

In search of what is behind the gender finance gap. A case study of four Latin American countries

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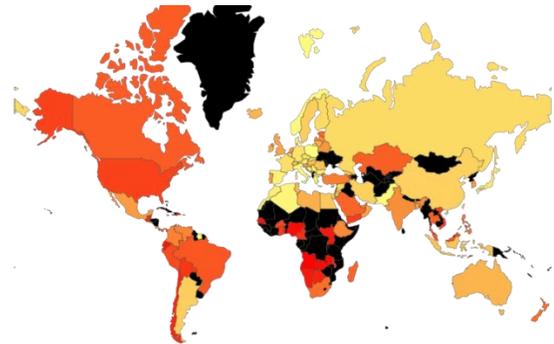
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1 | Introduction

Entrepreneurship is a fundamental element for innovation dynamics, employment generation as well as productivity generation and economic growth (van Praag & Versloot, 2007). However, women are less likely to start a business (Parker, 2009). And albeit this trend is slowly changing in recent years (GEM, 2021), female founders seem to be losing out particularly among the high-growth venture.

Brazil, Chile, Colombia and Mexico¹ have some of the most dynamic entrepreneurial activities in the world. According to the Global Entrepreneurship Monitor, the world's most comprehensive study on entrepreneurship, not only is the rate of entrepreneurial intentions extremely high; particularly Chile and Colombia have had among the highest rates in the world until the COVID-19 pandemic. Also, the rate of early-stage entrepreneurship has continuously been above 20% of the total population of 18-64 years

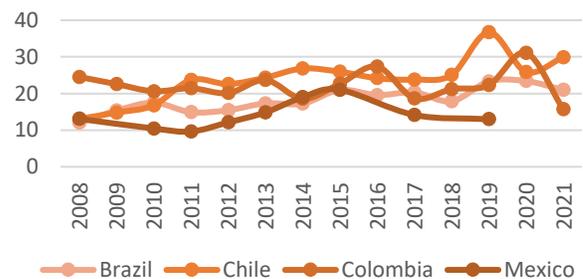
Figure 1. Total early-stage Entrepreneurial Activity Rate. Most recent data



Note: The darker the color, the higher the Percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business. Black indicates no data. Source: GEM, 2022

(GEM, 2022); again, placing it among the highest rates in the world.

Figure 2. Total early-stage Entrepreneurial Activity Rate – 4 countries LatAm

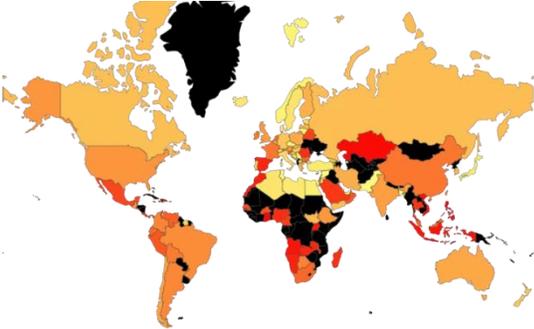


Note: Percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business. Source: GEM, 2022.

¹ GEM data for Mexico is only available until 2019.

However, particularly in Brazil and Chile, this rate is significantly lower for females than for males (GEM, 2021).

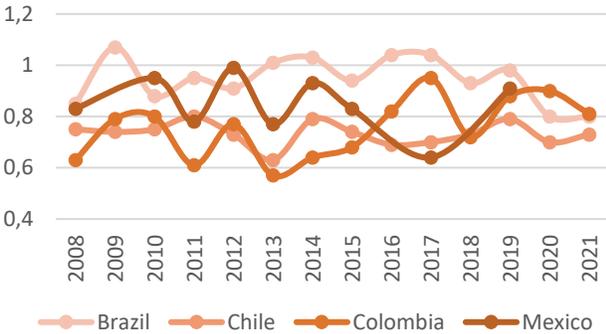
Figure 3. Female/Male Early Stage Entrepreneurship. Most recent data



Note: The darker the color, the higher the Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, divided by the equivalent percentage for their male counterparts. Black indicates no data. Source: GEM, 2022.

ups is worrisome. During the past few years, Latin America’s high-growth start-up scene has been booming. In 2021, according to a Crunchbase report (2022), \$19.5 billion of investor money poured into the region, a triple growth compared to the year before, making it the fastest growing region in terms of venture capital investments. 18 start-ups reached unicorn status during the same year. However, the IFC (2019) estimates that only 7 percent of total investment in emerging markets is going to female-led businesses.

Figure 4. Female/Male Early Stage Entrepreneurship.



Note: Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, divided by the equivalent percentage for their male counterparts. Source: GEM, 2022

The fact that the gap in entrepreneurship is visible not only in general but especially among ambitious and high-growth start-

But why should this matter? Most immediately, such a gender gap in access to finance poses a direct barrier for female founders trying to grow their venture. Relying on GEM data, only 30.2% of female entrepreneurs expect to hire six or more employees during the upcoming five years in comparison with 48% of male entrepreneurs. Women represent only 1 out of 3 growth-oriented entrepreneurs active in the world despite being almost as likely as men to offer innovative products and services

that are new to all or some customers (GEM Women, 2021). And finally, male entrepreneurs were much more likely to target international markets than women founders (8.9% versus 4.9%, GEM, 2021). Among the TOP 100 start-ups in Chile, only six have a woman in their founding team (Nieves-Ruiz, 2022); in Colombia, this rate was at 20 in 2020 (Forbes, 2020).

It also matters for investors, as they miss out on more efficient investment opportunities. In fact, recent empirical evidence points towards a situation where female-led start-ups may even be a better bet; for example, one study by the Boston Consulting Group found that U.S. start-ups with female(s) in their founding team generated more than twice the revenue per dollar invested than those founded by males (Abauzhar et al., 2018).

And finally, flawed investment decisions may also generate macroeconomic impacts in the long run, accentuating inequalities. Against the current crisis caused by the COVID-19 pandemics, these concerns are particularly salient: women founders were more

impacted than men during the pandemic. According to GEM (2021), they were 20% more likely to report business closure than men due to the pandemic (41.9% versus 35.5%), albeit regional differences are significant. In Latin America, the start-up intentions of women were impacted by the pandemic with 1 out of 3 women reporting so. Thus, the peak in start-up finance in LatAm coincided with a situation where female-led businesses were suffering disproportionately.

This report presents a diagnosis of the gender finance gap for start-ups that applied to accelerators; that is start-ups that are operating mostly in the technology sector and have high-growth ambitions.

2 | What we know

While young innovative firms are paramount in the knowledge economy, they oftentimes suffer from financing constraints. Yet, adequate financial capital is a critical resource for the growth and survival of startups (Čalopa, Horvat & Lalić, 2014). This pushes startups to seek access to external financial resources such as angel investments, venture capital and private equity. Albeit there is a myriad of factors that influence whether and how much external resources a startup is able to secure, the gender of the founder or the founding team member is likely one of the most controversial and discussed one. To better understand whether and how gender may influence in the capital access process, we will review the current literature on the topic in this section.

Acceleration drives performance and capital access

Accelerators are a fixed-term cohort-based “boot camp” for startups that offer investment-focused education, mentorship and

networks. As such, they are intermediary organizations that may play a fundamental role in supporting entrepreneurship. Accelerator programs emerged in the early 2000s in the USA and have since spread around the world. Among the most common services offered are mentoring, coaching, bootcamp training over a fixed period, networking, preparation to pitch investors during the demo day and access to finance (Crişan et al., 2021).

Whether or not accelerators work, i.e. whether or not they help startups to grow and survive, is still a contested question (Cohen & Hochberg, 2014). However, first empirical evidence shows that companies that are accelerated outperform their peers that have not gone through an acceleration process in terms of revenues earned, employees hired, and funding secured (Roberts & Lall, 2018). A study based on Startup Chile, one of the main Chilean accelerators, shows that it is the combination of entrepreneurship training with the basic services, cash

and coworking space that led to significant increases in venture capital raised and startup scaling (Gonzalez-Uribe & Leartherbee, 2018). It seems that accelerators help resolve the uncertainty that is inherent of startups and their potential future; better signals of the quality of the business ideas allow for quicker exits and more efficient funding (Yu, 2020). So, all in all, accelerators play an important role in supporting high-growth startups; they also play an important role in access to external capital.

There is a gender finance gap

Entrepreneurship is characterized by a persistent gender inequality; not only are women less likely to found a new venture (Langowitz & Minniti, 2007) or become self-employed (Verheul et al., 2012). They are also outnumbered by men in ownership of established businesses (Allen et al., 2008), albeit recent years have shown a slow change with an increasing participation of women in entrepreneurial dynamics (GEM, 2021).

Yet, women-led ventures are less likely to outperform (Yang and Aldrich, 2014). Even though the exact source of this particular gender gap is still unclear, most research has focused on early-stage investments. Numerous studies have documented that female entrepreneurs are less likely to obtain external funding (Guzman & Kacperczyk, 2019) or venture capital (Shuttlewood et al., 2018). Furthermore, even in experimental conditions where no observable differences between female- and male-led ventures are detectable, this gap persists (Tinkler et al., 2015). And while this may signal that female-led start-ups are “simply not as good”, empirical evidence provides first hints that quite the contrary might be the case and women-owned start-ups might even be a better bet (Abauzhar et

Potential drivers of gender finance gap

al., 2018; Brush et al., 2018). But what drives this gender gap?

Cohen and her colleagues (2019) argue that the success of acceleration depends both on applicant’s features as well as on the accelerator. Gender disparities

may thus arise due to factors related to the founder and start-up as well as related to the accelerator's behavior and selection. Empirical evidence hints at both.

