



# The State of Diversity in European Tech

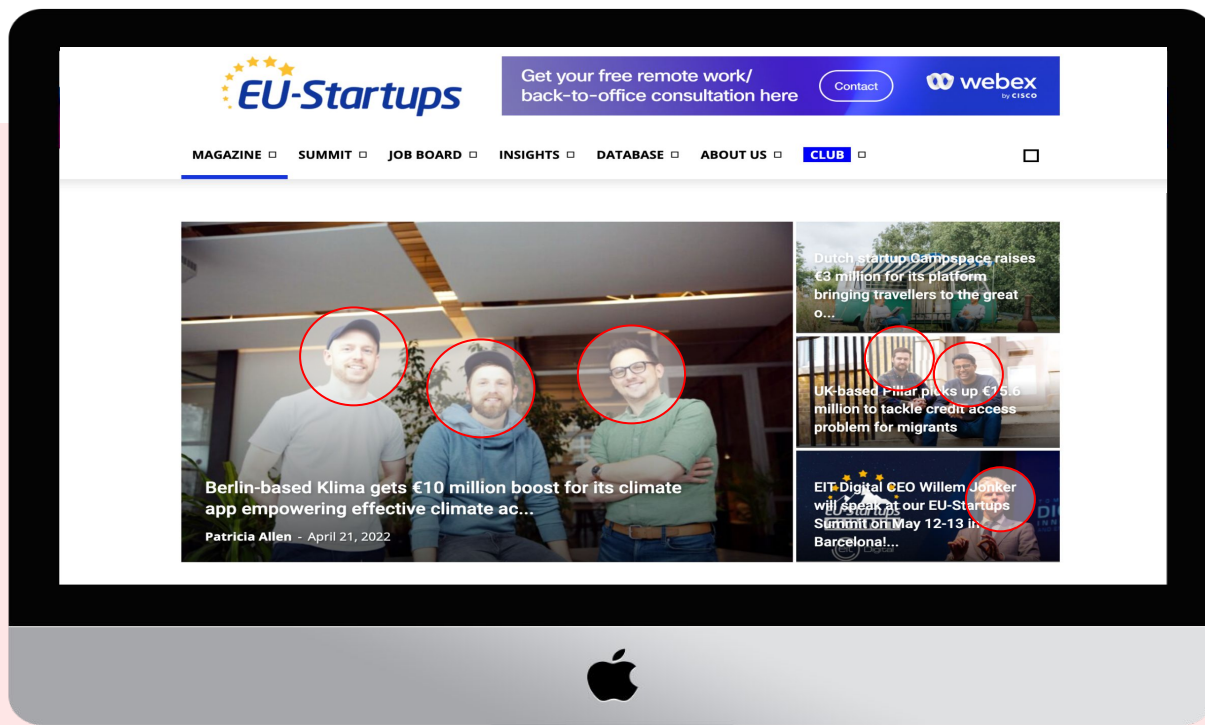
Amy Lewin | editor | [sifted.eu](https://sifted.eu)



# The gender issue



Europe's tech ecosystem has a **very visible challenge**. It's this...



**90.1% of funding** raised by European startups in 2021  
was **raised by male founder teams**

That's outrageous!

Mixed founder teams raised 8.8% of funding

**Female founder teams raised just 1.1%...**

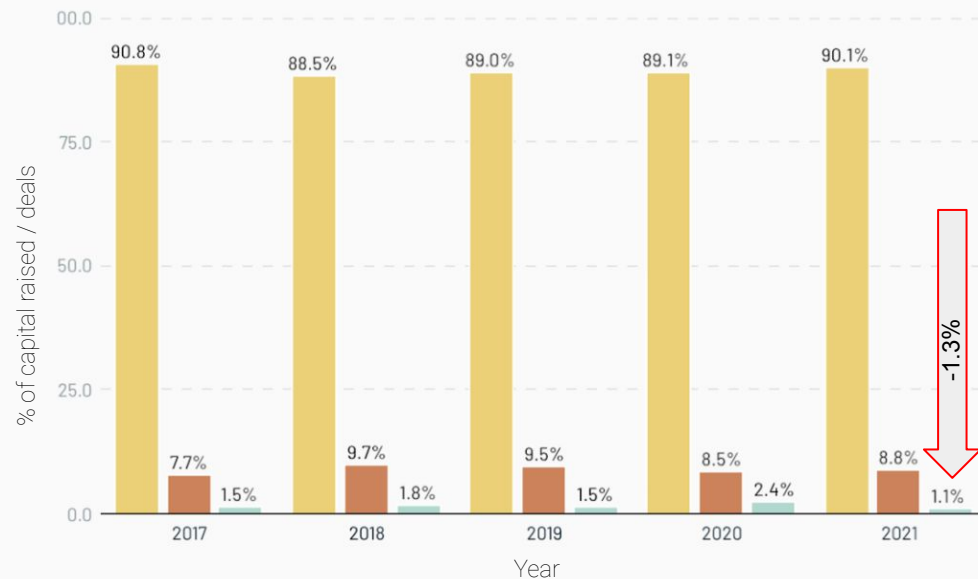


And... despite a growing number of initiatives to get female founders funded...

