

## Golden Seeds Quick Facts

### Highlights

- Founded in 2005 as an angel investment organization that invests only in women-led companies. 2024 will mark Golden Seeds' 20th year of commitment to this work.
- We focus on gender-diversity, believing that diversity produces better investment results.
- Golden Seeds is a recognized leader in the movement to accelerate investment in women entrepreneurs.
- We strive to create an environment in which women entrepreneurs have the opportunity to present their ideas, receive constructive feedback, and apply for funding.
- Golden Seeds currently has nearly 300 members in the angel network and is one of the largest of the 250 angel investment groups in the US.
- We are known for our national footprint, with investors in 29 states, DC, and international and eight active chapters (Arizona, Atlanta, Boston, Dallas, Houston, New Jersey, New York and Silicon Valley/San Francisco).
- In its 20 years, Golden Seeds has had over 1100 investors – in the angel network and/or as fund investors.
- Combined, the members and funds have invested over \$180 million in 249 companies. Those companies have gone on to raise over \$2.0 billion of additional capital.
- In total, Golden Seeds has thus far returned over 75% of the total invested capital in its Core Deals and has unrealized gains of approximately another 98%, for a total of 174% (or a multiple of 1.7X).
- Golden Seeds invests in most industry sectors, with concentration in B2B Technology, Health Care and B2C companies.
- We meet nearly 1000 companies each year, between Office Hours in all chapters, regular Information Sessions offered to entrepreneurs and the companies that apply for funding.
- We are committed to inclusion at all levels. Men are active members throughout Golden Seeds. And women and men of color are important participants in all our work, as both investors and entrepreneurs.
- We are recognized for the Golden Seeds Knowledge Institute, our investor training program of nine courses.
- Golden Seeds invests only in US-based companies.

## The Golden Seeds Investment Thesis: Gender-Diversity

There is much data that concludes that companies with women in leadership perform better than other companies.

- **Women on Boards:** Share price growth in large companies with just ONE woman on their board is 20% higher than companies with no women on their boards. (Credit Suisse, 2014)
- **Women on Executive Teams:** Large companies with the highest representation of women on their executive committees perform better. Data from a recent McKinsey study concluded those companies are 25% more likely to have above-average financial performance.
- **Women entrepreneurs outperform with less capital**  
A recent study from Boston Consulting Group (BCG) and MassChallenge, a large Boston based accelerator program, shows that women-led companies receive significantly less invested capital than their male peers – 53% less on average. Yet within two years they generate higher revenues per dollar invested – more than twice as much. Absolute revenues were also greater for the women-led companies.

## Golden Seeds Has Never Wavered from Core Beliefs

- **Gender Diversity**  
First is our investment thesis of gender-diversity. We were among the first, if not THE first, to speak in earnest about the investment thesis of gender-diversity. We aim to build great companies that are diverse because we believe that will produce greater inclusion on all levels and will produce better investment results (as indicated in the data above). But it also allows corporate cultures to emerge that work for all employees.
- **Require at least one woman in the C-Suite**  
We do this by investing in companies that have at least one woman in management – the C-suite. That has been true in every single one of the 170 companies that have been funded by Golden Seeds. It is our belief that if women are in leadership roles at the beginning, then the whole company is likely to be diverse and corporate cultures emerge that work for all employees – for both women and men. And such companies will benefit from the diversity of thought and of styles.
- **Gender-diversity in our membership**  
We have always felt that Golden Seeds itself should be gender-diverse, so from the very beginning, men have been an important part of our work and or our leadership. Today, 15% of our members are men.
- **Active investor model**  
Our members are actively tapped to do the work of evaluating companies, collaborating among themselves and syndicating with other groups. Golden Seeds meets nearly 1000 companies each year. We aim to provide meaningful feedback to all of them. We can only do that by tapping the skills of our many members. We have always stood for an active investor model – believing that educated investors are the best investors.

- **Commitment to investor education**

We have always been a learning culture. In our goal to have active investors, it became clear that we needed to provide training. So we built it. Over time, Golden Seeds has become known for its excellent training program - the Knowledge Institute – which offers nine courses which are available to Golden Seeds members and others.

- **National footprint**

Very few angel groups try to be national organizations, but in our quest to find the best women-led companies, we realized that we must expand geographically beyond our New York roots. Today, we have nearly 300 members in 29 states, DC, and international, and eight active chapters - Arizona, Atlanta, Boston, Dallas, Houston, New Jersey, New York and Silicon Valley/San Francisco.