Kwapisz and Hechavarría (2018) show that women are less likely to ask for financing in the nascent stage of their start-up, likely rooted in gender stereotypes, societal norms as well as lower level of risk tolerance and confidence. Female founders also set lower fundraising targets and do not prioritize networking as much as men (Davidson & Hume, 2019). Along this line, Guzman and Kacperczyk (2019) demonstrate that women-led ventures signal less growth potential and thus are less attractive to investors. Yet, according to these authors this does not explain the gender financing gap completely; instead, a significant residual is likely to be attributed to gendered preferences by investors. Such bias was found by Ewans and Townsend (2020) as well as Brooks et al. (2014). Importantly, first empirical evidence hints at accelerators to exacerbate this gendered financing gap (IFC, 2020).

STEM gap drives gap in tech entrepreneurship

Another element – independent of the entrepreneurial process – that might be influencing the mentioned gender gap in high growth start-ups is related to the gender gap in STEM. Acceleration is often-times focused on technology-based start-ups. As a result, the persistent gender gap in STEM careers may pose an additional problem as not sufficient women are trained in careers that may form the basis of technology-based entrepreneurship.

This underrepresentation thus extends along the career of a women. Blickenstaff (2005) refers to this as a "leaky pipeline" metaphor, highlighting the fact that the number of women decreases as they advance through the levels of their careers, both in education and in the labor market. According to Kuschel et al. (2020), this could be one of the reasons why few women entrepreneurs are present in STEM industries or lead startups.

3 | Methodology

Our results rely on two different sources of primary data – one for quantitative analysis and one for qualitative analysis. By doing so, we can combine the disadvantages of both methodologies, allowing us to gain deeper insights into what may drive the gender finance gap in the four countries of Latin America that we focused on: Brazil, Chile, Colombia and Mexico.

Quantitative Data

For our quantitative data – based on which we present results in Section 4 - we draw on data from the Global Accelerator Learning Initiative (GALI), where Emory University and the Aspen Network of Development Entrepreneurs (ANDE) have gathered data on more than 10.000 start-ups in about 170 countries over multiple application cycles from 2013 to 2019, called the C4G's member survey. C4G members are entrepreneurs who applied to business development support programs facilitated by incubators and accelerators. They fill out a survey that collects quantitative data from these members related

to the characteristics of the start-up team, the start-up itself and results of the start-up process.

The C4G member start-ups have applied during that time to different incubation and acceleration programs in 34 different countries. That means that quite a few countries have applied to acceleration programs that are located outside the home country of the start-up. Such is the case for example in Chile, where one of the acceleration programs had an influx application from start-ups founded in 50 different countries.

Qualitative Data

We complemented this information with qualitative data. Following a structured interview guide, in each country we conducted 5 semi-structured interviews with accelerators (usually the CEO or the acceleration program manager) as well as 10 interviews with female entrepreneurs who have either already completed an acceleration program, are currently participating in one or have applied to one.

This qualitative study has interpretative purposes (Carrero et al., 2012) where we sought to identify which factors influence the gender gap of technology-based start-ups from the discourses of female entrepreneurs and responsible actors in acceleration programs. As such, we rely on Grounded Theory (Strauss and Corbin, 1998) as even though some driving forces have been identified before, the answer to what causes the gender finance gap is not satisfactorily and less so conclusively resolved, particularly for the case of Latin America. Thus, we believe that this approach is suitable for our undertaking (Páramo, 2015).

We carried out the interviews between August 2021 and May 2022, in most cases virtually due to the ongoing confinement caused by Covid-19. All the interviews were videotaped and transcribed for later analysis, after participants gave its informed consent. By means of open, axial, and selective coding (Carrero et al., 2012), stages of the entrepreneurial and acceleration process were codified. We identified several primary and secondary order categories; an

analysis of these allowed for the discovery of meanings and relationships.

Additionally, to these interviews, we realized a validation focus group in Chile, where we invited all the female entrepreneurs and acceleration programs who had participated in the interviews. Out of the 15, 6 attended and we validated preliminary results of our qualitative analysis in a structured virtual discussion.

4 | Where is the Gap?

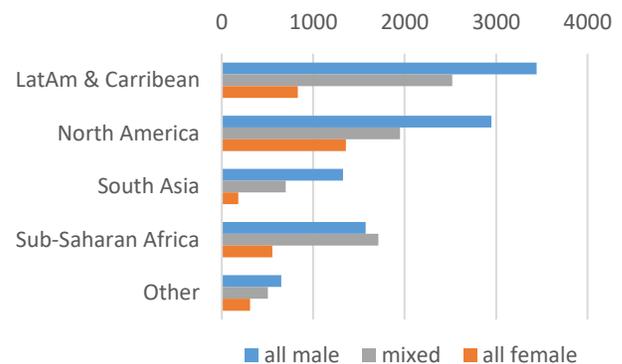
Do Latin American start-ups show a gender gap like that of other regions? In order to answer this question, we focus on the early-stage entrepreneurs that are applying to accelerators. While this population is by far not representative of the entire population of business founders – particularly in Latin America, the number of necessity-based entrepreneurs is relatively high in the region (GEM, 2022) – it is an important segment for the economy because of their focus on high-growth business.

We draw on data from the Global Accelerator Learning Initiative (GALI) on more than 10,000 start-ups in about 170 countries over multiple application cycles from 2013 to 2019.

Among the start-ups contained in this C4G member survey, most **applied** to accelerator programs located in Latin America (LatAm) and the Caribbean, followed by North America, Sub-Saharan Africa and others. Yet, Figure 5 clearly

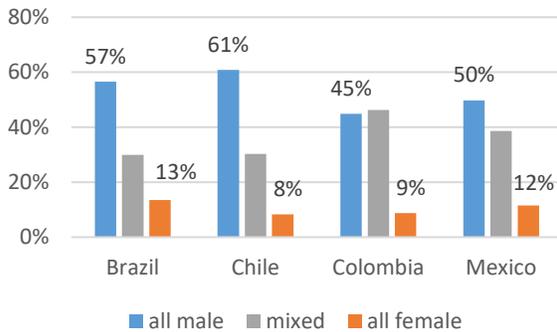
shows that among the numerous applicants to accelerators in LatAm & Caribbean the share female founders is small; despite a relatively large number of female-only founded start-ups, they make up only 12% of all founding teams; the second lowest share after South Asia with 8%.

Figure 5. Gender Composition of Start-up Number of Applicants - regions



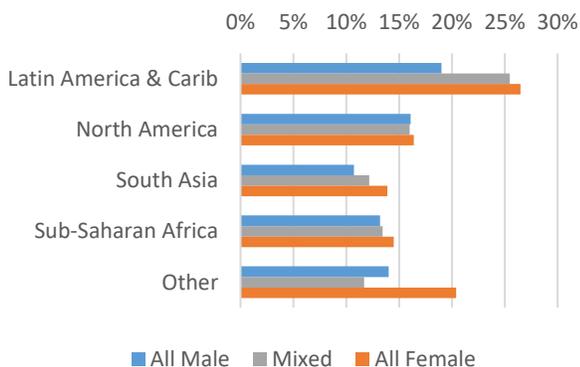
When looking at the same data but for the four countries of interest in this study, we can observe cross-country differences. The starkest difference can be observed in Chile; the number of all-male founding teams is more than four times that of all-female founding teams. Both Colombia and Mexico have a large share of mixed founding teams.

Figure 6. Gender Composition of Start-up % of Applicants - Countries



However, the picture looks very different once we take into consideration the *participation rate* into acceleration programs. In this case, LatAm & Caribbean accelerator stand out with a much higher participation rate for both female-only led start-ups and mixed-founding teams in comparison with all other regions.

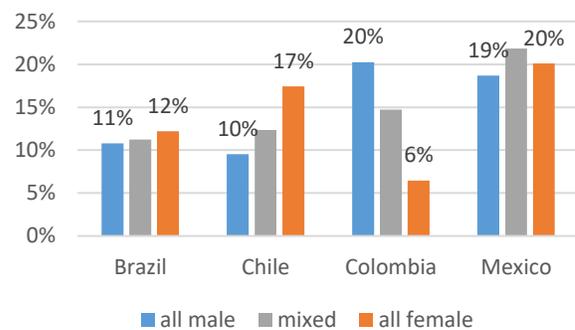
Figure 7. Gender Composition of Participating Start-Ups - Regions



Note: Percentages express the % of teams that participated divided by the number of those that have applied.

Again, a look at our four countries reveals that within Latin America, differences exist. While the participation rate in Chile for all-female founding teams is much higher than for all-male ones, it is similar in Mexico and Brazil and much lower in Colombia.

Figure 8. Gender Composition of Participating Start-Ups - Countries

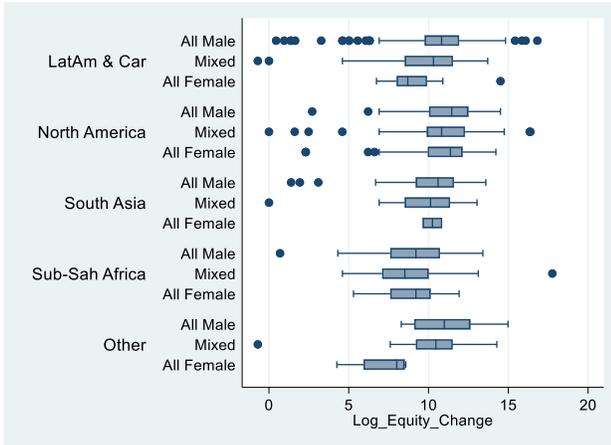


Note: Percentages express the % of teams that participated divided by the number of those that have applied. It must be noted that starting only in 2016, the acceptance decision was included in the database, which is why we rely on the participation. However, not all accepted start-ups ended up participating.

