

URL: <https://stvp.stanford.edu/clips/racism-in-venture-capital>

Charles Hudson, founder and managing partner of Precursor Ventures, Explains that while he's rarely experienced explicit racism, race and other parts of his identity play a role in the access he is given and the assumptions people make about his firm.



Transcript

- How significant of a role do you think race is 00:00:05,220 in the venture capital and entrepreneurship industries today? So, what has your experience been as a Black VC? Do you think that's noticeably different than, has it notably shaped your experience? - I've always struggled to answer this question.. 00:00:18,773 - Yeah.. 00:00:31,320 I have, you know, no one person, that's one thing.. I have two degrees from Stanford, and I'm Black, and I'm a man.. So, I have all of these different dimensions where there are times, I'm in rooms, I'm like, "Oh, I'm in this room because I have the Stanford card." Like, I got invited into this room because I, I went to Stanford.. And the fact that I'm Black is secondary to that.. There are times, I'm like, "Oh, I'm in this room because I'm a man who runs a venture firm, and my gender is the thing, that's allowing me to be in this space." (clears throat) What I will say is, there have been so many times, I've showed up for a meeting, and the people are looking around, and I'm like, "No, it's, it's me." Like, I'm Charlie Hudson III.. Like, it's a, I'm not always the person they're expecting, when I, when I come to the meeting, or I come in the room, I definitely have had people, I'd say probably the most obvious thing that's happened is, whenever I pitch my fund, people just assume it's a diversity fund.. First, I don't even know what a diversity fund means.. So people like, "Oh, it's a diversity fund." What does that even mean? I don't know what those words mean, but people assume that's my, I know what they mean..

They're like, "Oh, you're a Black." - Do they assume you're gonna be funding Black founders? 00:01:32,910 - They assume that, 00:01:33,750 that's like, what I'm, and I'm like, "That's not our strategy.. We happen to have about a quarter of the founders in our portfolio are Black, (clears throat) or Latino, or Latina." But it's not an explicit thing, but they jump to that immediately, when I meet them, because they, that's the only thing they can assume, is my, is my takeaway that like, "Oh, you are a Black man running a venture fund, so therefore, we assume that." And I'm like, "No.. Like, our strategy happens to produce a disproportionately large number of Black founders relative to everyone else, but 75% of the founders in our portfolio are not Black, or Latino, or Latina." And it's all of these assumptions, I can see people jumping through.. - Do you also face the assumption from Black, or Latino, 00:02:16,020 or underrepresented founders that you, you should be nicer to them, and is that also unequal, is that also a significant? - If I were to look at the people who have had, 00:02:25,742 who are our biggest detractors, and who give me the most grief are Black founders.. For sure, and I get it.. They expect more from us.. They expect, it's not even just that they expect, a yes.. Some of them do, and I'm like, "Well, I'm sorry.. Like, wrong is yes." I also, but I feel a lot of pressure to give them a good experience.. Even if we tell them no..

- Yeah.. 00:02:47,760 Because I know the experiences that they're having at other firms are just not good.. - Yeah...