It is **not** changing

In fact, it **went down** last year

Share of capital raised and deals (%) by founding team gender composition, 2017 to 2021



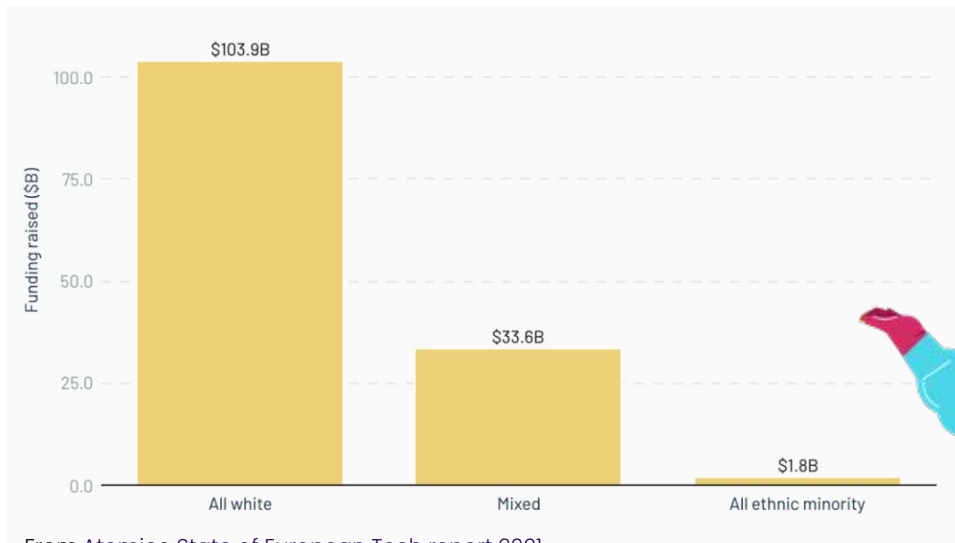
From Atomico State of European Tech report 2021

Men Mixed Women

# The ethnicity issue

Founders who raise VC funding are also **almost all white**

Total capital (\$B) raised to date by companies who raised a round since January 2020 in Europe by perceived ethnicity and by company stage



In Europe in 2021, only \$1.8bn was raised by teams made up of solely ethnic minority founders — compared to \$103.9bn raised by all-white founding teams





In the UK, between 2009 and 2019, just 0.24% of VC went to teams of Black entrepreneurs, according to a report published by [Extend Ventures in 2020](#)

To be specific, **only 38 Black-founded businesses raised funding in a decade**

But let's remember — ethnicity and gender aren't the only forms of diversity out there...

There's also **disability, socioeconomic background, religion and sexuality, social mobility** — and a myriad other factors — to consider as well

And these areas are even less visible. Why?

Because — and here's the next big challenge the ecosystem faces — **barely anyone is collecting this data**



# The data issue

\sifted/



Outside of the UK, it's **rare to see reports that cover ethnicity**

In some countries, it's *illegal* to collect this data

In Germany and France, it's more common to collect data on people with “migrant backgrounds” — which is, obviously, not exactly the same thing as collecting data on ethnicity — and **makes comparisons across European nations tricky**

There's also the challenge that sometimes, when data on ethnicity is collected, it's prescribed — ie. somebody else decides that that person is “diverse”



# The leadership issue

\sifted/



It's also not just about founders. They're just the tip of the iceberg

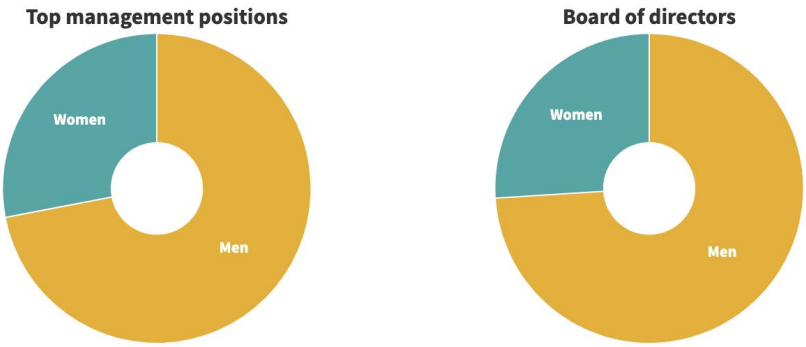
Europe's startup ecosystem also **lacks diversity in leadership positions**