Since our focus is on the gender finance gap, let's look at the performance regarding equity and debt change between the year prior to applying to an acceleration program and one year after. What we can observe when revising the five regions is that the gender gap between all female and all male led start-ups is greatest in Latin America & the Caribbean with exception of "other regions".

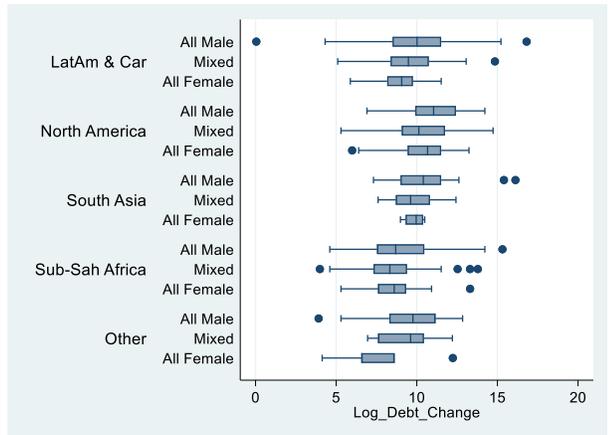
This difference is more pronounced in equity change than for debt change. Yet, dispersion for start-ups led by only males is also highest towards the lower end.

Figure 9. Gender Gap in Equity Change - region



Note. We relied on the natural log of the equity change. It must be noted that the number of start-ups which did not report equity for t+1 is very large (on average more than 60%).

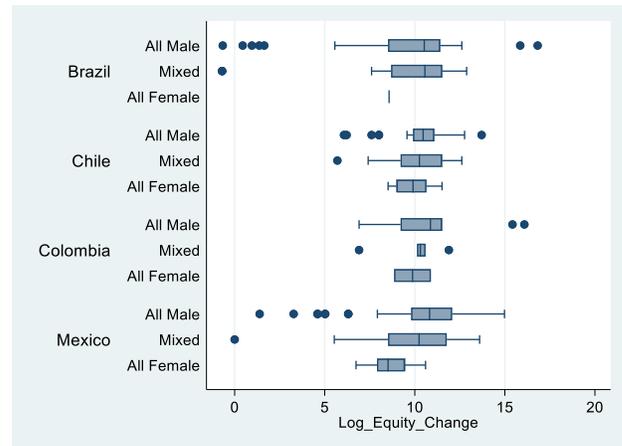
Figure 10. Gender Gap in Debt Change - region



Note. We relied on the natural log of the debt change. It must be noted that the number of start-ups which did not report debt for t+1 is very large (on average more than 60%).

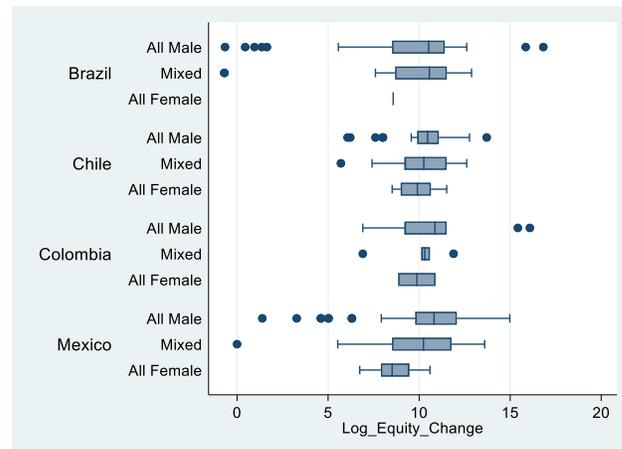
When comparing the four countries that we focus on, the picture is – as in all cases – varied.

Figure 11. Gender Gap in Equity Change - country



Note. We relied on the natural log of the equity change. It must be noted that the number of start-ups which did not report equity for t+1 is very large (on average more than 60%).

Figure 12. Gender Gap in Debt Change - country



Note. We relied on the natural log of the debt change. It must be noted that the number of start-ups which did not report debt for t+1 is very large (on average more than 60%).

The question that inevitably arises is whether the acceleration process can decrease the gender gap that we can observe here. And while for those start-ups that have participated in an acceleration

process the gender gap does not disappear, at least for the case of Latin America and the Caribbean, this gender gap – albeit persistent – is lowered when compared to those start-ups that have not been accelerated. Unfortunately, there are too many start-ups which did not report equity or debt for the year after their application to accelerators in order to be able to see how this tendency varies across the four countries that we are interested in.

Figure 14. Gender Gap in Debt Change – accelerated vs. non-accelerated in LatAm

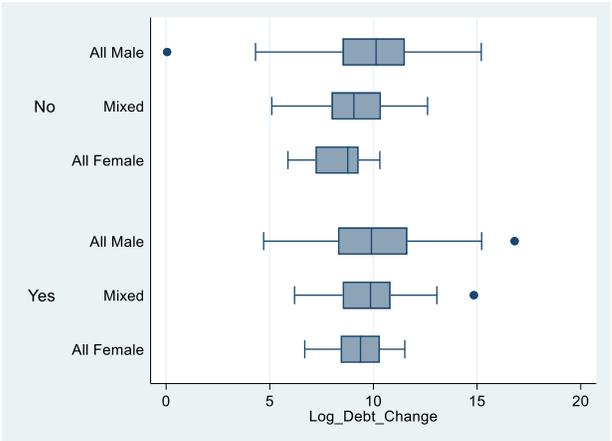
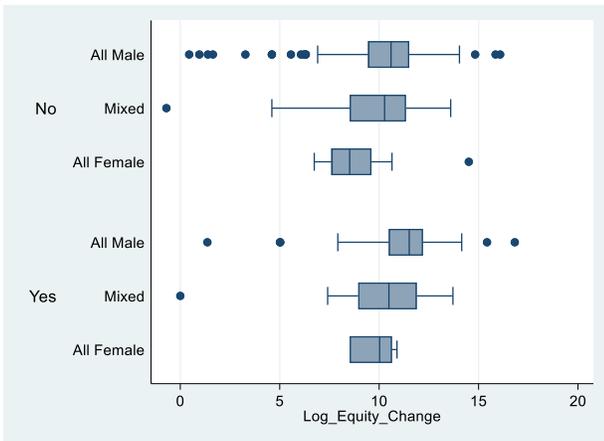


Figure 13. Gender Gap in Equity Change – accelerated vs. non-accelerated in LatAm



5 | Do start-ups differ?

The question that inevitably arises is why fewer female-led start-up teams apply to acceleration and in which ways these start-ups differ. One of the reasons that oftentimes has been mentioned is that accelerators – due to their focus on high-growth – are mainly focused on technology-driven start-ups.

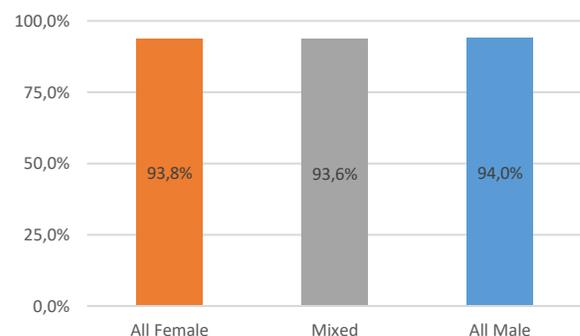
Looking at the **sector distribution**, we can note that, effectively, male-led start-ups are heavily overrepresented in Financial Services (67% of all start-ups across all regions are started by male-only teams), IT and Technical (62%) and Services (58%). The case is even more accentuated for LatAm & Caribbean where 73% of all start-ups in Financial Services are started by an all-male founding team. Instead, female-led start-ups are overrepresented in Arts, Culture and Tourism, Education and Environment in LatAm.

Figure 15. Main sectors of female founders in Latin America & Caribbean



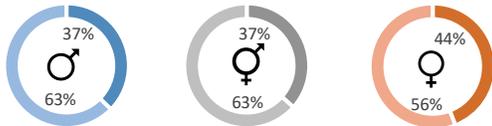
Interestingly, there is no significant difference for Latin America & Caribbean between start-ups led by only male versus only female with respect to their ambition to go beyond covering costs and make profits.

Figure 16. % of start-ups with profit motivation in Latin America & Caribbean



However, the rate of female-only led start-ups that has a target margin is with 56% significantly lower as for the case of male-only or mixed founder teams.

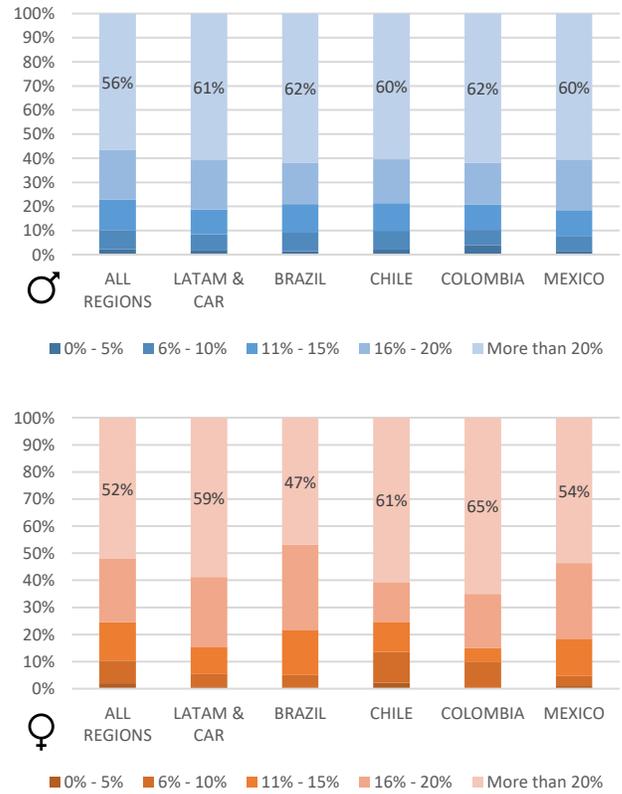
Figure 17. % of start-ups with profit motivation in Latin America & Caribbean



Note: Percentages reflect whether the start-up has a profit margin. No is on the right in darker color and yes is on the left in lighter color.

