In addition, the connection between press coverage and the amount of success that VC-backed companies experience with increased media coverage is seen as a loose indicator of long-term startup health. Therefore, TEWG sought to increase the media exposure of women (cis and trans) and nonbinary founders from diverse backgrounds as a way to amplify the success of their business within the Chicago ecosystem.

### HOW?

#### 2022

Because of the gap in support related to PR and marketing assistance for founders, TEWG originally designed this intervention around the notion that there could be a coordinated effort between local incubators, accelerators and ESOs to align communication efforts to better share founder stories. Early ideas included warm introductions to journalists, a shared resource of publications and



Founders from both cohorts meet to build community (2023)

contacts, and the potential for a “beat journalist” hired to write and source founder-focused stories. However, these ideas did not gain traction, and the conversation shifted away from public relations towards making sure the founders themselves were media-ready.

Given this change, the intervention included founder-created press resources such as a library of pitch decks and marketing workshops that founders could consult to strengthen their own brand. In partnership with 1871, TEWG sourced a special conversation for founders with Jason Feifer, editor-in-chief of Entrepreneur magazine, as well as the opportunity for founders to apply to All Raise’s Black and Latinx Media Mastery training workshop. This intervention also assessed the health of founders’ media packages and funded new headshots and also the design and launch of a shared cohort website that communicated each founders’ company. Lastly, cohort members were interviewed by GET Cities and their interviews were published and shared with TEWG’s networks.

#### 2023

Many of the PR initiatives did not continue for the second cohort and were largely sunset. However, as with the first cohort, founders in the second cohort were interviewed by GET’s Cities, and these interviews were published online.



## FINDINGS

One challenge with this initiative was defining how to measure the impact of a project where the input would have such a long tail on measurable success. As one TEWG member stated, **“The PR industry is the very top of the funnel and you can’t track it as easily as you can track funding as a direct placement story.”** Though it was challenging to measure impact, there was some positive feedback from founders.

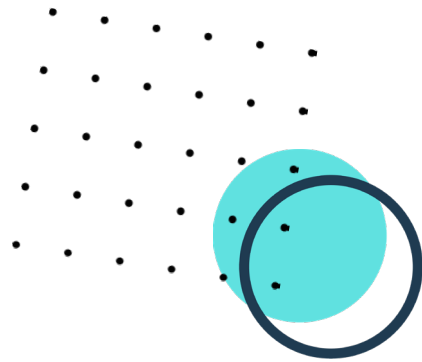


“The willingness to leverage social and PR coordination really helps establish credibility and garners attention from some that would otherwise not give an unknown name or title another look. Any time my name or company is mentioned by a well-known third party we see an uptick in clicks and incoming leads.”

- TEWG Seed Founder Cohort member



Founder Lavelle Smith Hall (MOMLogics)



Founders meet with Jason Feifer, editor in chief of Entrepreneur magazine (2022)

Success of the cohort intervention was tracked against dollars raised and support and connections made both within and outside of the cohort. During both cohorts, over 78% of founders noted having made at least one valuable connection during their time in cohort. In addition, we gathered feedback from founders about the level of support they felt from Chicago’s tech, VC, and corporate communities before, during and after their time in the cohort.

The following data was collected from check-in surveys completed by each cohort member. For the first cohort, data was collected from surveys sent six months after joining the cohort, at the end of one’s cohort participation (12 months after joining the cohort), and six months post-cohort. For the second cohort, data was collected from surveys sent to members six months after joining the cohort and at the end of one’s cohort participation (12 months after joining the cohort).

The second cohort’s six month post-cohort survey did not align with the publication of this report. Therefore, the data is not included in this report.

## Dollars Raised

Founders in the first cohort reported raising \$9.1 million in total from Q2 2022 - Q4 2023 (see figure 4.1). Founders in the second cohort reported raising \$5.7 million from Q1 2023 - Q1 2024 (see figure 4.2).