[A Sifted article](#) recently looked at the percentage of women who held top positions at Europe's most prominent neobanks — businesses that have attracted billions in VC financing

**Women hold 28% of management positions** at the 17 neobanks that shared their data.

That's just as bad as legacy banks

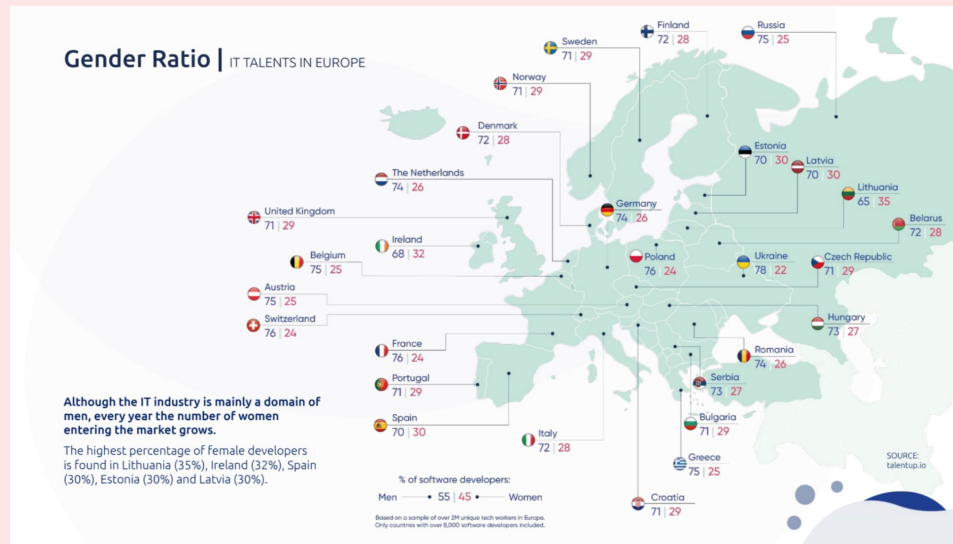
Percentage of women holding top positions at Europe's top neobanks



\*A note on data: All stats were collected or checked directly from the neobanks, with the exception of Viva Wallet, for which data was found online, and Curve, which did not respond.

# The tech team issue

The European startup ecosystem also *really* lacks diversity in engineering teams.



# And why does this matter?

\sifted/

Technology is neither good, nor bad – and definitely not neutral. **It's socially shaped** and requires **diversity of perspectives and voices** if we truly want to ensure that we do no harm with tech and provide better outcomes for people and planet.

If we need data on this, and real-life examples, there are plenty of them in Caroline Criado Perez' book, [Invisible Women](#), on data bias.



# And why does this matter?

\sifted/

If you care about the citizens you represent — ALL of them — it's essential to ensure the startups that are creating the Googles and Ubers and Airbnbs and WeWorks of the future, in Europe, are making products designed for EVERYONE.

**If a product (or a startup) is not diverse by design, it will be unequal by outcome.**



Diversity in business also matters for cold hard financial reasons – **more diverse teams make better business decisions...** and make more money!



Here's a quote from the Harvard Business Review:

"A 2015 McKinsey report on 366 public companies found that those in the top quartile for ethnic and racial diversity in management were 35% more likely to have financial returns above their industry mean, and those in the top quartile for gender diversity were 15% more likely to have returns above the industry mean."

And it will help your company appeal to more customers... and not look stupid.

