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Gender Diversity in Private Equity: The Making of a Deal

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ABSTRACT

This paper investigates the role of gender diversity and gender-based interactions on the following private equity deal characteristics: deal size, whether the investor is the lead investor in the round, and the number of employees (a proxy for the stage of the portfolio company). Inspired by past literature examining the impact of gender diversity on firm performance and risk-taking, this paper seeks to isolate where and when in the industry gender diversity has an impact. This paper utilizes the North America Private Equity Pitchbook dataset and the Gender-API name genderizor to classify lead partners and CEOs as male or female. The positive coefficient on the Female#Female term and the negative coefficient on the Female#Male term (both significant at the 95% level) for the deal size regression suggest that women invest more heavily in other women while men are more hesitant to invest heavily in female CEOs. However, the vast majority of my results were not significant at the 95% level, suggesting that the impact of gender mostly takes place elsewhere in the private equity industry. Limitations in my dataset also provide an alternative explanation as to why many of the regression coefficients were not significant.

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1. Introduction

In recent years, many researchers have begun exploring how diversity impacts performance across a variety of industries. Private equity (PE) and other investment industries have made particularly interesting case studies because of their immense economic power. Despite being relatively young, the alternative investment industry (encompasses hedge funds, private equity, and venture capital) has approximately USD 12 trillion in assets under management (AUM), which represents 16% of global AUM (Hammer et.al, 2022). The PE industry itself has outperformed other investment vehicles for the past 10 years (Mirchandani, 2022).

However, diversity statistics remain poor in the PE industry. Despite leading corporate America at the junior levels, US PE falls behind at the C-Suite and Managing Director levels for ethnic and gender diversity respectively. The ethnic diversity that does exist is far from evenly distributed. Asian professionals account for more than 60% of all diverse PE employees (McKinsey & Company, 2022). Hispanic and Black individuals in the VC industry account for just 2% and 1% of investors respectively. Women comprise just 20% of AI professionals and continue to be promoted at lower rates than men in almost every position (Hammer et al., 2022). Approximately 75% of VC firms have never employed a woman, and women comprise only 10% of new hires in the industry (Gompers & Wang, 2017). While the aforementioned statistics may not suggest it, diversity has actually improved in recent years. Diverse talent has increased at the junior levels in PE, as have female promotion and retention rates at mid-level roles. Perhaps PE firms have begun to sense the building societal and performance-related pressure.

2. Literature Review

Despite the attention dedicated to understanding the effects of diversity in private equity, results thus far have been somewhat mixed, inconclusive, and at times contradictory. In some cases, researchers have found the correlation between diversity and firm performance to be quite significant. Gompers et al. (2019) found that a 10% increase in diversity in a Venture Capital (VC firm) led to an ~1.5% increase in IRR. Gottschalg (2019) suggested that buyout investment teams with just one woman were correlated with a 12% increase in IRR and a 0.52x higher total value paid in (TVPI) than all-male teams. An International Finance Corporation study suggested that VC-backed companies with gender-balanced leadership teams experience 1.6x increases in their step-up valuations (valuation between financing rounds). Leadership teams with 10-30% women experienced 5% lower step-up valuations, and teams with 10% women 13% lower (International Finance Corporation). Other papers have examined performance in terms of risk reduction. For instance, Wahid (2018) found that diverse boards are less prone to financial restatements and fraud.

On the other hand, several researchers have found that in some cases diversity can have no impact or even a negative effect. Hammer et al. (2022) argue that there is a tradeoff between the "bright" and "dark" sides of diversity. They found that occupational diversity (ex: education experience and professional background) has a negative effect on performance. Diversity can bring broader perspectives to the table which improves decision-making, but it can also result in clashes and cooperation that result in poor decisions or even inhibit decisions from being made.

While the results of research on diversity in the investment space have been convoluted, three key trends have emerged. Firstly, socio-demographic diversity is generally positively correlated with performance, while occupational diversity is negatively correlated. Hammer et al. (2022) argue that differing perspectives do not result from deliberate career choices, meaning

occupational diversity does not allow people to offer a "fresh" perspective. On the other hand, socio-demographic diversity allows for broader opinions while minimizing diversity-related transaction costs from the so-called "dark side" of diversity. Occupational diversity greatly increases transaction costs, almost as if those with different professional backgrounds are speaking a different language.

The second is that a certain level of diversity is necessary to have the desired positive impact on performance. Kanter presented this "critical mass" theory in a 1977 paper, arguing that fellow board members view tokenized women through sex stereotypes first, making it difficult for their opinion to be valued the same as their male counterparts. Roberson and Park (2007) further solidified this theory, finding that racial diversity actually has a negative impact until racial minorities comprise around 20-25% of top management teams (TMT). They agreed that tokenization leads to stronger fault lines and isolation from the rest of the TMT, increasing transaction costs and making it difficult for diverse TMT members to voice their opinions in a productive manner.