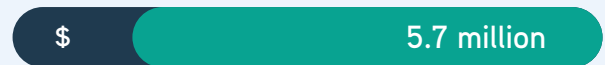
**Figure 4.1**

Cohort 1 Capital Raised Q2 2022 - Q4 2023



**Figure 4.2**

Cohort 2 Capital Raised Q1 2023 - Q1 2024



## Support and Connections within the Cohort

Being part of the cohort allowed founders to learn from one another, feel included, and be able to have meaningful conversations with women in similar stages who face similar challenges. Six out of the nine founders in the first cohort stated that the connections and community that they built with other founders was one of the most valuable takeaways from their cohort experience. A founder from the second cohort noted the same sentiment, **“Connecting with like-minded, driven women founders who understand the unique challenges we face has been both empowering and enlightening.”**



Even the act of listening to one another and feeling heard provided great value to founders. Being women in an industry dominated by men can seem like an uphill battle at times. As one founder stated, **“It often feels like swimming laps with cinder blocks tied around my ankles.”** The feelings of isolation, defeat, imposter syndrome, and being the **“only one at the table”** are common experiences for women (cis and trans) and nonbinary people, as well as Black, Latino/a, Indigenous and other people of color in tech. The creation of a women-centered founder community is powerful.

## Support from Chicago’s Tech, VC, and Corporate Communities

### TECH COMMUNITY

The Chicago tech community is defined as entrepreneurship support organizations such as 1871, P33, World Business Chicago, and other organizations, many of which are members of TEWG, that are working to increase the amount of funding going to founders from diverse communities in Chicago.

This community has made great strides in diversifying its tech industry and amplifying historically excluded founders. For example, in 2022, 125 Black, Latino/a, Indigenous and other founders

“Before joining TEWG, I struggled to find my place within the tech community in Chicago. It often seemed like a network heavily based on established names and connections. If you weren’t already known or backed by someone influential, getting help was a struggle. TEWG changed that for me, opening doors and creating a sense of belonging.”

- TEWG Seed Founder Cohort member

of color and women pitched for funding through P33’s TechRise program. However, Chicago is not immune to perpetuating the inequities that exist for founders who are women (cis and trans) and nonbinary, and more can still be done to improve gender equity in Chicago’s tech sector.

Although 78% of founders within the first cohort expressed that they felt support from Chicago’s tech community before joining the cohort (see figure 5.1), they found it challenging to:

- Break into the community alone.
- Be aware of the full suite of resources available to them.
- Receive the type of unique support needed as a woman, particularly those founders who were also trans, Black, Latina/e, and women of color.

