

Why Venture Capital's Systemic Bias Affects Us All

We already know that 98% of VC funding goes to homogenous white guys, and the [crew at Ro](#) and their erectile dysfunction solution is the iteration du jour. To the surprise of no one, male founders have thrown money hand over fist at the all male team at Ro, similar to when WeWork and Juul pocketed a [combined \\$15 billion in VC money](#) before spectacularly flaming out. But Ro, collecting \$200 million on their latest round, is more egregious. Let's examine why.

Whiplash inducing double standards

First off, Ro received a large chunk of that 98% of VC funding, which was practically earmarked for white male founders. Then, using the influx of cash, they ran Facebook ads and ads on the New York subway. A logical next step, right? Well, that's because they are *allowed* to advertise on these platforms, unlike startups marketed to female customers, which are banned. In fact, anything relating to [female sexual health has been banned from Facebook](#). Below illustrates Dame's ad, which was [rejected by the MTA](#), unlike an ad from Hims, which was approved and published:



([source](#))

Huh? So diverse founders can only access 2% of leftover VC money after the usual suspects have been funded from the trough. Then they have to [face blatant discrimination](#) when trying to actually grow their businesses by advertising on mediums such as Facebook and the NY

subway. It's shocking how these guys would reveal their bias by shamelessly approving ads for erectile dysfunction while boldly subjugating women in plain view. Noted!

With the combination of money and the ability to advertise, Ro has since been able to expand into...wait for it...women's health products. Imagine how the startup landscape would be different if instead of being banned for ads, the startups focusing on women's health issues had been able to receive funding and properly advertise on the platforms commonly used by their male counterparts.

Cultural gatekeepers

Out of the gate, VC's bias towards prioritizing male consumers and their comfort catapults these founders ahead of everyone else. Then, they benefit from discriminatory ad policies which pack a double punch: holding competitors back and a chance to grow their own business.

We, as consumers, are not getting the best products and services when only a few ideas and perspectives are reaching us. Venture capitalists do us a massive disservice by throttling ideas and innovations that are pitched by diverse minorities and women, because they solve problems for huge markets that are invisible to homogeneous VCs. Just look at Rihanna's Fenty beauty line, which launched in 2018 and is now [valued at \\$17 billion](#). She's made a boatload of cash by taking women of color seriously as consumers. It's a shame more venture capitalists don't see the potential to make gobs of money from people who don't look like them. But hey, it's their loss.

In the equity crowdfunding ecosystem, women-only and minority-only founders enjoy respective [success rates of 87.5% and 46%](#), compared to men-only founders who clocked in at the lowest rate of 41%. Since Covid, crowdfunding has been steadily gaining traction as a tangible route to funding.

If you're curious to learn more about raising money via equity crowdfunding, [check out TruCrowd's online investment portal](#).

[The Inherent Bias to Investing](#)

[Robinhood Isn't The Only Equity Investment Option Available to Eager New Traders](#)

[Coronavirus has Positioned Crowdfunding to Give Venture Capital a Run for Its Money](#)

[5 Questions About Equity Crowdfunding You May Feel Silly Asking— But Shouldn't!](#)