## **Inclusion**

- Our organization was founded with the mission of diversity and inclusion for both investors and entrepreneurs. This powerful idea has informed our 20 years of funding women-led companies.
- This commitment to inclusion extends to women entrepreneurs of color, who represent half of all women-owned companies in the United States. We are acutely aware that women entrepreneurs of color face a much steeper climb to achieve funding and success. We strive to create conditions that support the likelihood of funding and the support of diverse entrepreneurs. Nearly 40% of all companies that apply to Golden Seeds are led by women of color.

## **The History of Funding of Women Entrepreneurs**

- In 2004, women-owned companies represented over 25% of the entrepreneurs in the country, but they led fewer than 3% of the start-up companies that received capital. At that time, women were not actively participating as investors in start-up companies; only 5% of angel investors were women.
- Women are launching businesses at unprecedented rates. Between 2014 and 2019, the number of women-owned businesses in the U.S. grew 21%, while overall businesses only increased by 9%. In 2019, women-owned companies were 42% of all business owners, compared to 37% in 2014.
- In 2022, women-led companies were 31% of all angel-funded companies, and women investors represented 40% of all angel investors.
- The above data pertains to startup funding (angel investments). The Venture Capital industry is quite far behind in the progress of funding women. In 2022, of the \$241 billion invested by VC firms, 2.2% of the dollars went to companies founded by women and 18.5% went to companies founded by mixed-gender teams. This meant that nearly 80% of all VC dollars were invested in all-male teams. Although there has been modest progress with VCs funding women, it is slow and many worthy women entrepreneurs must find other sources of later stage capital.

## **Why Investors Join Golden Seeds**

Investors join Golden Seeds for multiple reasons. They may include:

- A determination to ensure that worthy women-led companies receive the funding they need and have the opportunity to succeed;
- An interest in participating in the investment sector of early-stage women-led companies;
- A desire to consider women-led companies from throughout the US;
- A belief that gender-diverse companies will produce strong investment returns;
- A belief that they will see companies at Golden Seeds that they may not meet elsewhere;
- An opportunity to utilize the extensive skills and interests developed in their professional and personal lives;
- An opportunity to follow and study emerging trends in many industries;
- An opportunity to participate in the many educational programs offered by Golden Seeds;
- An interest in working directly with early-stage entrepreneurs as domain experts, advisors or board members;
- An opportunity to be part of a vibrant nationwide community of angel investors who frequently work together on due diligence, investing and advising companies; and
- An interest in joining one of the largest, most professional and most respected angel investment organizations in the United States.

## **Why Entrepreneurs Apply to Golden Seeds**

- Golden Seeds accepts applications from companies across most sectors;
- Qualified companies may gain access to the capital of a nationwide group of nearly 300 investors, plus the potential of investments from Golden Seeds Funds;
- Members are knowledgeable about early-stage investing, as they receive training in the Golden Seeds Knowledge Institute;
- Entrepreneurs who receive Golden Seeds investment may have the ability to leverage the Golden Seeds network to expedite company growth;
- Golden Seeds members often provide strategic and financial guidance, as well as assistance in building boards, advisory and executive teams.

Companies interested in applying to Golden Seeds should review the criteria at [www.goldenseeds.com/entrepreneurs](http://www.goldenseeds.com/entrepreneurs)

## Golden Seeds Investment Experience – March 31, 2024

- Since 2005, Golden Seeds has invested \$180.2 million in 249 companies.
- Of this total, \$168.3 million (93%) has been invested in 163 Core Deals, for which members did significant due diligence.
- Of the Core Deals:
  - Thus far, Golden Seeds has an estimated realized return of 75% of the total amount invested in Core Deals and has unrealized gains of approximately another 98%, for a total of 174% (or a multiple of 1.7X).
  - There have been 23 positive exits which returned more capital than the amount invested. The multiple of these exits ranged from 1.1 to 22X, with an average multiple of 4.4X.
  - There have been 57 other exits, which did not return the capital invested.
  - There are currently 83 operating companies. These companies are in these sectors: 47 enterprise services and technology, 8 consumer products and applications, 29 health care. On average these companies received their first Golden Seeds investment less than five years ago. They are relatively young companies versus the 7 to 10 years expected for companies to exit.