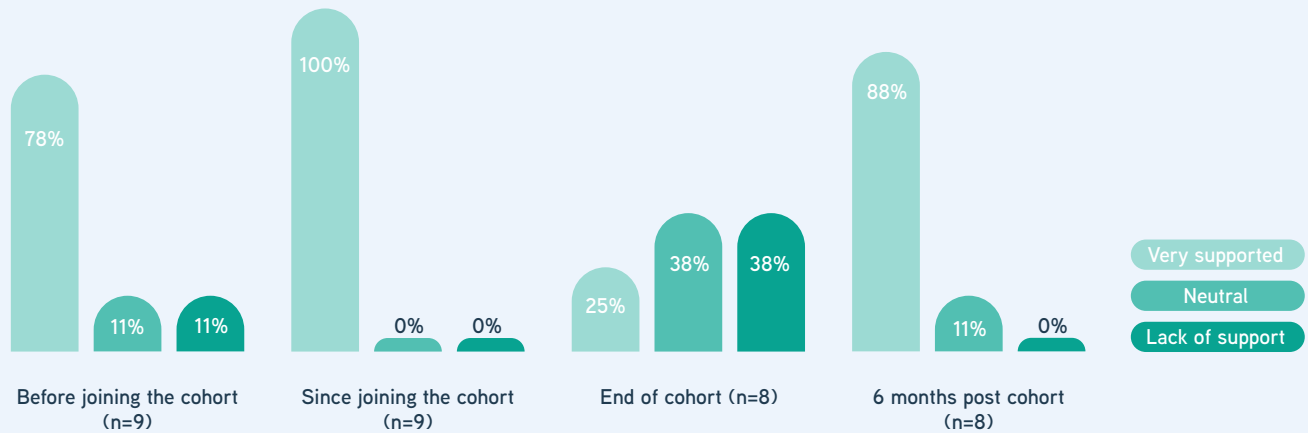


TEWG members design a pilot initiative at the first in-person meeting (2022)

## TECH COMMUNITY - SUPPORT LEVELS

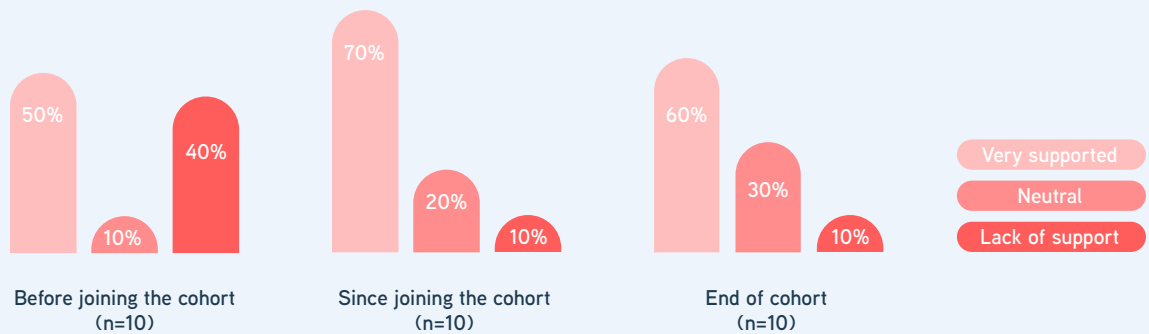
**Figure 5.1 Cohort 1**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S TECH COMMUNITY BEFORE, SINCE, AND AFTER JOINING THE COHORT?**



**Figure 5.2 Cohort 2**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S TECH COMMUNITY BEFORE AND SINCE JOINING THE COHORT?**



As seen in figure 5.1, cohort one experienced an increase in support from Chicago's tech community after joining the cohort. Similarly, members in the second cohort also experienced an increase in support from Chicago's tech community after joining the cohort. As seen in figure 5.2, 70% of founders in cohort two felt supported by the Chicago tech community after joining the cohort compared to 50% before joining the cohort.



## VENTURE CAPITAL COMMUNITY

In 2021, venture capital funding for companies in Chicago with at least one woman leader was \$725 million, and venture capital funding for companies with only women founders was \$63 million.

In 2022, women-only teams had their best fundraising year to date with \$129 million raised. Though the dollar amount was lower in 2023 at \$112 million, it is still the second best year for fundraising for women-only teams. Though venture capital funding for Chicago-based women founders has grown, there is still a great deal of work to be done as WBC estimated around 10% of all venture capital funding in Chicago in the first half of 2022 went to women founded companies.

This gap in support is evident in feedback collected from founders in both cohorts. As seen in figure 6.1, members in cohort one experienced an increase in VC support after joining cohort and at the end of the cohort. However, this support drastically dropped to 0% six months following the end of the program. For cohort two, as seen in figure 6.2, founders experienced a more rapid decline in VC support with 50% of cohort members stating a lack of support by the end of the program compared to 38% in cohort one.

Many cohort members attributed this lack of support to the issue of pattern matching, where investors rely on past experiences, or patterns, to make decisions about investments. Due to pattern matching, women founders have a harder time receiving funding from VC firms because they do not fit the “**traditional founder profile**” these firms are familiar with. One founder noted that a challenge she faces with raising as a woman founder is being able to have investors see

**themselves** in her journey. TEWG is addressing these barriers by using the cohort as an avenue to help historically excluded founders get in front of VCs, which will help shift the “**traditional founder profile**” these VCs are familiar with.

