

# Innovation For All



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### LGBTQ+ Startup Leaders Roundtable: What we Heard

*In June of 2023, Engine hosted LGBTQ+ leaders from across the U.S. startup ecosystem as part of our Innovation for All project. The one-hour roundtable was a free-flowing conversation where participants had a chance to highlight barriers they've faced as LGBTQ+ founders & leaders. This document highlights some of the key quotes from that conversation. Quotes have been lightly edited for grammar and clarity. Participants included Ben Brooks - [PILOT](#), James Silva - [ConciergeBot](#), Jessica Thurmond - [Athelo Health](#), Jamie Van Doren - [NeverEnding](#), Mandy Poston - [Availyst](#), Mariah Barber - [Invisible Strengths](#), Renée Rosillo, [Prism](#), Stefanie Francis, [Hootology](#)*

#### On accessing capital:

- Jessica Thurmond: “There's an interesting thing happening in funding with VCs that are focused on impact investment as well as underrepresented founders. What I'm seeing across the board is that those investors, in some cases, are infinitely harder to get investments from. And the reason for this is because [LGBTQ+ founders] are held to a really high bar. I think VCs are saying to themselves, “If I screw this up, and my VC’s portfolio doesn't perform at the very highest level, then I'm afraid that I'm going to ruin it for the rest of the women out there, or the rest of the LGBTQ+ community out there.” While well intentioned, there are unintended negative consequences of this mindset.
- Jamie Van Doren: “I do think that the system is fundamentally broken. And...it will not fix until there is a fundamental and systemic change. And that can be something as simple as VC funds putting aside one to three percent of their fund, specifically for social good product projects, Black founders, Latino founders, LGBTQ+founders, trans founders, until there is a dollar amount, a percentage, a number, or a metric...which funds should also be held to, if they want to say they're a diverse fund. There will be other challenges that will result from that, such as ‘we gave all the money to Black [founders] that we're gonna give - we met our three percent’. But I would argue that three percent is more than what we're getting now, whether you’re Black, Latino, LGBTQ, indigenous, etc.”.
- Renée Rosillo: “For me, this is personal, because once I realized that I was a trans woman, my life changed both for the better and the worse. I had to walk away from having a fully pre-seeded startup because my lead investor expressed heavily transphobic views. And at that time I hadn't come out so it was either having them on my cap table or risking my future. I was lucky to have a previous exit, but I know that not everyone that is living in complex intersectionality or even in a situation where they can risk their startups to do what's right.”
- Jessica Thurmond: “I don't have a lot of friends and family who have a cool million bucks laying around that they can just toss me whenever they feel like it. We bootstrapped predominantly. But what's so interesting about that is in the space of venture capital, [bootstrapping] is like a negative. I literally had a rejection from an investor who said that the reason they were passing on us is because we've been around too long and haven't raised enough venture capital money for them to invest in us.

That's another risk you run into if you bootstrap...VCs don't think you're hot because you haven't gotten a bunch of VC money previously.”

### **On the need for other pathways:**

- Renée Rosillo: “Policy should be geared toward having more diverse emerging managers, and making an easier way for folks to become investors. Because...we need new folks coming in. And I always say to founders that everyone should do reverse pattern matching. So look for investors that look like you, that are going to understand how many miles you have traveled...So having more diverse investors is the key to the flywheel of innovation.”
- Jessica Thurmond: “Health literacy is one of our focuses around trans and queer people who have cancers, especially malignancies that may be linked to their birth [or] gender assignment...even to be able to have this intersectionality of grant funding [is important], because if we pursue grant funding just within the health literacy and access space, we get blown off. So I think another piece too, is, we're just facing tougher times, the expectations are higher and harder for every startup that's out there right now, especially, even within the seed category.”
- James Silva: “I have privilege to an extent, but not to the point that I could raise a \$7 million friends and family round. People in my life do want to help, and regulation crowdfunding is a great vehicle in this regard., For underrepresented founders, it's sometimes more of a grassroots effort... there are people in our lives who can only contribute smaller amounts.”

