
News release

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Women outperform men in seed crowdfunding, according to analysis by PwC and The Crowdfunding Centre

New report shows that while more men use seed crowdfunding than women, women are more successful in reaching their finance goals than men in all sectors and geographic regions across the globe

- This analysis of over 450,000 seed crowdfunding campaigns from nine of the largest global crowdfunding platforms shows that female-led campaigns were 32% more successful at reaching their funding target than male-led campaigns
- While men typically seek higher funding targets, female-led projects achieve a greater average pledge amount than male-led projects: on average each individual backer contributes \$87 to women and \$83 to men (a difference of almost 5%)
- Even in more male dominated sectors, such as the technology sector, where there are nine male-led campaigns to every one female-led campaign, female-led campaigns are more successful, 13% to 10% respectively
- **This is also true for the Middle East where:**
 - Women were also found to be more successful in achieving their finance targets than men (10% vs 6%)
 - 83% of crowdfunders are male and 17% female compared with 72% male to 28% female globally
 - Average pledge amounts to female-led campaigns are 29% higher than male-led campaigns (the difference globally is 5%)

PwC and The Crowdfunding Centre today launched their joint report, *Women Unbound: Unleashing female entrepreneurial potential*, which explores the experience of women in achieving finance raising success through seed crowdfunding compared with more traditional finance raising routes.



The report findings, which are based on two full years of seed crowdfunding data (2015-16) tracked by The Crowdfunding Centre, include the results of over 465,000 seed crowdfunding campaigns - from nine of the largest crowdfunding platforms globally.

The report finds that while men clearly use seed crowdfunding more than women, women are more successful at crowdfunding than men. Globally, seventeen percent of male-led campaigns reach their finance target, compared with 22% of female-led campaigns. Overall campaigns led by women were 32% more successful at reaching their funding target than those led by men across a wide range of sectors, geography and cultures.

Evolution of seed crowdfunding

Crowdfunding is a disruptive innovation which has provided new routes to funding for individuals, startups and growth businesses. It enables them to engage and interact directly with the market and with thousands of backers, supporters, customers and potential partners like never before. Seed crowdfunding is the use of 'rewards based' crowdfunding platforms to fund the creation, launch or development of new businesses, products and services where backers pay upfront for a product, service or project. Since its inception, seed crowdfunding's footprint has continued to spread with the levels of finance raised through the nine platforms analysed in this report jumping from \$10 million in 2009 to over \$767 million in 2016, with backers from over 200 countries.

Women-led campaigns performed better in terms of securing their funding goals than campaigns led by men when we segregate the data for every sector and every country. In countries with the largest volumes of seed crowdfunding, the UK and the US, 20% of male-led campaigns reached their targets. Yet female-led campaigns outperformed, with 24% of women in the US and 26% of women in the UK successfully reaching their campaign funding target.

This trend continues in countries where seed crowdfunding is not yet as wide-scale or successful. For example, 10% of female-led campaigns in the Middle East were successful compared with 4% of male. That number mirrors trends in E7 countries (China, India, Brazil, Mexico, Russia, Indonesia and Turkey), where 10% of female-led campaigns also reached their goals compared to 4% of male-led campaigns.

Even in what some consider to be more masculine sectors, for example technology, where we globally see nine male seed crowdfunders for technology ventures to every one female crowdfunder, 13% of women were successful in achieving their funding goal compared to just 10% of men. Similarly, in the digital technology sector, where there are three male-led campaigns to every one female-led, women achieved a 16% success rate compared to just 9% for men.

Seed crowdfunding in the Middle East

This analysis shows a total of 97 campaigns were successfully funded in the region in 2015 and 2016, 24 of which were female-led and 73 male-led. And while the number of campaigns funded in the region is still relatively low vis-a-vis more established territories, it is important to highlight that seed crowdfunding is still relatively new to the region. Equally important to highlight is that in the Middle East, average pledge amounts to female-led campaigns are 29% higher than male-led campaigns, compared with a difference of only 5% globally.



Meanwhile globally, 72% of crowdfunders are male to 28% female, while in the Middle East 83% of crowdfunders are male to 17% female. It was also revealed that women in the Middle East do better than their male counterparts in achieving their finance goals through seed crowdfunding (10% vs 6% respectively). The findings indicate that seed crowdfunding generated a total financing of \$ 3,251,112 (with \$ 527,300 going to female led campaigns) in the Middle East for 2015 and 2016, with female-led campaigns in the Middle East generating an estimated 5,320 backers, compared with 4,240 for those that were male-led.