“The amount of data and questions being asked compared to my peers at the same stage indicates that there is not a general equality yet.”

- TEWG Seed Founder Cohort member

In addition to having to prove themselves more than their counterparts who are men to receive the same funding, cohort members also noted that they experienced situations where they were not taken as seriously and had questions by investors directed to their male peers.

“Men are given opportunities to prove themselves, while women and BIPOC founders get opportunities only after they’ve proven themselves. The math doesn’t work in terms of raising venture capital.”

- TEWG Seed Founder Cohort member

In addition to pattern matching, cohort members expressed facing other challenges as women founders including, but not limited to, scrutiny, discrimination, and underestimation coupled with over-expectation from investors.



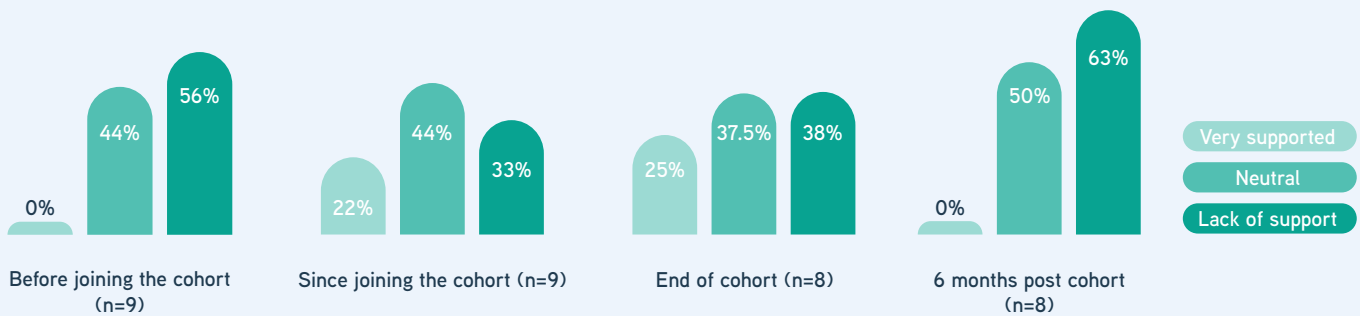
Though some founders expressed that exposure from the cohort was helpful in securing investment, the majority expressed that VCs say that they want to invest, but they continue to fall short on these promises. One founder stated that we need to see **“investors and angels putting their money where their mouth is. Actually execute on what they say they want to do.”**

**Allocate funds to the cohort either through investment or sales.”** Change in investment patterns must come directly from investors. As another founder noted, **“This is a systemic issue that needs to be addressed with investors and corporates - they hold the power, and the bias.”** Therefore, the cohort model alone cannot change investor funding patterns.

## VC COMMUNITY - SUPPORT LEVELS

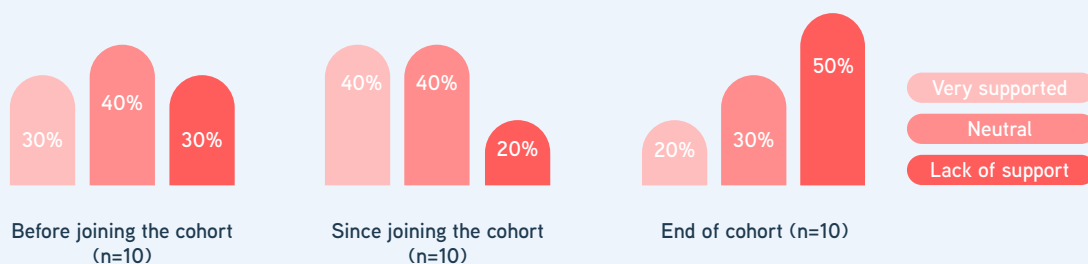
**Figure 6.1 Cohort 1**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S VC COMMUNITY BEFORE, SINCE, AND AFTER JOINING THE COHORT?**