### **On the importance of diverse, regional tech hubs:**

- Jessica Thurmond: “For my background, my family is from the Wahpeton Oyate Sioux Tribe. So I am indigenous, I live in the South, I am married to a woman – I also live in a state that is extremely difficult for any person who is from our community to be here. As a result, I've had zero support from the state of Tennessee. I truly expected this to be our first market that we broke into - it's a healthcare hub. I've lived here for a decade...So I think that from a policy perspective, [we need] support available for founders who live in regions that we know are really struggling right now.”
- Jamie Van Doren: “I was at Tech Week in LA, and it was a totally different experience than being in the Midwest. I met people who were much more open and interested in what I was doing. In Northeast Ohio, we say that we have a strong and supportive startup ecosystem, we get a lot of state funding. But that state funding is portioned out by people who have the same biases as any VC.”
- Renée Rosillo: “Getting a loan to buy a house, if you're a founder, it's almost impossible. I live in San Francisco, and it's...a lovely city and the current scene is amazing. But the reality is if you want to get business and you're working in startups, you have to be here or another coastal city. I'm originally from Mexico City, and I wish I could live there. But [founders] don't have access to housing and other basic needs that provide us safety as humans, housing should be a basic right. civil.”

### **Other:**

- Ben Brooks: “From commercial contracting terms with big companies, to privacy regulations, sales tax administration and more, there are just a lot of barriers to entry for competition, which I think we all believe in and want. So simplifying and standardizing some of this would foster more new businesses. I know that Google, for instance, has preferred terms for diverse supplier payments, and simplified legal contracts where, from an equity perspective, you don't need to have a white shoe law

firm and spend \$30,000, reviewing a contract for a \$50,000 engagement. And so I think simplifying some of the regulatory elements would be helpful for companies big and small.”

- Renée Rosillo: “With the current political climate, at least, myself and a lot of folks who are LGBTQIA+ are afraid to go to Florida. And for me, that doesn't mean losing access to vacations. But the reality is that I'm losing business.”
- Mariah Barber: “I'm so happy to say I'm about to close on a home in DC, which is the fastest gentrifying city right now...I was able to get a grant because I started looking at art grants rather than startup grants. And I could get more in the art space than I could in the traditional tech space.”
- James Silva: “Being Latino and queer, I feel that the doors don't open as easily for me as they do for others...It often takes longer for underrepresented founders to get their ventures off the ground, which can mean going some time without much of a safety net.”
- Ben Brooks: “I think that the employee benefits part is a big issue in healthcare. Unfortunately, the quality of the plans in the Affordable Care Act aren't always great state-to-state - it's not even necessarily the cost of them, but it's the quality, including provider networks and specialty care. High quality, portable employee benefits and other ways to provide lifestyle liquidity for founders, whether it's universal basic income or other solutions would enable more people to found businesses and attract talent to help grow them.”
- Mariah Barber: “I've made it a mission to lift as I climb...And they need to actually be incentivizing folks to do that. So sometimes there are funds for apprenticeships or internships or fellowships. Even to learn the startup language was such a gap in my knowledge...All the way down to venture capital. And so that's why I make it a mission to partner with HBCUs, to partner with folks with disabilities and let them have a fellowship at my company. I think they should be incentivizing folks to be able to do that. So that we can pay those folks and pay ourselves for doing that type of social impact work and diversifying technology, and startups as a whole.”
- Ben Brooks: “Immigration reform could help too because currently we can't sponsor visas, as that's a level of complexity and cost that's out of reach for us. As much as I would love to, since I've done that in the corporate world previously, I've sponsored employees and gotten them h-1b visas, and other sorts of different visas. But I would have no idea how to do that now. And just know that it's going to very much distract me from making revenue and managing my company and being focused on our product.”
- Ben Brooks: “Anything that can sort of simplify and standardize the business operations elements of a startup, I think, would be tremendous. Founders often spend a majority of their time on things that aren't related to why they are building a business, so streamlining regulatory, compliance, and other administrative items helps us keep the main thing, the main thing.”