The third is that diversity is often seen to have a much larger impact at more senior levels. Bekyol et al. (2022) theorized that this occurs because firm leaders manage firm strategy and are responsible for sourcing deals. They are also responsible for making decisions with far-reaching implications. The choices of leaders are often impacted by their cognitive and behavioral characteristics which have been developed over time (Roberson & Park 2007). For example, one study found women in investing roles to be more risk-averse, which resulted in more stable and steady increases for firms with women leaders (Perryman, 2015). The idea that TMT members make critical decisions that are influenced by their unique characteristics and perspectives was first coined as the upper echelon theory by Hambrick and Mason in 1984.

Although these three trends have proved crucial in advancing the field, the previous literature has large gaps that my paper aims to fill. While many authors recognize the impact of diversity on increasing firms' deal-sourcing networks, the vast majority of papers define performance by IRR and other investment return metrics. Many of these "performance" focused papers also revolve around the VC industry or occupational diversity, or both. Of those that do focus on the PE industry, relatively few adequately use diversity or performance data at the PE firm or portfolio company level. A literature review on the topic found that:

> Only 19 or 13% differentiated themselves with the following characteristics: direct analysis of PE performance or analysis of DEI on a portfolio company level; quantitative analysis with a clear, rigorous, and objective methodology; well-known and reputable authors and institutions; and robust and high-quality data with actionable insight (Mirchandani, 2022).

Many companies try to shield their lack of diversity in investment and senior positions (ex: partner, managing director) by providing only firmwide diversity statistics. This forces most researchers that do focus on PE and socio-demographic diversity to use proprietary data provided to them explicitly for research purposes, making their results unable to be replicated or repeated over time.

I aim to address these issues through the methodology of my research. I will separate the effect of gender diversity and gender-based interaction by studying differences in deal size, investor status, and investment stage rather than general firm performance. This innovative approach has the potential to establish a stronger case for the specific ways in which diversity impacts the making of a deal. My paper will examine the role of women at the senior level, which is regarded as the level with the most critical impact on firm performance (Roberson and Park, 2007). As a result, my paper will add to the growing literature around upper echelon theory. Last

but certainly not least, my paper will use data sources widely available for purchase: PitchBook and CapitalIQ. Thus, my results will be more readily replicable.

Yet another gap in the existing literature is the analysis of gender-based interactions. While several papers reference gender bias as it relates to critical mass theory, they have only examined this at the firm level. My paper will use the interactions between CEOs and lead partners during the making of a deal to better understand gender bias at the one-on-one level and its impact on deal characteristics. My results can inform the approach to research on gender bias at the firm level in both one-on-one interactions and group settings and lead to a greater understanding of the impact of groupthink on gender bias in the corporate world.

3. Theory and Hypotheses

In this study, I will use deal-level characteristics to examine how gender impacts the interactions between CEO and lead partner during the process of making a deal. This level of analysis is particularly interesting because of how it relates to critical mass theory. At the firm level, critical mass involves having enough diversity to have one's opinions taken seriously and having the ability to steer the conversation. When making a deal, only the CEO and the Lead Partner have a direct impact. Critical mass theory dictates that if the CEO is female, the male lead partner would tokenize them and likely view their leadership and business less favorably. However, there is no groupthink mentality in a one-on-one interaction. Therefore, it is unclear whether critical mass theory will apply during the deal-making process.

There are three dependent variables I will use, with the first being deal size. Deal size is an indicator of how much belief an investor has in the company. The prevailing narrative in society is that birds of a feather flock together, or in other words, female lead partners would invest more

heavily in female CEOs. As previously mentioned, the application of critical mass theory to a one-on-one interaction is unclear. Female lead partners are also likely to face internal pressure. This pressure to maximize returns and minimize risk will almost certainly come from a majority white male leadership team who may view a woman lead partner as not to be trusted with large deals. I suspect that the former idea will outweigh the latter, as any female lead partner will likely have earned the trust of her coworkers enough to beat the odds of becoming a partner in the first place. Based on these ideas, I have developed the following hypothesis:

H1: Women lead partners will be more likely to have a larger deal size when investing in women CEOs. The opposite will be true for men investing in women-led businesses.

The second dependent variable is whether or not the lead partner and their private equity firm is the lead investor in the financing round. Once again, societal narratives and critical mass theory have led me to develop my next hypothesis:

H2: Women lead partners will be more likely to serve as the lead investor in a financing round if the CEO of the portfolio company is a woman. The opposite will be true for men investing in a women-led business.