**Figure 6.2 Cohort 2**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S VC COMMUNITY BEFORE AND SINCE JOINING THE COHORT?**





## CORPORATE COMMUNITY

Corporations can play a vital role in addressing challenges faced by women, trans and nonbinary entrepreneurs by offering opportunities for corporate community investment, networking, and leadership training. In Chicago, there is momentum around cultivating a strong corporate-founder community. For example, BMO Financial Group, in partnership with 1871, launched their **WMNFIN-tech** program in Chicago, which is a three month mentoring program for women fintech founders. As part of the program, founders receive 1:1 guidance from industry experts and executives.

Though similar corporations are making strides in this area, the corporate sector is still a fairly challenging area for founders to break into and founders do not always feel supported by the corporate community as seen in figure 7.1 and 7.2.

The cohort initiative, Executive-Founder Dinner Series (scaled in 2023 to the Venture Engine Executive Founders Series), acted as a tool to bridge this gap between founders and executives in Chicago. Founders expressed that meeting with different executives at the dinners allowed for genuine conversations, helped build credibility, and paved the way for potential meetings and relationship building with key stakeholders.



“This event was one of the best networking events I have been to in years due to the small and intimate nature of its structure. I was able to have multiple, meaningful conversations with almost everyone that attended with subsequent correspondence and connections.

- TEWG Seed Founder Cohort member



One key aspect of this intervention was its intimate setting as a dinner event. One founder highlighted how the personal weaves with the professional when it comes to making connections within the tech ecosystem.

Founders in the first cohort were also matched with a specific executive to continue networking outside of the dinners. One founder stated how they were paired with a great match and after the dinners they continued to talk about “**potential near-term and long-term connections**” and credits the intimate-nature of the dinners as the primary reason that these connections.



“I appreciated connecting not just from a business standpoint, but also on a personal level. Instead of the typical Zoom meeting in today’s world, sitting side by side at a table and sharing a meal makes a world of difference...It was also a pleasure to just connect intimately with leaders across the Chicago tech ecosystem.”

- TEWG Seed Founder Cohort member



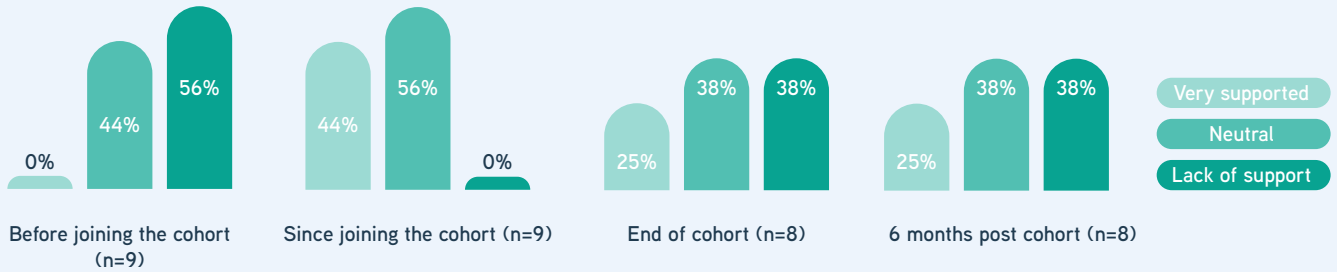
None of the founders in the first cohort felt supported by the corporate community before joining the cohort, but 44% of cohort one members felt support right after the corporate dinners. For cohort two, 30% of founders felt supported before joining the cohort, and this number grew to 60% after joining the cohort (see figure 7.1 and 7.2.).



