

URL: <https://stvp.stanford.edu/clips/investing-in-black-women-founders>

Black women capture about 0.2% (and maybe less) of all venture capital funding, observes Backstage Capital founder and managing partner Arlan Hamilton. And even when they do succeed in raising funding, they raise a lot less on average than white men. She talks about her new fund, which focuses exclusively on black women.



Transcript

The headline of fund, It's About Damn Time fund is specifically focused on black women.. So you decided to narrow the focus down more.. Can you explain why focus just on black woman and how is that decision made? - I sure can.. So we invest in women, people of color, LGBTQ, which is a lot of people, it's more than half the population even just the women, right? And we invested in 100 of those in that thesis.. Then, I looked at the stats and it said that women, well, there's two, some people say we get, black women get .2% of all venture funding.. Which if you do the math last year, 130 billion dollars was deployed, so we shared, as black women, in startups, shared the equivalent of birds last round of funding.. Some people say it's even less than that.. And I looked at that and I said, and I also understood that for every million dollars that a white man raises, a black woman raises 28,000 when she is able to raise.. Not if you're doing apples to apples 'cause it would be minuscule.. So, I said, then only reason you could have a problem with me starting a fund that just puts her on level ground is if you're afraid that she will beat you when she gets there..

And so, to me, it was just a, it's one more part of the thesis.. It's one more vertical.. Just like if I had been out for three years and I realized, you know what? AI is where I'm gonna focus this next fund, that's the same way I look at it.. - And don't you think there's a power in focus and in simplicity? 'Cause I think some people would argue that those same claims to differing degrees can be made about the other communities that you were-- They can, and there's nothing to say that we won't do other funds, but we're starting there.. - And how do you respond to people that say that you are responding to an injustice with an injustice.. That there's, your fund itself is biased.. - It would depend on how they're saying it.. If they're saying it on Twitter in their basement with their thumbs, they can go fly somewhere because honestly, that doesn't mean anything to me.. If they honestly see a problem with this and they're willing to talk to me about it like a mature person, I'd love to have the conversation.. When you have, I don't know if you heard, but I said .2% is the high version of the number that black women get in venture funding..

And we make up nearly 10% of the population.. Seven or 8% of the population.. Doesn't make any sense already.. That should be what people are worried about and upset about.. They should not be upset about someone coming in and saying, you know what? I'm just gonna slightly try to change that to .1%..