- Apple health app tracking steps and blood alcohol content but not menstruation when it launched
- VanMoof and Cowboy's e-bikes being designed with only male frames on launch

**TRENDING:** [Pay Gap Report](#) > [Power Book 2022](#) > [PRWeek UK Awards](#) > [Top 150 2022](#) > [The Knowledge](#)

## News

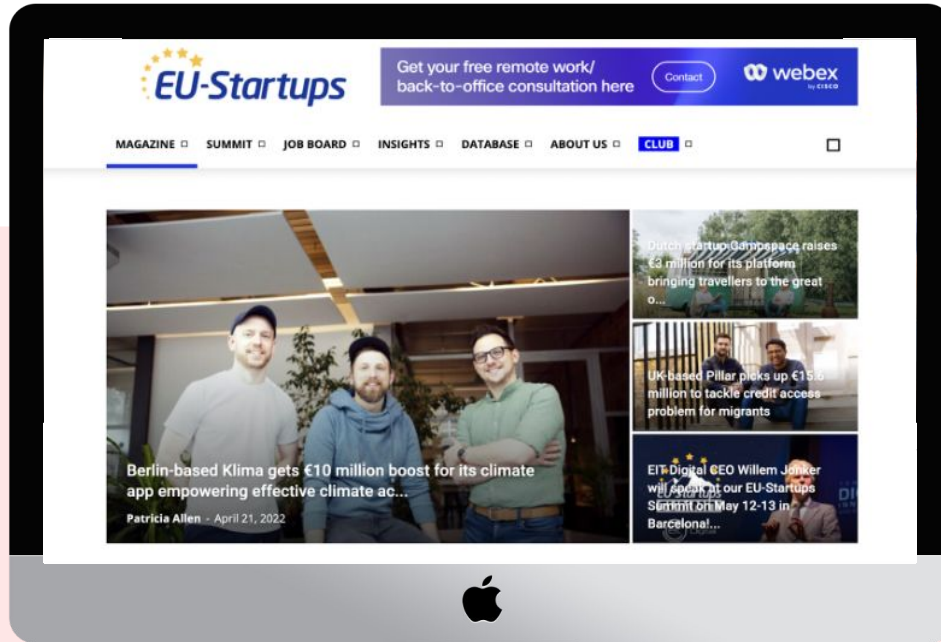
### Samsung apologizes after running ad sparks backlash

The campaign, which was created by Ogilvy New York, features a woman running alone at night.

by [Ida Axling](#), Campaign / Added 42 hours ago

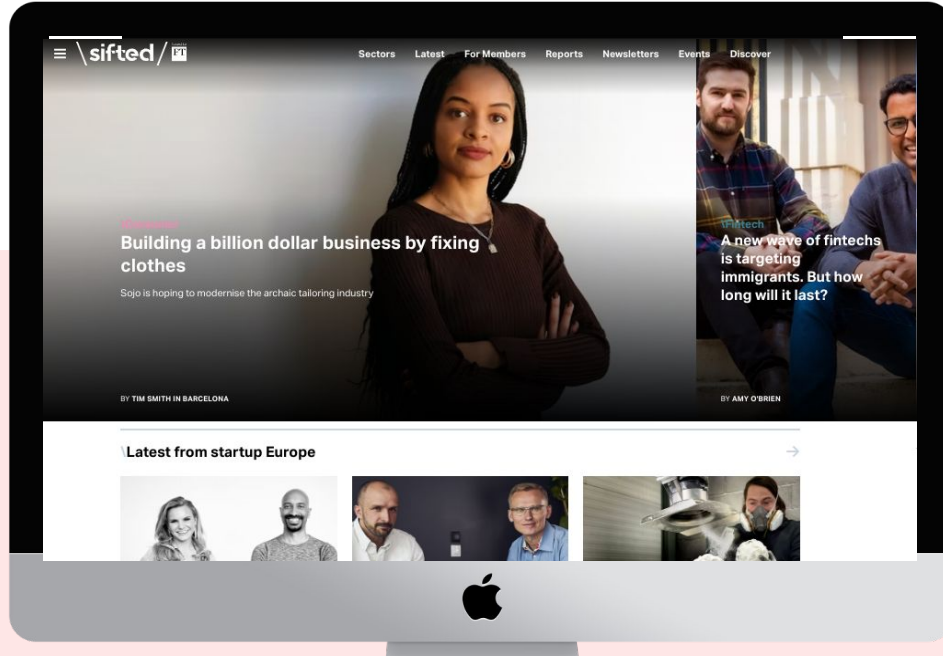


And... because this doesn't inspire me to start a company.  
It doesn't tell me I belong.





This does.



# Recommendations

- Shared taxonomy that's applicable across countries (particularly on "ethnicity")
- Regulation to promote more accountability to report this data for small businesses and VCs
- Analysis of data with a lens on intersectionality that goes beyond gender and ethnicity



# Any questions?

[amy@sifted.eu](mailto:amy@sifted.eu)

[sifted.eu](https://sifted.eu)

Thank you to Dama Sathianathan, Johannes Lenhard, Anisah Osman Britton, Eleanor Warnock and Nora Bavey who contributed to this presentation.