# CORPORATE COMMUNITY - SUPPORT LEVELS

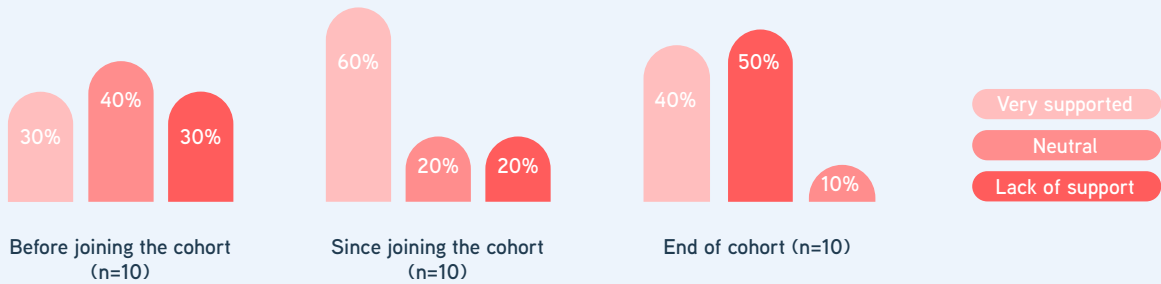
**Figure 7.1 Cohort 1**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S CORPORATE COMMUNITY BEFORE, SINCE, AND AFTER JOINING THE COHORT?**



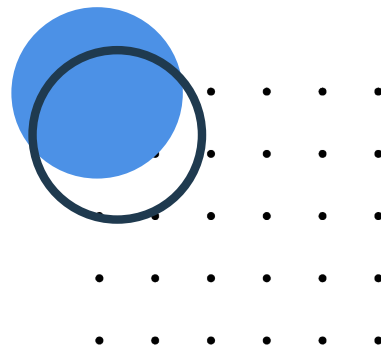
**Figure 7.2 Cohort 2**

**HOW SUPPORTED DID YOU FEEL BY CHICAGO'S CORPORATE COMMUNITY BEFORE AND SINCE JOINING THE COHORT?**



"We found that as human beings we have so much in common, and we both left the table inspired and eager to help each other out."

- TEWG Seed Founder Cohort member



The first cohort expressed in their survey responses that support from corporates lessened after the dinners ended as only 25% of the cohort felt support from the corporate community at the end of the cohort intervention, and 6-months post-program. One reason for this drop in support may be due to the lack of alignment between the executives' areas of expertise and the founders' industry. One founder stated that though executives say they want to support founders, **"they don't have a good sense of what they can actually do for a startup like mine."**

Therefore, corporate connections are valuable but fall short if executives and founders do not work in similar spaces and/or executives do not have a clear direction of how they can elevate the work of founders.

As seen in figure 7.2, cohort two experienced a higher level of support from corporates compared

to cohort one. One reason for this increased support may be due to better matches between the founder's company and the corporate's industry.

Overall, cohort members noted that though they felt more support from the corporate community after joining the cohort, there is still some ambiguity around how the corporate community can best help founders.



"The corporate community is definitely supportive in terms of connections! Not sure the best ways to plug in for fractional help or support beyond emotional support, swag, and introductions."