Again, stark differences between the four countries of interest arise: whereas in Colombia, 80% of male-only led start-ups versus 65% of female-only led start-ups have target margins, it is much lower for Brazil in general (60% vs. 46%) and Mexico (66% versus 55%). Interestingly, the case is reverse for Chile, where 46% of male-led versus 48% female-led start-ups have target margins. Among those that have a set profit margin target, as can be observed in Figure 18, there is a tendency among male-led start-ups to have a higher profit margin target, albeit stark differences among countries exist.

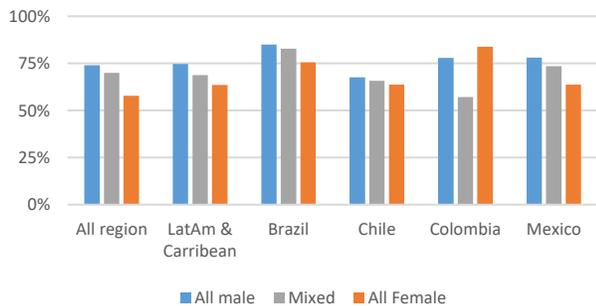
Figure 18. Distribution of profit margins – Male versus Female



Note: It is important to note that the percentages only refer to those who have stated to have set a profit margin. As mentioned before, these are fewer start-ups of all-female founders than those with all-male founders. We only report on all-female or all-male founding teams for start-ups.

Along a similar line, we can observe that in general, a higher share of male-only led start-ups are innovative. However, the gender gap – i.e., the comparison between all-female led start-ups and the others – is less for Latin America & Caribbean than for all regions, is very little in Chile and even reverse in Colombia.

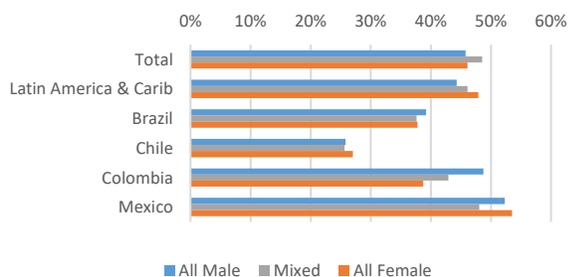
Figure 19. % of innovative start-ups according to founding team gender



Note: We define an “innovative” start-up as one where the founders where founders indicated that the start-up has a registered patent, copyright or trademark.

Additionally, start-ups were asked what kind of impact they are aiming to generate. There are only very slight gender differences with respect to a potential economic impact the start-ups are seeking to generate, i.e. impact in access to financial services, in employment generation or income/ productivity growth.

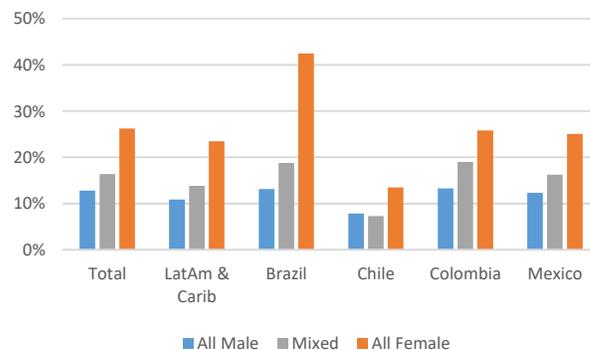
Figure 20. % of start-ups aiming at generating an impact with respect to gender inequality



Note: We define an “economic impact” if the start-up stated that it will impact in any of the three categories: access to financial services, in employment generation or income/ productivity growth.

However, there are differences when asked about the gender inequality impact; particularly female-only led start-ups that applied to programs in North America stand out for a very strong focus on gender inequality. 32% of them – in comparison to 18% of all-male led start-up in North America stated that they intent to impact in gender inequality. Also, we can see a similar gender difference in Latin America, especially marked for the case of Brazil.

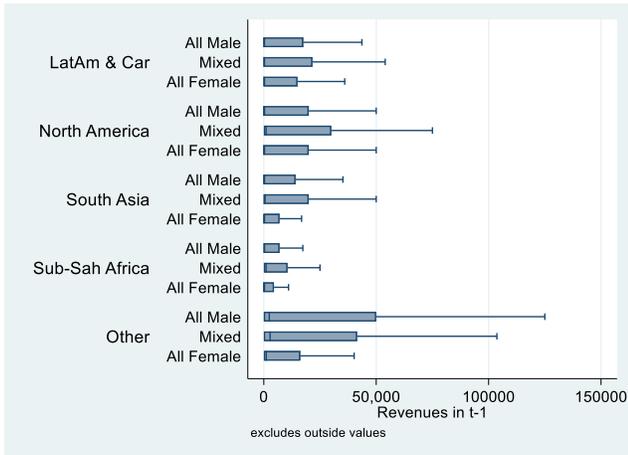
Figure 21. % of start-ups aiming at generating an impact with respect to gender inequality



Finally, looking at the performance of start-ups prior to their application to accelerators can reveal interesting insights as well. In particular, we can observe that start-ups with a mixed gender founding team have – on average – a higher revenue the year prior to

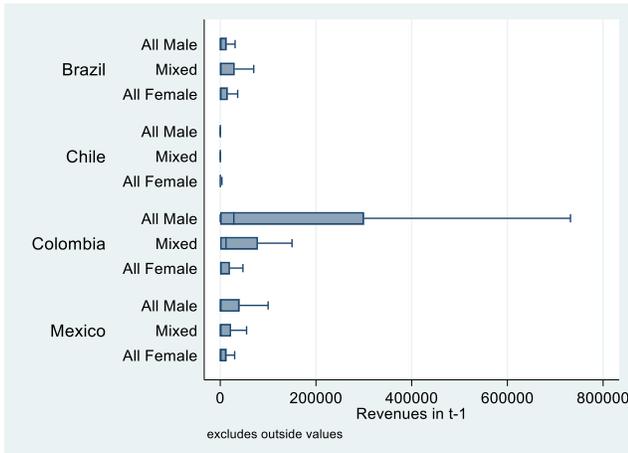
applying to an acceleration program across all regions.

Figure 22. Revenue in the year prior to applying to an accelerator - region



Note. Due to a very high dispersion in data, we excluded outliers from the graphic. Data is in USD.

Figure 23. Revenue in the year prior to applying to an accelerator - country



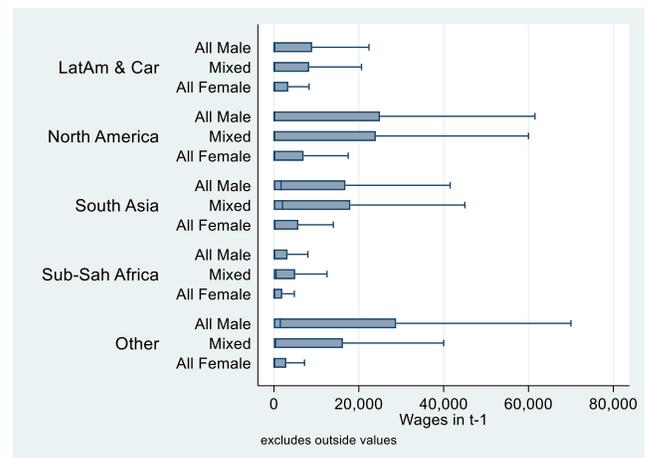
Note. Due to a very high dispersion in data, we excluded outliers from the graphic. Data is in USD.

Particularly, we can observe that the average revenue is much higher in Colombia than in the other three countries the report focuses on.

And generally, all female-led startups have the lowest average revenue.

While average revenue in Latin America and the Caribbean is second highest after North America, wages are on average lower than the ones in North America and South Asia. Additionally, in this aspect, the gender gap is much bigger than in the case of revenues. Not only are wages on average much higher for all male or mixed gender founding teams; the dispersion is much higher as well with more outliers towards the upper end. However, for Latin America and the Caribbean, this situation is less extreme than for North America and South Asia.

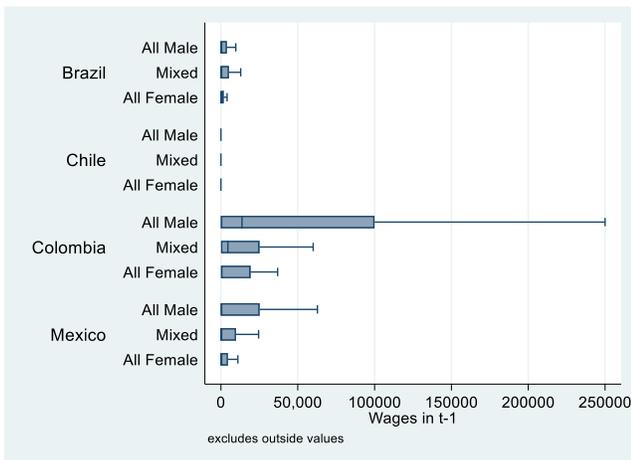
Figure 24. Wages in the year prior to applying to an accelerator - region



Note. Due to a very high dispersion in data, we excluded outliers from the graphic. Data is in USD.

