

NEW RESEARCH REVEALS BLACK OWNED UK BUSINESSES MORE LIKELY TO HIRE DIVERSE TEAMS AND SELF-FUND

Submitted by: Vamp PR

Thursday, 8 October 2020

Groundbreaking new research has revealed today that businesses with black founders at the helm are most likely to hire diverse teams and self fund their venture.

The research, titled The Black Report (<https://theblack.report>) by 10x10 in partnership with Google for Startups, found that on average 81% of staff members identified as black, asian or ethnic minority. This is three times the industry standard for the tech industry here in the UK and across the pond in America.

The report is the first of its kind and explores the journey of early stage pre-seed black founders based in London and aims to delve into the stories of black founders, who they are and what hurdles they may face.

This news comes after growing pressure globally for companies to hire more black staff members in the wake of protests against police brutality.

The impressive diversity figures also extend to gender with nearly an even split of 48% to 52% female to male founders.

10x10, a group of early-stage black founders and VCs based in the UK, hopes the report will spark a national conversation about bridging the economic gap between black founders and their peers.

Andy Davis, co-founder of 10x10 said: "We felt it was important to create The Black Report, as we wanted to start painting a picture of black founders, a growing population with incredible value. The diversity stats are particularly interesting as we know from previous studies that there is a huge business case for hiring diverse teams. Black founders could become key in closing the national gap in regards to the lack of diversity in business".

The report also found of the 60 Black founders who were interviewed, a staggering 88% self-funded part of their ventures.

Marta Krupinska, Head of Google for Startups UK said: "Having spent years in the startup world, I've remained shocked at how little we understand - and do - to support Black founders, despite obvious challenges they face in accessing funding and the networks critical to success. I've been really impressed by the work that the Black Report does to address all those, by not only showing data, but whole lives of entrepreneurs and thus creating the empathy and momentum we need to change the status quo."

Last week Google for Startups announced that they would create a \$2 million Black Founders Fund (<https://www.blog.google/outreach-initiatives/diversity/2-million-black-founders-equitable-future/>), as part of their commitment to build a more equitable future.

Key statistics include-

Social Mobility:

- Growing up, two-thirds of the Black founders identified as working class, compared to the 75% that identify as lower to upper middle class now

Education:

- 69% of the founders pursued a career in tech and startups with non-STEM degrees
- The number of Russell graduates in our sample of founders is higher than the UK average by 11%

Mental Health:

- 15% of all founders proactively manage their mental health, vs 6% of the general Black population

Founding Teams:

- 43% are solo-founders
 - 48% female, 52% male
- Job Creation:
- An average of 5.4 jobs created by each startup
 - 322 jobs total at the time of reporting (Q1,2020)

Teams and Diversity:

- Black founders hire diverse teams: 53% of their staff are male, 46% female, 1% identifying as non-binary
- 6% of staff identify as LGBTQIA+
- 75% of staff identify as people of colour, which is 3x higher than industry standard

Early Success Metrics:

- 77% of the startups are generating revenue

Self Funding:

- 88% of Black founders self-fund their startups, committing an average of £14k
- 22% of founders raised a Family & Friends round

External Funding

- 28% relied on angel investment, more than any other source of funding
- Venture capital investment totaled £2.26M out of £8M

You can read The Black Report in full here (<https://theblack.report>).

Ends

For further information please contact pr@wearevamp.co.uk

Notes to editors:

About 10x10

Founded in 2015, the mission of 10x10 is to fast-forward black founders and black investors.

10x10 started as a group of founders and has expanded to include all of the UK's black VCs, black angel investors, and now a fund investing in early stage black founders. 10x10 supports these groups through community, flagship programming, 1-on-1 advice, and detail-focused group meetings with the aim of securing funding for black founders and successful careers for black investors.

About Google for Startups

Google for Startups is a startup program launched by Google in 2011, consisting of over 50 co-working spaces and accelerators in 125 countries, offering hands-on lessons for aspiring entrepreneurs. It partners with local startup communities as well as a network of co-working spaces popularly known as Google Campus for tech startup entrepreneurs. It offers access to Google's devices as well as tools and workshops for the local tech community.

Google for Startups is on a mission to support thriving, diverse, and inclusive startup communities around the world. We connect founders with the right people, products, and best practices to help them grow.