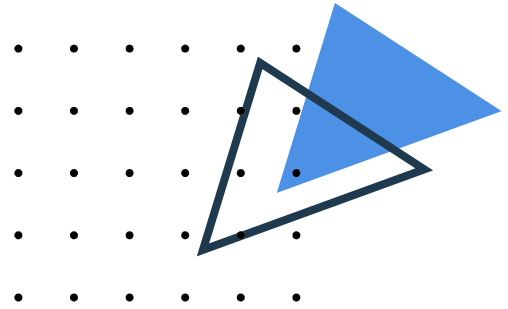
- TEWG Seed Founder Cohort member



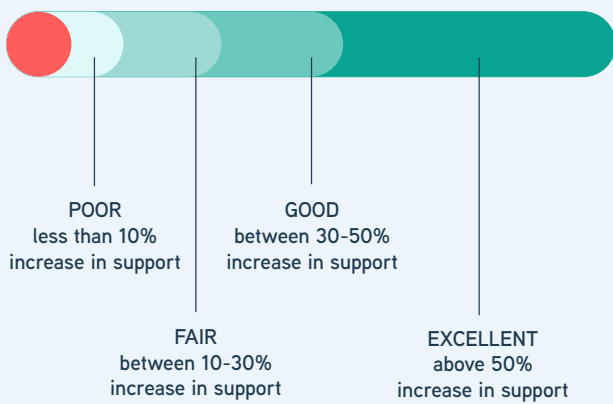
TEWG holiday party celebration

## HOW DID WE DO? FOUNDER SCORE CARD

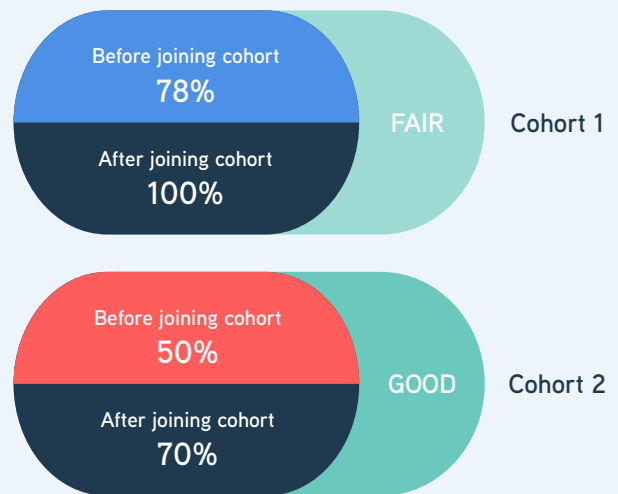
We developed the following scorecard to indicate how well the different cohort initiatives were able to increase the support that founders felt from Chicago's tech, VC and corporate communities.



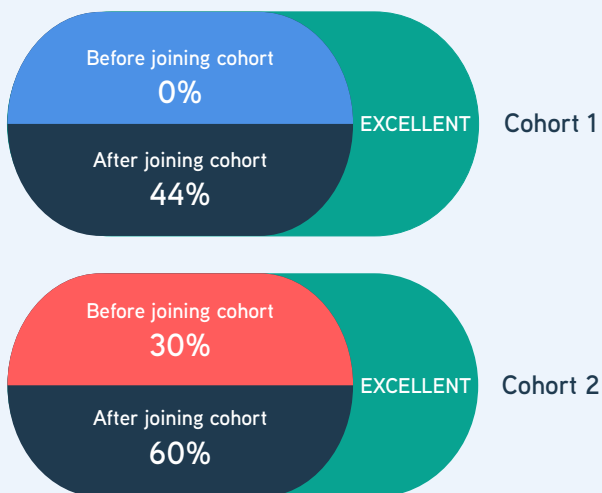
### Grading scale



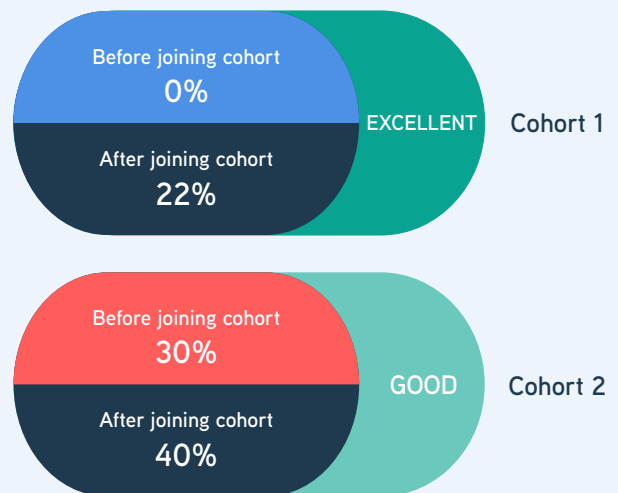
### Support from Chicago Tech Community



### Support from Corporate Community



### Support from VCs



# WHERE DO WE GO

# FROM HERE?

The cohort intervention was designed to focus on relationship-building and was centered on people – founders, TEWG members, investors, and executives. The cohort interventions shone when they focused on uplifting and connecting people in Chicago’s tech, VC, and corporate communities. The cohort was also designed in a way to push the Chicago tech community to be more innovative and impactful by asking founders what they need most and providing those needs.