When revising the four countries, we can observe that most start-ups in Chile have no or very low costs related to wages; this goes in line with the number of full-time employees, albeit the number of full-time employees is much higher on average in South Asia and Sub-Saharan Africa, we can observe that it is lowest for Chile. In the case of regions, it may well be related to wage costs that are much lower in Asia and Africa than in North America.

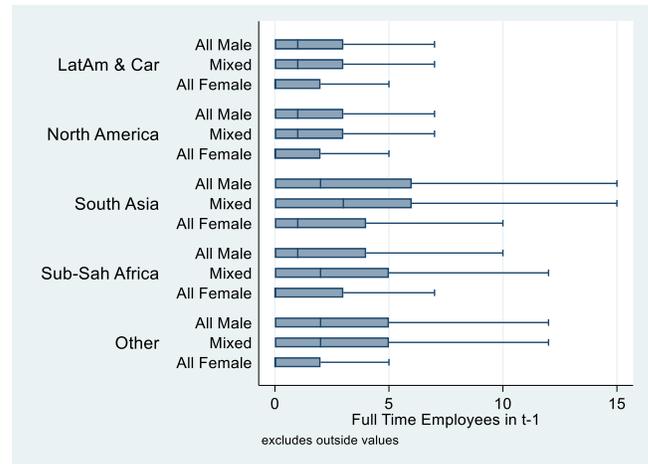
Figure 25. Wages in the year prior to applying to an accelerator - country



Note. Due to a very high dispersion in data, we excluded outliers from the graphic. Data is in USD.

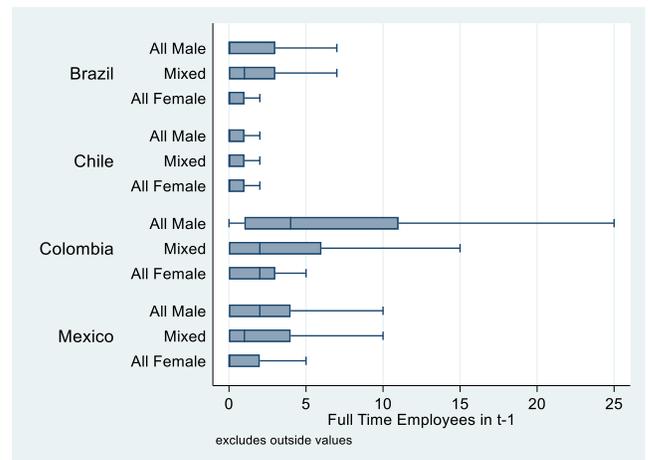
Again, a gender gap is visible in both wages as well as number of full-time employees, being smaller for all-female led start-ups.

Figure 26. Full-time Employees in the year prior to applying to an accelerator - region



Note. Due to a very high dispersion in data, we excluded outliers from the graphic.

Figure 27. Full-time Employees in the year prior to applying to an accelerator - country



Note. Due to a very high dispersion in data, we excluded outliers from the graphic.

In conclusion, it is important to note from this data that one important challenge to boost female-led high-growth entrepreneurship is to attract more female founders to this potential career option.

Additionally, there are certain characteristics that set female-only led start-ups apart from those led only by male entrepreneurs, specifically the type of industry in which female entrepreneurs engage and the setting of profit margins.

However, it is also important to note that during the selection process of accelerators, female-led start-ups are gaining traction; except for Colombia, their acceptance rate is higher than that for male-only or mixed founding teams.

5 | A leaky pipeline

As we have seen in the previous section, there are several elements along the entrepreneurial process where a significant gender gap can be detected. However, quantitative analysis is limited in that they oftentimes cannot provide answers to the how and why of a certain phenomenon. Thus, we complement the quantitative analysis with the data obtained through 60 interviews in the four participating countries: 5 interviews with accelerators and 10 interviews with female entrepreneurs in Brazil, Chile, Colombia, and Mexico.

Leaky in different stages

In all four countries, we unanimously identified that the participation in the technology based entrepreneurial ecosystem of

“For better or for worse, it is true that in the engineering faculty there were 2 women and 80 men in the classrooms, so there is a tendency for men’s projects to be more technological” (Mex-Ent)

women is scarce. This absence was pointed out to exist during different times along the acceleration process. Not only are there few female entrepreneurs (applying to accelerators), but there are also few females in selection

committees of accelerator programs and even less so among investors.

“And there [selection committee] were only men, of course, and I was struck by the fact that they were all men.” – Chile-Ent

There were five elements that stood out analyzing the pipeline of female entrepreneurs that aim to acquire external financial resources. First, in all four countries, we observed that there is a **generational change**. That is, both female entrepreneurs and accelerators are observing that more and more women participate in high-growth entrepreneurial processes.

“There are increasingly more women-entrepreneurs” Col-Ent

Second, despite an increasing presence of female entrepreneurs, in many (if not most) cases, these females are part of a founding team with male members. In these founding teams, females more often than not take up the **“second-tier” role**. However, again, there is a slow change that can be observed according to our interview partners.

“Now we are seeing more women founders who make all the decisions of their projects, who are the financial founders, the CFOs, and not only the COOs” Chile-Acc

Third, a growing conscience about the lack of female entrepreneurs leads **accelerators to actively seek out female entrepreneurs.**

“We tried to rebalance incentivizing more women to sign up through different messages” Col-Acc

However, there is a clear lack of knowledge with respect to which kind of mechanisms can and do work in order to do so, leading to a lot of trial and error.

Fourth, like what we have observed in the quantitative data, a **“positive discrimination”** of female-led start-ups among **accelerators** is taking place where not only are accelerators intentionally seeking out female-led start-ups but also seem to give a certain preference to business led by female entrepreneurs (or with a female founder being a team member).

“Somehow I was told that the fact that I was the one who was in the program and I was a woman influenced the decision... it is seen as positive that it is a feminine enterprise.” Col-Ent

According to our data, the gender gap in terms of female presence was most felt at two points along the entrepreneurial process: among the applicants to accelerator programs and during the stage of external financial resource acquisition.

“To be frank, there are not many women, not to say that there are no women at all [among jury members]” Col-Ent

This lack of female entrepreneurs is causing –

albeit the mentioned generational changes – a vicious circle in that few female role models and few females in selection committees have a

“(…) Now, although it is true that ... there are beginning to be more women linked to technology businesses, we also see that they are less prepared to be able to close deals or raise financing. And even when we realize that businesses led by women are businesses that have an even higher success rate than those led by men. We realize that when it comes to raising financing or closing larger businesses, women have a harder time”. Chile-Acc

potential negative effect on attracting more females to high-growth entrepreneurship. In the next section we will discuss the exact mechanisms through which this happens

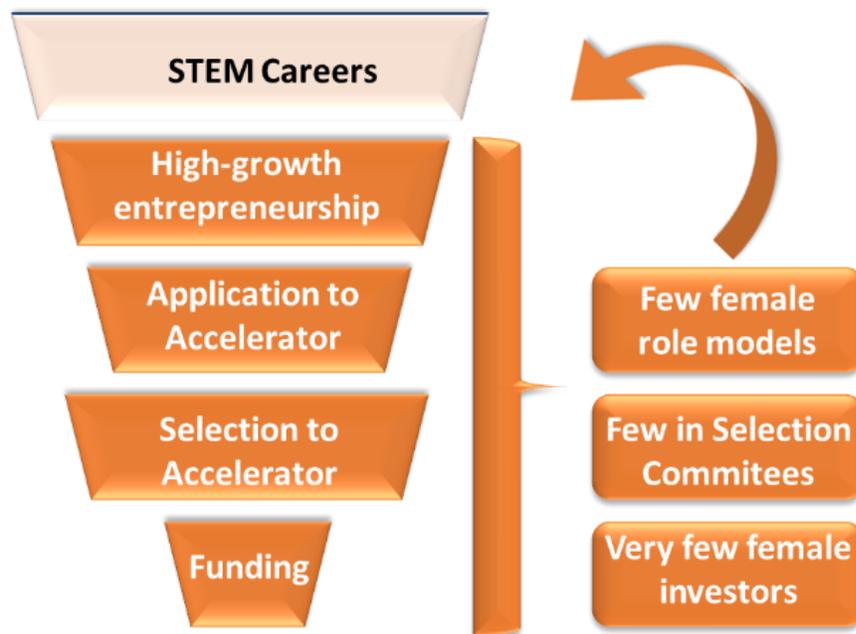
In conclusion, we were able to observe a leaky pipeline. This leaky pipeline is increasingly being recognized as a problem; accelerators are actively engaging in strategies to attract more female entrepreneurs, with some recent success. Thus, at that stage, the leaky pipeline extends a bit only to

“(…) I think that for the application stage in the fund there are many opportunities for women, and I see that the funnel begins to shrink, or the bottleneck is where it has to do with growth, expansion and access to high impact financing from Venture Capital, angel investors, investment funds, I think that is more difficult for women” Chile-Ent

decrease significantly in the funding stage.

However, to break the vicious circle, there need to be actions at each one of the various stages along the entrepreneurial journey. In the next section, we will detail which role social and cultural norms and other factors play in creating this vicious circle.

