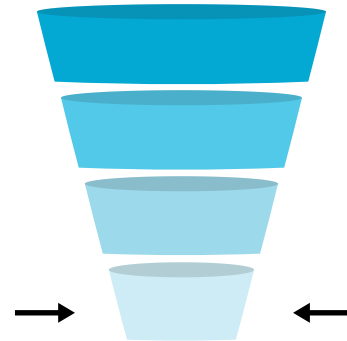


## ABOUT THE PROJECT

StartOut is a 501(c)3 nonprofit organization supporting LGBTQ+ entrepreneurship. The “leaky pipeline” refers to systemic barriers that cause underrepresented professionals to drop out or be eliminated at various stages of their journeys. StartOut and the Eidos LGBTQ+ Health Initiative at the University of Pennsylvania conducted research to better understand the issues and co-create recommendations to promote equity.

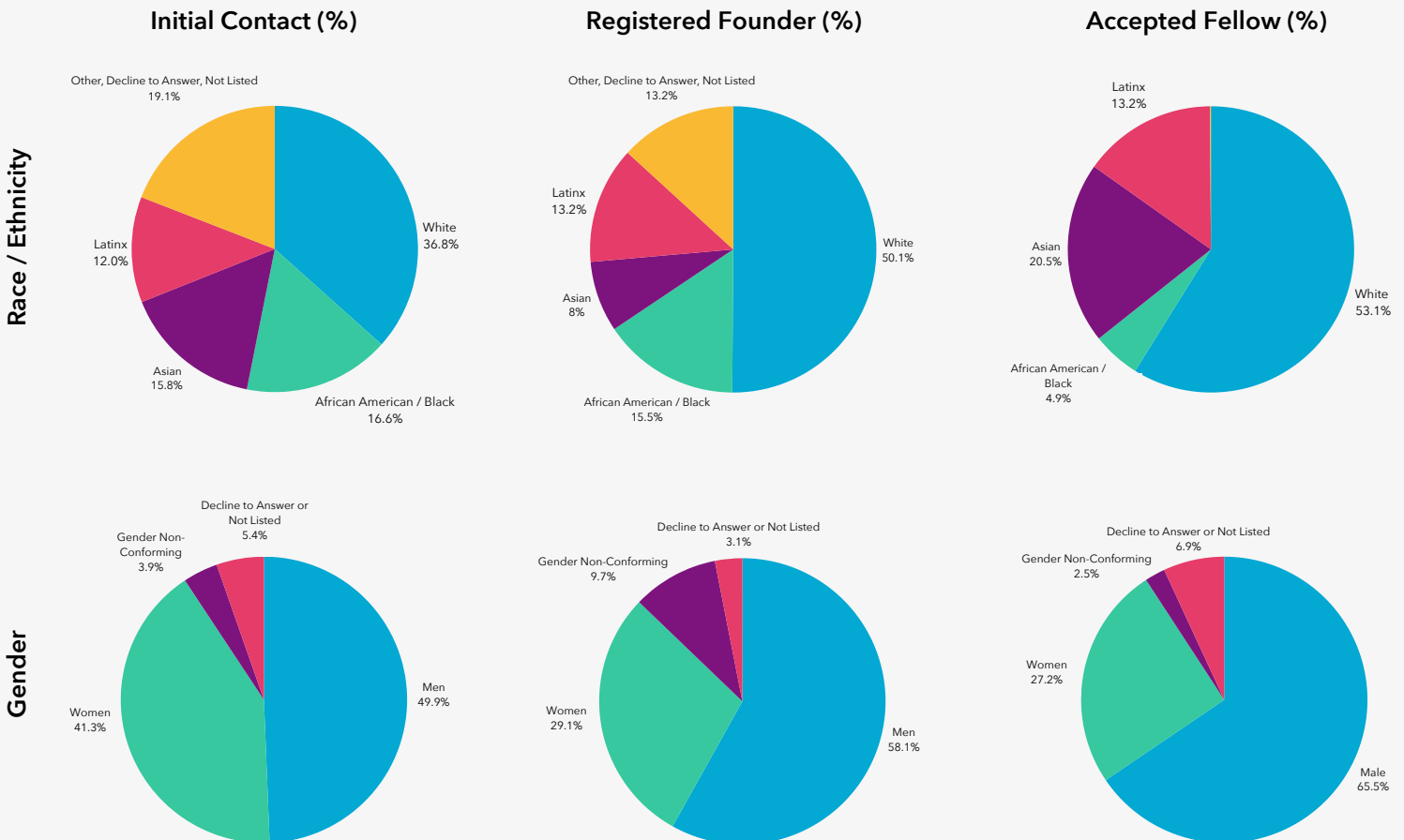
## THE FUNNEL

Out of 8,128 participants who were initially in touch with StartOut only 1% of initial participants get accepted into StartOut’s competitive accelerator program.



## REPRESENTATION ACROSS THE STAGES

Representation at the initial exposure phase is very diverse. However, StartOut experienced a leaky pipeline as drops in diversity occurred during the stages to accelerator acceptance.



At the founder registration phase, we continue to see intersectional diversity. However, when reaching the accelerator acceptance phase, we see drop offs of specific diversity.

- African American / Black founders comprised of 16.6% of initial participants but make up only 4.9% of the accelerator stage
- Female founders comprised of 41.3% of initial participants but make up only 27.2% of the accelerator stage
- Non-binary founders comprised of 9.7% of registered founders but make up only 2.5% of the accelerator stage

LGBTQ+ founders as a whole face disparities such as receiving [only 0.5% of total VC funding](#) and concealing their identity for fear of being discriminated against. StartOut has already been taking steps to ameliorate this problem by providing diversity scholarships, having mentors from various backgrounds, and ensuring our accelerator selection panel is both racially and gender diverse. Even with these initiatives in place, we see that LGBTQ+ founders who are Black, Female, or Non-binary are still less likely to be accepted into our accelerator program.

## RECOMMENDATIONS FOR ACCELERATORS AND DIVERSITY PROGRAMS

- **Enhanced Outreach & Recruitment**
  - Focus on especially underrepresented groups like women, gender non-conforming, and racial/ethnic minorities in marketing, recruitment, and tailored programming, such as having leaders and influencers in their respective groups to advertise programs and events.
- **Tailored Support Programs**
  - Offer customized workshops and mentorship programs that address the unique needs of minority founders, such as specialized training to overcome systemic barriers.
- **Equitable Funding Opportunities**
  - Create funding initiatives targeting underrepresented groups, such as scholarships and pitch events that target minority founders.
- **Intersectional Data Collection**
  - Expand data collection to capture race, gender, sexual orientation, and other factors to understand how these influence entrepreneurial journeys.
  - Ensure staff has representation and competency training to prevent bias.
  - Hold focus groups with underrepresented members to understand barriers and how to overcome them.

### CONTACT & SPONSORS

Contact [info@startout.org](mailto:info@startout.org) to contribute as a sponsor, collaborator, or partner.

To access StartOut's full "Diminished Diversity in Entrepreneurial Pipelines" report, visit [startout.org/insights](https://startout.org/insights).



#### Sources:

StartOut. 2023 State of LGBTQ+ Entrepreneurship Report. <https://startout.org/wp-content/uploads/2023/09/2023-State-of-LGBTQ-Entrepreneurship-Report.pdf>

Proud Ventures. LGBTQ+ Founder Report. <https://www.proud-ventures.com/lgbtq-founder-report>