

# Share Your Perspective: Inform Our Next Research Report

Are you a **woman founder and/or a founder of color**? Did your company raise any money through venture capital? Or are you a **venture capitalist** investing in startups?

**We want to hear your perspective!**

**Take Our Survey**

**VC Investor >**

**Diverse Founder >**

**2018**

Morgan Stanley

### The Growing Market Investors Are Missing

**The trillion-dollar case for investing in female and multicultural entrepreneurs**

Women and people of color have long faced barriers starting their own businesses and raising capital to grow them. Morgan Stanley's research shows that these barriers have increased, but in different ways and often in ways we'll never be able to quantify. We can only imagine what businesses might have taken off, what products consumers might have enjoyed, and what innovations and returns might have been realized had women and people of color enjoyed equal access to capital and opportunity.

Surprisingly, at Morgan Stanley, we came to a new belief that the marketplace was missing the opportunity to find and finance businesses run by people of color and women. We decided to do something about that missing marketplace. We launched the Multicultural Business Index. We believe that the gap is real, but the belief is, "The Multicultural Business Index will help us to find these businesses, advise them on their growth, and help them raise capital." We've now been through two cohorts of 12 companies. We've learned a lot, and we've come to a new belief that there's a marketplace inefficiency here that needs to be addressed.

To help us better understand why this funding gap exists, we have sponsored the research in this report. The findings from this survey of the investing community give us a better understanding of what the investment community should be challenging ourselves not only to identify great opportunities but to act on them by diverse teams, but to protect them.

There have been plenty of reports on the obstacles that entrepreneurs of color face, but this report goes beyond that. It asks the question, "What are the obstacles in the way, and why aren't investors seeing these opportunities?" And what we find is a gap in investors' perspectives. We find that investors are more willing to invest in women and multicultural-led businesses, and that they are more willing to invest in them in their investment decision-making process.

**Summary:**  
James Gorman, Chairman & CEO



**2019**

Morgan Stanley

### Beyond the VC Funding Gap

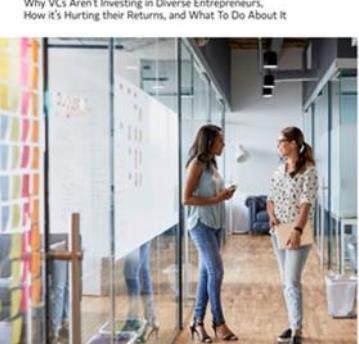
**Why VCs Aren't Investing in Diverse Entrepreneurs, How It's Hurting their Returns, and What To Do About It**

By illuminating the gap, we are in open investors' eyes as the opportunities they are missing. We hope that by identifying this blind spot, this report galvanizes investors to take action. We believe that by identifying and investing more opportunities to support women and multicultural-led businesses and teams, we can help to create a more diverse and inclusive marketplace.

Women and multicultural entrepreneurs should opportunity to, in many ways, be more successful than their male counterparts. Their unique perspective, combined with a more diverse and inclusive marketplace, can lead to better outcomes for investors, but advances the next generation of leading companies and emerging markets. We believe that this is the right time to act.

No single initiative or investor will solve this imbalance in access to capital. It will require a concerted effort by a broad range of investors. The effort is well worth it for the entrepreneurs and investors — as well as for their customers and communities.

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James Gorman, Chairman & CEO



**2020**

Morgan Stanley

### Venture Capital and Racial Equality:

**How Attitudes and Actions Are Evolving and What Continues to Hold the Industry Back**

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**2021**

Morgan Stanley

### Asset Owners and Investing in Diversity: Intention versus Action

**How Attitudes at the Intersection of Diversity and Investing May Be Holding Asset Owners Back From Maximizing Returns**

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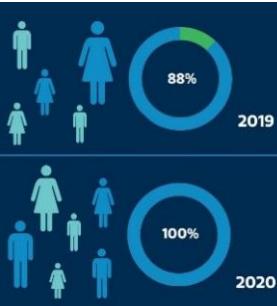
Morgan Stanley publishes groundbreaking research reports on the funding gap for women and multicultural founders.

Learn More:  
[www.morganstanley.com/mcil](http://www.morganstanley.com/mcil)

Morgan Stanley

VCs who say **racial diversity** of portfolio company founders is important





Year	Percentage
2019	88%
2020	100%