BOX 1. THE LEAKY PIPELINE OF FEMALE HIGH-GROWTH ENTREPRENEURSHIP



Summarizing, what we can observe is a leaky pipeline that starts out with a lack of females choosing a STEM career. Increasingly, this leaky pipeline is loosened up a bit at the stage of acceleration through increasing initiatives of positive discrimination. However, this is not enough, and actions need to be taken much earlier.

The leaky pipeline is a problem as it creates a vicious circle hard to break through the lack of female role models, investors and members of selection committees that feed back into the leaky pipeline as they are lacking to attract more women to high-growth technology-based entrepreneurship.

6 | Social norms

We identified two different mechanisms through which the leaky pipeline is generated: there is a process of female self-selection along the various stages of the entrepreneurial process. That is, women consciously decide to not enter the process of high-growth entrepreneurship. Adding to this process of self-selection, we were also able to observe a process where the evident lack of women in the selection committees negatively impacts the selection process, through a lack of understanding, discrimination or unconscious biases. In both cases, social and cultural norms play an important role as we will lay out in the following.

SELF-SELECTION

The leaky pipeline described in the previous section is generated through a process of female self-selection that initiates even before any kind of entrepreneurial process can take place. Most accelerators focus on technology-based start-ups as these are the ones that show the

“It is STEM; there are only men” Col-Ent

highest promise for fast growth and scalability. Against this background, in all countries, the lack of **women in STEM careers** was noted as an important lever of the leaky pipeline of high-growth entrepreneurship. However, mirroring a slow change that can be observed in the entire pipeline, slow progress is observed with more women taking up careers in STEM.

“Many of us as girls want to be scientists, astronauts, but along the way this is diluted... it is a good thing that now there are different programs to train girls in technology. I think that doing this will bear great fruit” Chile-Ent

Much has been said in the academic literature about the reasons behind the gender gap in STEM and despite still inconclusive results, the following factors have generally been pointed out as driving this gender gap: (a) cognitive ability, (b) relative cognitive strengths, (c) occupational interests or preferences, (d) lifestyle values or work-family balance preferences, (e) field-specific ability beliefs, and (f)

“For better or for worse, it is true that in the engineering faculty there were 2 women and 80 men in the classrooms, so there is a tendency for men's projects to be more technological” Mex-Ent

gender-related stereotypes and biases (Wang & Degol, 2017).

While most of our interviewees mentioned the lack of women in STEM, only few mentioned potential reasons. Those who did, pointed particularly towards gender-related issues; that is women choosing not to pursue a STEM career because of gender-based stereotypes or cultural elements.

“Another difficulty is that often the technological part of the projects ... within the founding team there is no technological component inside ... what they do is outsourcing technology ... so [they] don't have someone to make the software ... and what this will generate over time is that your project will stagnate, because you will have to depend on a third party to develop the software” Chile-Acc

Because of the lack of women in STEM, in general few women engage in high-growth tech-based entrepreneurship. In some cases, particularly mentioned in Chile, accelerators state that even if they do, female-led start-ups lack the

“... and he [my founding partner] is the one in charge of technology” Col-Ent

technological knowledge; a factor that weighs heavily against the start-up. More commonly, female entrepreneurs are able to form a founding team, where male partners bring in the technological knowledge.

The lack of women in STEM careers is aggravated along the entrepreneurial process because few women choose (high-growth) entrepreneurship as their preferred career option and even fewer apply to accelerators and ask for external financial resources. Thus, accelerators are having a hard time to find female-led start-ups.

“there is a process of self-selection [...] very few women are starting out” Col-Ent

But what is behind of what we denominate a self-selection into high-growth entrepreneurship? Our analysis shows two equally – and likely intertwined – elements: on the one hand the personality of women that does not align as well with high-growth entrepreneurship and on the other hand the role women play in society in its incompatibility with high-growth

Personality traits that don't align well

entrepreneurship.

It is not a new discovery to state that women show certain personality traits that may be perceived to not align well with a career in (high-growth) entrepreneurship because

“Women don't dare either. And I think it all starts from there. Those who want to believe and do so, of course, are few because there are few who get involved, but not because someone tells them not to. That is my perception. [...] I have never been told no by a man, I have not been discriminated against, I have not been paid less for being a woman, and quite the opposite. No, the truth is, zero”. Chile - Ent

entrepreneurship is typically associated with masculine characteristics (e.g. Lewis, 2006). As a result, women may feel uncomfortable and resist from choosing this career path. Such self-selection – according to our interviews – seem to be occurring especially at two points along the process: when choosing to enter the high-growth entrepreneurial path – with the emphasis being on high-growth – and even more so when women need to apply; be it to accelerators or be it for external financial capital.

“But definitely yes, daring to do things that in another moment I would have been afraid to do, that is, to throw myself into institutional relationships that are scary in a way, I don't know how to explain it, but I don't know if it's fear or lack of confidence, maybe to say "hey, what if I don't do it right, what if I don't know how to do it, what if I do it wrong and lose the opportunity" So yes, I think it can be more risky, because somehow, when you have more confidence in yourself, you are less afraid of doing different things.” Chile - Ent

One of the main personality traits that were mentioned to drive this self-selection is a **lack of self-**

confidence in comparison with male entrepreneurs. Mirroring this, self-doubt and an imposter syndrome among female entrepreneurs generate hesitation. Whereas men are perceived to be brazen, to just go out there and try out, women perceive their lack of self-confidence as a barrier that needs to be consciously overcome. *“I think it's also like that insecurity of saying that I'm not that good, I don't know if it's a matter of self-esteem or cultural issues, to say, oh, let someone else do it, but I think that's the way it goes” Mex-Ent*

Particularly difficult in this context – and posing a barrier that accelerators and investors need to have in mind – is a female tendency to **have to comply** with a searched profile one hundred percent, of having to be perfect. Thus, if an accelerator has a list of criteria they are looking for in their start-ups and founders, female founders are likely to have a lower tendency to apply thinking that they do not fulfil these criteria completely.

“A lot of women have this thing that if there are 10 requirements for me to apply for something and if I meet 9, I won't apply and then a guy who meets 5, he applies and passes (...)The woman thinks she needs to, be like, literally what they're asking for”. Bra-Acc

Another personality trait that came up in our analysis as a barrier for female entrepreneurs, as a reason to self-select out of entrepreneurship, was a **higher risk aversion**. Not only was it mentioned

“In Mexico, I think it may be due to risk issues, that is, women somehow try not to get involved in economic, physical or moral risks”. Mex-Ent

that such risk aversion is intimately related to the mentioned self-doubts. More importantly, it was made very clear that this risk aversion – at least to some extent – is related to the **role of women in society**; the role of being a wife and mother. In particular, both female entrepreneurs and accelerators mentioned that if a woman does not have to worry about the household’s finance (because of inheritance, family support or similar elements), this gender-related barrier seems to be much smaller.

*“Women often prefer to not risk the capital of the home”
Col - Acc*

Female role in society

This – the **role women** (should) fulfill in society – is mentioned as an important element of self-selection and as such as a major barrier for female high-growth entrepreneurship. The incompatibility that is perceived to

exist between high-growth entrepreneurship and the requirements and expectations of society as well as the own family towards women in their role as wife, mother or caretaker is perceived to be high. All in all, it is noted that in order to engage in high-growth entrepreneurship, females need to **leave their comfort zone**; an undertaking where quite a few barriers have to be overcome.

“If you want to be a mother in life, you can't be an entrepreneur at the same time, but in case you do it costs you twice as much.” Col-Ent

Both accelerators as well as female entrepreneurs commented on **extremely demanding nature of high-growth entrepreneurship**.

Several elements stood out in that respect. First, the time that is required to start and manage a high-growth start-up clashes – in the case of women – with **motherhood**. Most

*“As a woman you are now required to have a career, to advance, but be careful that it is a career that you can combine with your real job, which is to take care of your home and your children”
Mex-Ent*

start-ups are (perceived to be) founded by people in their thirties, which is the exact point in the lifetime of a women where motherhood is a decision to be taken. However, while for many motherhood and high-growth entrepreneurship are perceived to

be incompatible, others have mentioned that their search for time flexibility derived from motherhood has been the starting point of entrepreneurship. However, in these cases, the start-up did not start out on a path to high-growth; this path was taken up much later on.

"(...) A very nice cultural phenomenon is already happening, which we have already seen in two or three projects, that despite the fact that they are activities in the portfolio and everything, they are giving part of their postnatal leave to their husbands. And then there is a phenomenon of shared parenting, which maybe five years ago this did not happen and now it is becoming more common (...)". Chile-Acc

Second, similar to what we have discussed before, a *generational change* is taking place where more and more men are assuming at least part of the childcare, allowing their female partner to engage in entrepreneurship and in acceleration programs.

"It is true, ... you are absolutely right because we have been with many entrepreneurs and most of them are men and we see the wear and tear, the schedules that it requires, entrepreneurs work much more than a salaried person works. So of course, suddenly it is more incompatible for women because of motherhood more than anything else" - Chile-Acc

Third, related to acceleration programs and events of the entrepreneurial ecosystem to foster networking, several women

mentioned that in most cases, these programs and events do not play in favor of (fe)male

entrepreneurs with care responsibilities as they usually take place *late at night* with no care possibilities, thus limiting the participation of entrepreneurs with care responsibilities.

Finally, accelerators seem to play – at least in quite a few cases – an important role in *fostering self-confidence*. Not only do

acceleration programs train soft skills; through their narrative and discourse

they also seem to build up the self-confidence of female entrepreneurs.

