

Black founders still raised just 1% of all VC funds in 2022

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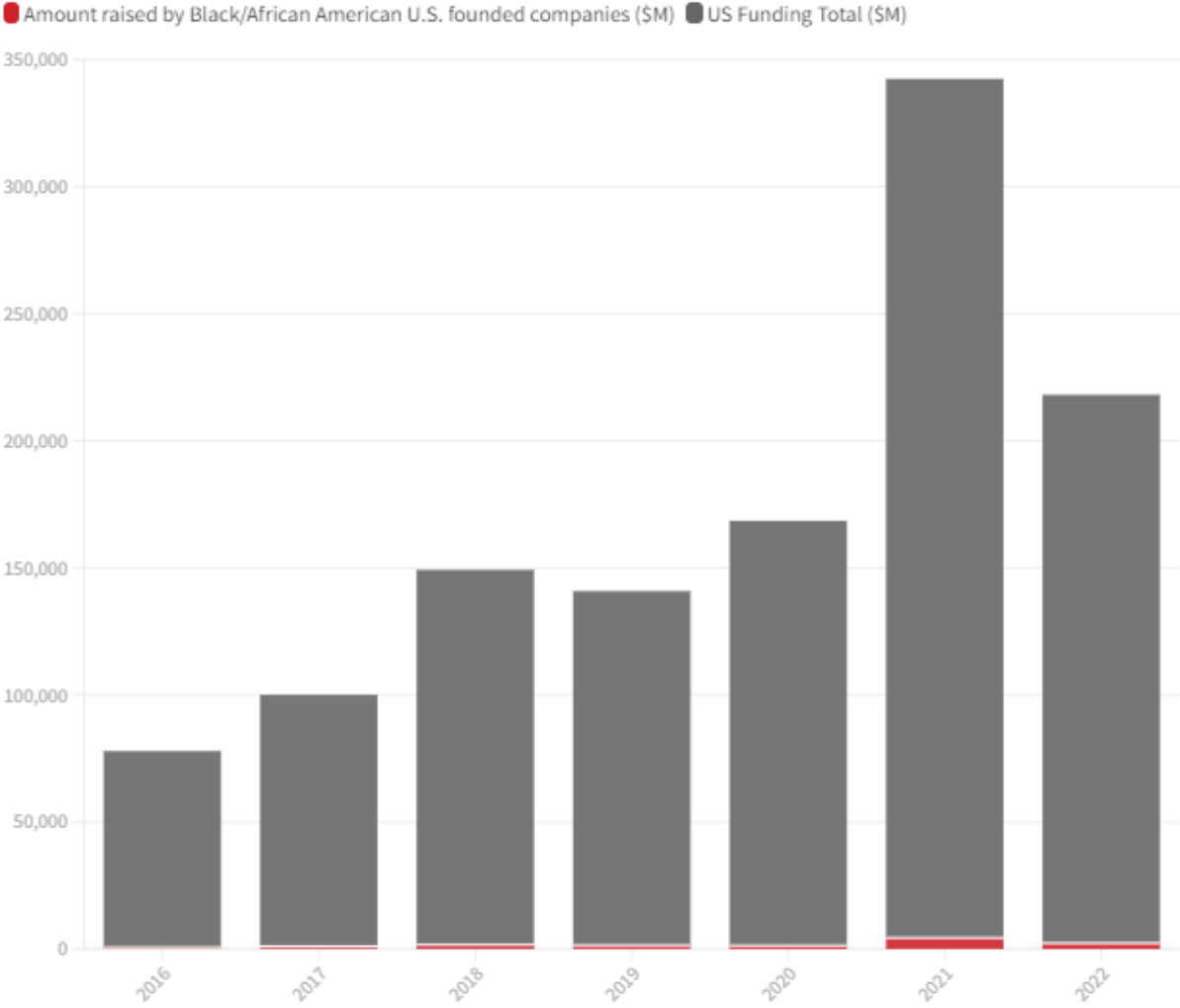
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Some. Good. News.

The latest Crunchbase data shows that Black startup founders in the United States raised around \$264 million out of the total \$33.6 billion in venture capital allocated in Q4 2022. That's an uptick from the \$178 million — or 0.43% — the group raised in Q3.

In total, U.S. Black founders raised an estimated \$2.254 billion out of the \$215.9 billion in U.S. venture capital allocated last year. That’s about 1%, a slight drop from the 1.3% raised in 2021. Let’s break this down.

Funding to Black/African American-Founded US Companies



Source: [Crunchbase](#)



Data visualization by [Miranda Halpern](#), created with [Flourish](#)

So Black founders in the U.S. picked up around 0.79% of VC funds raised in Q4 2022. There was a fear that, during a bear market, investors would retreat to their old-school networks, and the total amount of funding Black founders received last year is practically

half the amount they raised in 2021 — a record \$4.34 billion (out of around \$330 billion in the U.S. and \$681 billion globally).

“When the macroeconomic environment tumbled, the investors that were preaching D&I disappeared, and their implicit bias became more apparent.”

De’Havia Stewart, investor, BLCK VC

zero interest. It’s a total uphill battle as a Black founder looking to raise venture capital. But we still do it anyways as the alternatives aren’t that much greater for us.”

Andy Davis, the co-founder of the venture firm **10×10**, told TechCrunch that Black founders were impacted by the economic climate “as the companies a lot of them worked at were reducing resources and people.”

“Some Black people had to focus on stability in their lives before their startups,” he continued. Still, he said that some “exceptional” Black founders were able to grow their companies and raise in the past year.

“The overall climate last year, a lot of funds either paused, stopped or slowed down their deployment ... impacting all startups, including Black founders the year before,” Davis said. “I’m highly optimistic for Black founders this year, especially with the rise of diverse-led funds and investors.”

Despite the record-breaking 2021, that amount of money equates to just 1.3% of all capital raised in the U.S. alone. No matter what, it seems the actual percentage of the money raised for this cohort barely moves, even as more and more capital floods the markets.

Tye Calloway, the founder of the fintech **Cooler**, told TechCrunch that it’s embarrassing as a Black founder to always be associated with negative statistics, especially as one trying to fundraise.

“It seems like we all know the problem but don’t want to solve it when it’s as simple as funding more Black founders,” he said. “I know this system wasn’t built for us, but when there are billion-dollar markets that cater to Black customers, they should overlook the ignorance and do a bit of research rather than showing

There does appear to be a slow change. For example, in 2016, Black founders raised \$568 million in VC dollars out of around the total \$70 billion allocated to U.S. founders — that was just 0.8%. In 2020, it took Black founders 391 deals to pick up \$1.301 billion (out of \$164 billion), and in 2022, it took only 225 deals to reach \$2.254 billion, meaning Black founders appear to be raising more money within each individual round.

De'Havia Stewart, an investor at BLCK VC, echoed what many Black investors have told TechCrunch throughout the years: that the decrease in funding to Black founders further highlights a need for more diverse check writers.

“When the macroeconomic environment tumbled, the investors that were preaching D&I disappeared, and their implicit bias became more apparent,” she said.

As Stewart said, what happens next is anyone’s guess. The ball is in the investors’ court. There has been continuous coverage of what needs to occur. All that’s left is for it to happen.