Though both cohorts saw great success, some ideas for improvement, which came directly from founder participants, include more direct connections to investors, ensuring connections setup by TEWG align with the work and industry of each cohort member, providing more opportunities for founders to come together before other partners come into play, and more tailored 1:1 networking with corporates and investors.

The cohort model provides an avenue for building connections, growing one’s network, and opening doors to help founders get out in front of investors and the Chicago tech community. Though this work does not guarantee investment, we view the work as important inroads into raising capital and pushing against systemic issues that keep women (cis and trans) and nonbinary founders from succeeding at the same rate as their peers who are men.

We do not intend to provide all the answers on how to close the funding gap and acknowledge we only focused on a micro population of founders. However, by gaining a better understanding of the lived experiences of 19 unique women seed

founders and their takeaways from the cohort, we aim to provide valuable insights into how to better serve women (cis and trans) and nonbinary founders moving to series A.

TEWG will continue to create this space for founders to co-design, provide feedback and try new ways of moving the needle on economic equity. TEWG remains committed to rigorously evaluating the outcomes of these initiatives to create a more equitable tech industry where every entrepreneur has access to the support and resources they need to succeed. Building an inclusive and equitable tech industry will not happen overnight and there is more work to be done. GET Cities Chicago is excited to continue to move the needle on advancing gender equality in tech.



“We are hopeful that the significant seed investment made by GET Cities into the TEWG coalition and their co-designed interventions will continue to attract the attention of regional and national investors committed to economic justice who will leverage these early investments and carry this work forward sustainably ensuring that this critical work can continue to fill gaps and move equity, inclusion, belonging and justice across the region for years to come, while acting as a model for the national ecosystem system.”

**-Leslie Lynn Smith, former National Director of GET Cities**



# PARTNER CALL TO ACTION

- ▶ Consider funding, investor, and/or legal in-residences to provide advising and curriculum.
- ▶ Build up a more diverse community of fund managers and principals who give out the wealth.
- ▶ Consider ways to introduce founders to new networks of angels and champions pre-pitch.
- ▶ Design interventions around different stages of the founder journey; what an idea-stage company needs differs from a pre-seed founder.
- ▶ Create mentorship opportunities that are founder to founder, especially founders at different levels of startup stage (eg. a series founder mentoring a seed founder).
- ▶ Continue to research and iterate around supports that reach founders in building up tech ecosystem engagement and VC or corporate connections.



# REPORT LINKS

## PARTNERS

- 1871
- All Raise
- Chicago:Blend
- Cleveland Ave
- Coleman Entrepreneurship Center at Depaul
- Fifth Star Funds
- Hyde Park Angels
- Illinois Department of Commerce & Economic Opportunity
- Illinois Science and Technology Coalition
- Illinois Venture Capital Association
- Impact Engine
- Kaplan Institute at Illinois Tech
- LongJump VC
- MATTER
- mHUB
- Northwestern - The Garage
- P33
- Polsky Exchange
- Prota Ventures
- TechNexus Venture Collaborative
- Techstars Chicago
- Vitamin Capital
- World Business Chicago

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- <https://techcrunch.com/2023/01/18/women-founded-startups-raised-1-9-of-all-vc-funds-in-2022-a-drop-from-2021/>
- <https://www.projectdiane.com>

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- <https://techcrunch.com/2023/01/18/women-founded-startups-raised-1-9-of-all-vc-funds-in-2022-a-drop-from-2021/>
- <https://www.projectdiane.com>
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- <https://www.businessinsider.com/venture-capital-decline-hurts-female-founders-gender-gap-startup-funding-2023-12>
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