"Those of us who were moms in a certain way were left behind a little bit because it is designed for full time women entrepreneurs, even though it is made for women" Mex-Ent

"It [acceleration program] has also influenced in our self-esteem, in all those more 'soft' factors. ... in the environment that the accelerators generate is demanding ... it is not only a question of learning but also one of practice. For example, talking in public ... and I think that is fostered quite a bit." Col-Ent

"There is a lack of self-confidence because of the things that appear in social networks, on television. As always, empowerment has always been for men. Always the big companies were men's ... then [if there is a female entrepreneur] it is like hey but she has her company but it is not only because she is pretty, it is because she does her job. But that part comes, even from women, there is still a lack of oh this woman is incredible or saying to a woman you are incredible, I admire you, [...] I congratulate you" Chile - Ent

Interestingly, both the *lack of female role models* as well as the *lack of females in selection committees* were pointed out as an element that exacerbate the influence of the mentioned self-selection mechanisms.

Particularly, the dominance of successful male entrepreneurs in media coverage and social networks conveys a message that *it is the men who "can do"*. The lack of female role models generates a lack of signals that entrepreneurship is a career that women can master (just

"It (the presence of only male investors) made me very insecure, I became very insecure at a certain moment." Col-Ent

as well as men) and thus works against a higher self-confidence.

Additionally, to that, a lack of females in most selection committees generate a situation of discomfort, undermining self-confidence. This process is particularly harmful to female entrepreneurs if – as we will discuss in the next section – the male committee members have (un)conscious biases and thus treat female entrepreneurs differently.

We have mentioned above that there is an increasing *consciousness* – at least among accelerators that we have interviewed – about the lack of female high-growth

technology entrepreneurs. Additionally, in most cases, top executives at acceleration programs are *committed to change* the situation and are consciously designing strategies to attract more female entrepreneurs. However, in quite a few cases, such endeavors have not achieved the desired outcome.

"We tried to rebalance incentivizing more women to sign up through different messages" Col-Acc

LACK OF WOMEN IN SELECTION PROCESS

While our research is far from generalizable and has some limitations, we found that these initiatives are undermined by the already mentioned *lack of women in selection committees*; a situation that is particularly extreme in the case of investors. This situation generates a *lacking understanding for business opportunities* that are linked to female identities and life. It additionally generates potential *discriminatory tendencies towards women* or even *sexual harassment* and - what is likely the most invisible of all elements - it leads to an *unconscious bias that is (still) present in the selection processes*.

Lack of understanding for “feminine” businesses

With entrepreneurship being about seizing opportunities, it is little surprising that most entrepreneurs see an opportunity that they themselves experience in their daily

“I mean, I have the example of some friends of mine who were doing a business of imagine menstrual panties. Incredible, isn't it? The best. I am now a user and it is the most ecological, much better vulvar health. I mean, everything was incredible and they applied to a Corfo for women entrepreneurship for a couple of solutions for women. No, it was a Chilean startup. The jury was all men. Imagine an all-male jury talking about menstruation, I mean, it was just crazy.” Chile - Acc

lives. However, when this experience is something completely foreign to the selection committee, it not only is difficult to sell as a business opportunity. Jurors or investors also *cannot relate to their idea*, it can also lead to a complete *lack of understanding of the potential market*. A

“Very feminine industry ventures are presented to male investors who say it sounds cool but I don't know about it or I don't understand it, I'm not going to bet on it...it's better technology or fintech” Mex-Acc.

decision in those cases is more often than not against the business idea. However, the effect of the lack of female jurors in selection committees goes beyond this lack of understanding of more

“feminine” business opportunities or industries.

Discrimination and Sexual Harassment

In all four countries, female entrepreneurs reported about some kind of *visible discriminatory behavior*, particularly among selection committees where women were absent or during individual encounters with male investors or similar actors within the entrepreneurial ecosystem. These situations are particularly visible in case of mixed-gender founding teams.

Here, oftentimes *the female* – independent of their role in the team – *was not addressed* by male jurors, investors or other type of actors. Instead, the male founding team member was asked.

“Among the investors [...], they talk to them [women] as if I did not exist, that diminishes you, that is to say, a simple gesture that you are like that and they look at you like that, that diminishes the woman and it is wrong.” Col-Ent

Related to that issue, in some cases female entrepreneurs were explicitly asked during selection rounds whether they are planning to have children or how they will be able to follow through with the program having to *care for the home and kids*. In these cases, not

“We have received many stories, stories of women who have gone through investment rounds and are being questioned like in a job interview. Do you intend to be a mother? Is that the structure of your family? Because in case something bad happens, you will have to stay with your child”. Brazil-Acc

only does the apparent incompatibility we have mentioned early come into play; it is also implicitly assumed that the female is going to be the

person taking care of family. Several accelerators mentioned that the greatest barrier they see is that women are not sufficiently committed, in most cases because of personal issues related to their family situation.

Particularly in the case of Mexico and Chile, quite a few female entrepreneurs reported about **sexual harassment** that they had experienced. These kind of situation make female entrepreneurs feel

“I mean, like the attitude of some people in the first Pitch, the activity of some of the members of the jury commission, one of them was our mentor and he was very "macho". (...) dealing with this type of characters who suddenly make comments that are totally patriarchal, but also seductive, that is, having to face this type of situation.” Chile - Ent

extremely vulnerable. Oftentimes they are taken by surprise and do not know how to react.

In all cases, female entrepreneurs were very clear that the above described situations are much more

visible at the stage of acquiring external financial capital than during the selection for acceleration programs. All in all, both discriminatory behavior and worse so sexual harassment are (still?) present in some of the

“One of the investors asked her and what do you three do? what do you do or what? or are you just the pretty faces of the company? so I also think that those stereotypes that we have been dragging along for several generations are the ones that work as a handbreak” Mex-Ent

Unconscious bias in selection

selection process along the entrepreneurial pipeline.

What is likely the least obvious element in generating a gender gap is an invisible and most often than not unconscious bias in selection processes. When asked, all accelerators that we interviewed expressed that they are convinced that their selection process is objective and ungendered. They state that their **choices** are based on mainly two elements: the business idea and the founding team and their characteristics. And while all confirm that gender of the founding team does not play a role – or even

“The level of studies, sex don't matter, we don't have a priority to work with a certain population [...] the only thing we look at is the level of responsiveness, the level of managing criticism and stress” Col-Acc

plays in favour of female entrepreneurs – once asked for characteristics that they look for in the entrepreneurs or which they believe make out successful entrepreneurs, some elements stick out that may generate an unconscious gender gap as they are related to characteristics more commonly found in males. Additionally, common stereotypes seem to prevail in those decisions as well.

„I think when they see a woman they probably see, this is what we are talking about at the beginning, "Well, this one is not going to risk too much, probably create something stable and long term and maybe not as volatile as something a man created, but I know it is safe money, not like this one is not going to throw money away and she is going to know how to manage" so to speak. On the other hand, when they obviously see a man's project: Oh, this one is going to go all out, this one is going to take a risk and he is going to bet on the biggest thing." Chile - Acc

One of these elements that was mentioned most is related to the lack of *self-confidence* we already mentioned before. Quite a few of the female entrepreneurs stated

"It is said that sometimes women are not trusted so much to invest in their projects because of this aggressiveness because they say that men will do everything possible and will go out and fight, and women sometimes do not show that aggressiveness". Mex-Acc

more realistic with respect to their

that while they are not lacking self-confidence, rather female entrepreneurs tend to be

business goals and achievements and oversell less in comparison to their male counterparts. Their inability to “*sell smoke*” was seen by themselves as a huge barrier, particularly in attracting investors. When such honesty, as many of the female founders named it, clashes with expectations of super sales, of being able to save the world, the likelihood of men being selected ends up being higher than for women.

Another element that was

mentioned by quite a few accelerators is the necessity of absolute dedication and *commitment and time availability*. Against the already mentioned situation where in fact women still take over a large share of care work and even if they don't, are perceived to be doing it, such selection criteria (and messaging) again works against women.

Another element that was mentioned several times is that

“What happens then, it's more than obvious. The pattern is to favor investing in or helping someone you identify with. When will a man, a traditional Brazilian family father, very wonderful, invest in a single mother?” Brazil - Acc

“And that is an issue like the Chilean society, so to speak, or the Latin American social, where they are still in charge of handling money generally more men than women, it may be that they are more interested in it, they like it more. I do not know. I have no idea. But, but I think that this is the issue” Chile-Ent

women have a different working style; they are perceived to be more organized and responsible. Yet, they are also perceived to be more detail-oriented and able to apply

Finally, particularly for the case of investors, *to be able to identify with the founder* seems to be an important lever. However, if investors are only white older male, they will likely see in male founders their younger ego reflected but will

hardly identify with a young woman, and less so if she is a mother. All in all, female entrepreneurs are perceived to be a riskier option based on these (un)conscious biases.

Enforcing of self-selection process

All the above-mentioned elements exacerbate the self-selection process of females along the entrepreneurial process, generating a **vicious circle**. For example, both open discrimination and sexual harassment but also unconscious

gender biases mentioned above negatively impacts the self-confidence of females; they can feel *demeaned* during the process. With time and a certain attitude, many of the female entrepreneurs we have talked to have learned how to deal with these situations. These behaviors exacerbate the above-mentioned self-selection processes. The message that is clearly perceived by women related to such behavior is that the entrepreneurial world is one that does not welcome women. And if they enter it, they will need to fight harder.

“When it comes time to ask for investment, she knows it will be much harder to convince a guy to invest in her than to invest in a guy who is just like her, you know? She knows even if her business is better. Here I go again, the person is already coming afraid, heads down, less combative. I think this undermines the psychological makeup of the entrepreneur. And then it becomes difficult.” Brazil-Acc.