Co-founder and CEO of The Crowdfunding Centre, Barry E James says:

“Who could have expected that when the middle-men are removed from the equation, and women and men entrepreneurs get equal and direct access to the market, it would turn out that women would, immediately and decisively, outperform the men, across the board? Shining a new light on the endemic imbalance and the causes that have long fueled limited access to finance for female entrepreneurs via traditional financing routes. That only half as many women currently embark on a crowdfunding campaign is undoubtedly a reflection of low expectations stemming from the same roots. So, in that light, it's time to readjust not just our expectation and perceptions but our attitudes, institutions, behaviours - and the way we make decisions.”

Female crowdfunding success is in stark contrast to established funding mechanisms for business startups and growth in which women-led businesses continue to face barriers to accessing finance.

Stuart Scoular, PwC Middle East Financial Services Partner, says:

“The findings of our *Women unbound* report pose a strong challenge to existing entrepreneurial and business norms by seriously questioning whether there are deep-rooted biases that are preventing greater access to funding by female entrepreneurs. This is concerning.

However, it is extremely positive to see the growth and global reach that seed crowdfunding presents including the understanding and acceptance that seed crowdfunding is now a well-established environment through which women can thrive to fund new business propositions.

The fact that the numbers also ring true for the Middle East is evidence that the region's start-up ecosystem is one to keep a close eye on. Even though crowdfunding and peer-to-peer lending is still a relative novelty in the region, we expect to see an increase in their adoption as alternative sources of financing as the entrepreneurship landscape of the region matures with much of that growth being led by women.”

There is however room for even greater progress. Significantly more men are seed crowdfunding than women and as a result men raise substantially more finance via this channel. Men are also more ambitious in establishing higher funding goals than their female counterparts and we see them dominate in the highest funded campaigns by sector. The report highlights that 63 campaigns raised over \$1 million but of these, only seven (11%) were led by women, with the most funded campaign created by a woman placing number 18 on the list.

Says Emma Campbell, PwC Middle East People, Diversity and Inclusion Leader:

“The numbers for the Middle East paint a really encouraging picture: although still in its infancy, seed crowdfunding is proving to be a powerful tool for budding female entrepreneurs to get



financing, with average pledge amounts to female-led campaigns 29% higher than male-led campaigns; globally, that difference is 5%: this stark contrast mirrors the realities of a thriving female-led leadership in the region.

Significant opportunity still remains for women to become more active and represented in crowdfunding and to be more ambitious when establishing their finance raising goals. We hope the success of female crowdfunders highlighted in this report inspires more budding and established female entrepreneurs to explore crowdfunding and invoke confidence and belief in their entrepreneurial talent and opportunities.”

This report aims to create visibility of the potential barriers that female-led businesses and entrepreneurs appear to have long faced in accessing finance; highlighting that opportunities for women entrepreneurs do not seem to have been equal. But thanks to crowdfunding, entrepreneurs can now access the market directly – and this makes a huge difference.

Above all, this crowdfunding data shines a more visible light on both the challenges and opportunities to which we must respond. Eradicating any potential barriers that seem to be more prevalent in traditional finance routes provides opportunities that will benefit women and men, business and society.

The report outlines actions that governments, funders, business advisers, educators, entrepreneurs, women and men can take to seize these opportunities and eradicate any such barriers.

ENDS

Notes

1. To find out more and download *Women unbound: Unleashing female entrepreneurial potential*, visit www.pwc.com/womenunbound. The report is based on two full years (2015-16) of seed crowdfunding campaign data tracked by The Crowdfunding Centre from nine of the world's largest crowdfunding platforms.
2. To explore the data by country, region or sector, visit www.pwc.com/womenunbound.
3. PwC is committed to promoting diversity and inclusion and has a range of programmes in place to advance progress on the issue. These include [Aspire to Lead: The Women's Leadership Series](#), a global forum on women and leadership for students around the world. PwC has also partnered with the UN Women's [HeForShe](#) campaign, which aims to mobilise one billion men and boys as advocates and agents of change in ending the persisting inequalities faced by women and girls globally.
4. To read PwC research on women in the workplace, take a look at [The female millennial: A new era of talent](#); [Next Generation Diversity: Developing tomorrow's female leaders](#); [Millennials at work](#); [Modern mobility: Moving women with purpose](#); and [Winning the fight for female talent: How to gain the diversity edge through inclusive recruitment](#).
5. Find out more about The Crowdfunding Centre's business funding accelerator for women at www.BizFundingAccelerator.com/BeBoldForChange and learn more about to use seed crowdfunding as a tool of choice to secure positive cashflow and market validation at <http://routesto.info/toolsforwomen>



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About the Crowdfunding Centre

The Crowdfunding Centre is crowdfunding's global observatory, founded by Barry James and his team in 2013 which now provides the world's largest repository of data on crowdfunds harnessed to provide data and evidence based reports and tools for business, government, entrepreneurs, investors and academia. Find out more and get reports and data for your sector, country or city by visiting TheCrowdfundingCentre.com