It is important to note that *not all female entrepreneurs mentioned that they had experienced any of the described situations*. When

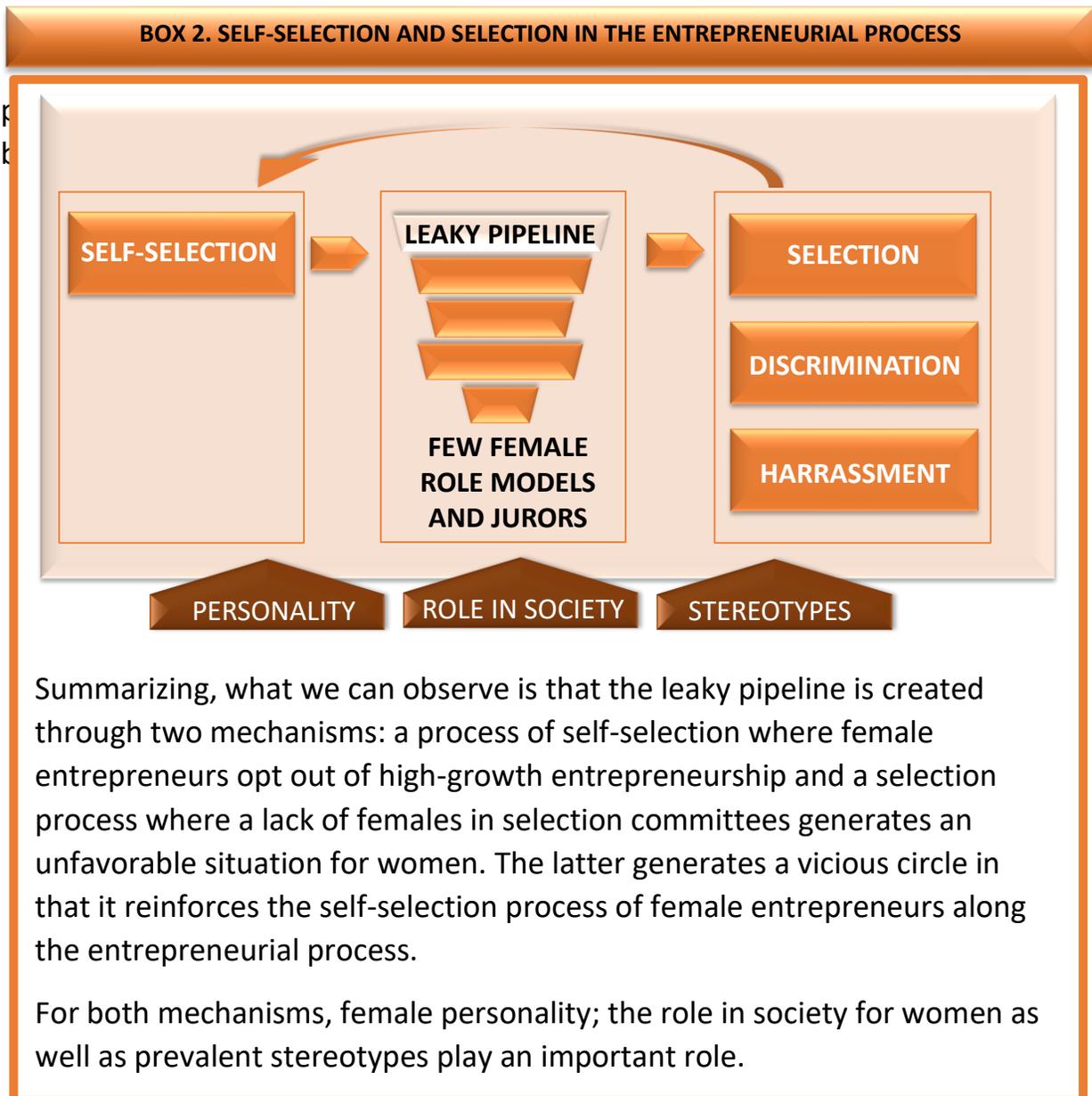
women are aware of these factors that play against them, our data revealed that two possible effects can be generated. It either

“Nothing never really, never, I have not felt any kind of discrimination in general. We validate ourselves for what we have, regardless of whether we are women or not? No, neither positive nor negative.” Chile – Ent

“The management [of women] is more structured, more organized... they should have more possibility of accessing ...” Col-Acc

“It seems that being a woman does not offer so much security, so much strength, you know, for some investors, for betting and also for potential partners”. Bra-Acc

reiterates and exacerbates the already mentioned self-selection process. Or the female entrepreneurs had decided that these biases will not stop them in their entrepreneurial process and have found ways to counteract



8 | Summary and Conclusions

Our research evidences a leaky pipeline for high-growth (technology-based) entrepreneurship in the four selected countries of Latin America: Brazil, Chile, Colombia and Mexico. This leaky pipeline starts out with females opting out of STEM-related careers and ends in the lack of women in selection committees for accelerators and a significant lack of female investors.

A process of self-selection – where women consciously decide to not select high-growth (technology-based) entrepreneurship as their preferred career option – is generated through two mechanisms: certain personality traits that women entrepreneurs feel an entrepreneur needs to have in order to succeed and which they perceive to lack and the role of women in society that clash with the high demands of entrepreneurship. Particularly, motherhood is perceived to be incompatible with the high requirements of this career choice.

This process of self-selection is reinforced through several mechanisms during the selection into accelerators and particularly during the process of accessing external financial capital. These mechanisms have their root cause in the leaky pipeline; that is, with few women present in selection committees, these mechanisms are more likely to be present. The three mechanisms that we have observed are open discrimination, sexual harassment and unconscious biases that play against female entrepreneurs. Particularly the last mechanism is the hardest to combat as a lack of awareness about its existence impedes any actions to be taken. These selection mechanisms generate a vicious circle where the self-selection mechanism of women is exacerbated.

However, there are good news. One positive element that we observed is that the root cause – the lack of females along the various stages of the entrepreneurial process – is changing, albeit at a velocity that is not sufficient. More and more women are choosing to find a high-growth (technology-based) start-up and inevitably that will in the future lead to more women being present in selection committees of accelerators and lead to more female investors as well. What will certainly be helpful in this aspect is the growing awareness of the problem; all accelerators that we have talked to are aware of the situation and have already employed certain strategies to attract more female entrepreneurs. Additionally, a generational change regarding the role of females in society is taking place as well. More and more female entrepreneurs are able to combine motherhood with

founding a start-up as their partners take over their share of care work. At the same time, does this generational change and the fact that men take over at least part of the care work lower the entrance barrier of women related to the self-selection process. It also triggers a change among other stakeholders in the entrepreneurial ecosystem such as accelerators such that motherhood is no longer seen as a barrier for successful start-ups.

However, all these elements take a lot of time. Thus, the question that inevitably arises is what can actively be done about it. Based on our analysis, we see some elements that are worth evaluating and which merit further research in order to evaluate its efficiency and effectiveness but which hold potential. For one, we have mentioned that self-selection is a huge barrier both to start a new venture but also to apply to accelerators. There are several mechanisms that might help overcome this barrier. First, much greater prominence of successful female entrepreneurs – which increasingly exist – can at least partially mitigate this effect. Second, our analysis shows that accelerators seem to be able to booster the confidence of female entrepreneurs by exposing them to situations such as speaking in public or pitch presentations and then providing feedback. However, this virtuous cycle does not take place when female-led enterprises apply to accelerators but are not chosen (yet). Different than in the case of male or mixed-gender founding teams, they tend to not apply again. Feedback stating the points of why they were not chosen could potentially encourage female entrepreneurs to try again. Third, taking into consideration the – well-researched – fact that women tend to not apply when they do not fulfil every mentioned requirement, calls of both accelerators and investors should be addressing this issue. Finally, one mechanism that holds a lot of promise for the future is to foster the employment of females in start-ups in second-tier roles. Through this employment, they are exposed to - particularly in the cases of Colombia and Brazil - quite a few of the female founders we interviewed had acquired their first working experience in a high-growth start-up; this exposure not only broke down “mental” barriers related to the mentioned self-selection process. It fostered the creation of a vast network for these women, potentially facilitating their entrance into the entrepreneurial ecosystem. And not less important, this work experience generates a “reference” point that accelerators and potential investors can rely upon, thus decreasing their uncertainty regarding the potential of the female.

Related to the role of society, one of the elements that was mentioned by females quite often is the fact that accelerator programs oftentimes are designed without any consideration for care work of females. Generating greater flexibility – for example with regard to networking events that usually take place at night – may help to reduce this barrier as well. Again, media and the communication of female role models who are mothers could be an effective mechanism as well.

All of these elements, of course, are not related to the gender gap in STEM education. The leaky pipeline, as mentioned, starts out with too few women studying STEM-related careers. Thus, public policies that aim to increase female high-growth (technology-based)

entrepreneurship need to be much more holistic and not focused only on the entrepreneurial ecosystem. They need to start out with fostering girls to choose STEM-related careers.

Finally, contrasting the qualitative with the quantitative data, we observed that while in the quantitative data Colombia negatively stood out, our interviews revealed a different situation where the prevalence of stereotypes, the traditional role of women in society, open discrimination and sexual harassment were more prevalent in Chile and Mexico than in Brazil and Colombia. Yet, there are two elements to consider. For one, the quantitative data only goes until 2019. Particularly Colombia, however, has seen very recent and exceptional dynamics with respect to high-growth entrepreneurship. Thus, these results may reflect the change that we have referred to in the entrepreneurial ecosystem. Additionally, due to the small set of interviews, we cannot assure that our results from the interviews are generalizable for the entire population.

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