The third and final dependent variable I am using is the number of employees of the portfolio company. When controlling for industry and prevailing economic conditions, this variable can serve as a proxy for the stage of the company. Previous literature on gender diversity enhancing the networks of private equity firms would suggest that women will have the "in" for women-led businesses at an earlier stage. Based on this assumption, my third and final hypothesis is as follows:

H3: Women lead partners will be more likely to invest in women-led companies at an earlier stage (where there are fewer employees). In contrast, male lead partners will be less likely to invest in women-led companies at an earlier stage.

4. Data and Methodology

4.1. Sample Construction

For this paper, I use North America Private Equity data from Pitchbook, procured through Wharton Research Data Services (WRDS). Pitchbook is a trustworthy and relatively publicly available source (it is behind a paywall), making my results replicable and my analysis repeatable as new data becomes available. This series of datasets on Pitchbook contains information from over 130,000 private equity deals. While Pitchbook does not contain demographic information such as race or gender, it does have the CEO and lead partner names in many instances. I used an online name genderizor called Gender-API to determine the gender of CEOs and lead partners. Gender-API works by analyzing the usage of names throughout history to choose gender and provide an accuracy rating. Using Gender-API allowed me to pursue my analysis of gender diversity in the making of private equity deals.

From WRDS I was able to create a dataset of 39,512 unique deals. In the dataset, there was a clear increase in deals after 1985 and six clear outliers with a deal size of nearly 2x any other deal. As such, I removed these outliers and limited the data to after 1985. Lastly, I removed any deals with a CEO or Lead partner predicted gender accuracy of 90% or below. My final dataset encompassed the vast majority of deals with name data, without compromising the integrity of my regressions. After filtering out my data, I was left with 36,005 deals. Several of the deals were

without certain variables, which is a limitation of my analysis that will be discussed in a later section.

4.2. Variables

My dataset consists of eleven relevant variables. The three dependent variables in my regression are DealSize, IsLeadInvestor, and employees. DealSize is the actual dollar amount of the deal in millions. The IsLeadInvestor is a variable I encoded that states whether or not the investor is the lead investor in the financing round. The Employees variable says how many employees the portfolio company has, and is a proxy for the size of the company. I use three different gender variables. LeadPartnerGender and CeoGender are encoded binary variables that list either male or female gender. GenderMatch is a binary variable I created that tells me whether or not the gender of the CEO and the lead partner match. Lastly, I use five control variables. GrowthRate is the average growth rate of the portfolio company in the three months preceding the deal. GDP is the GDP for the quarter in which the deal took place. #OfActiveInvestors is the number of investors that are still active in the portfolio company. TotalInvestmentsLast5Years is how many investments the private equity firm in the deal has made in the last five years. The PrimaryIndustrySector variable is an encoded variable that controls for the impact of a portfolio company's industry (there are seven classifications).

Unfortunately, many deals in my dataset have one or several of variables with no entered value. In particular, the DealSize, #OfActiveInvestors, and GrowthRate variables are missing for a large portion of deals. This is a limitation of my dataset and of my analysis in regressions using those variables (DealSize and IsLeadInvestor Regressions).

4.3. Methodology

I ran three different types of gender interaction regressions using three different dependent variables for a total of nine regressions. The first type of regression used all four different gender combinations for CEO and lead partner: female and female, female and male, male and female, male and male. The second type of regression just compared female CEO and female lead partner to all male pairings. The third and final type of regression compared combinations with matching CEO and lead partner gender. For each of these three types, I ran three regressions with DealSize, IsLeadInvestor, and employees as the dependent variable respectively.

H1 was tested through the use of the DealSize dependent variable. For these regressions, I used the GrowthRate, GDP, and PrimaryIndustrySector control variables. The GrowthRate variable controls for specific companies attracting a larger or smaller investment due to their recent growth trends. The GDP variable is a macroeconomic indicator to control for general market conditions. The PrimaryIndustrySector variable controls for certain industries attracting smaller or larger investments. The lowercase delta (δ) represents a vector of Beta coefficients for the six different industries present in my sample.

$$DealSize_i = B_0 + B_1(female_i \# female_i) + B_2(female_i \# male_i) + B_3(male_i \# female_i) + B_4(male_i \# male_i) + B_6 GrowthRate_i + B_7 GDP_i + \delta(Industry_i)$$

$$DealSize_i = B_0 + B_1(female_i \# female_i) + B_2 GrowthRate_i + B_3 GDP_i + \delta(Industry_i)$$

$$DealSize_i = B_0 + B_1 GenderMatch_i + B_2 GrowthRate_i + B_3 GDP_i + \delta(Industry_i)$$

H2 was tested by using IsLeadInvestor as the dependent variable in a logit regression. For these regressions, I only used #OfActiveInvestors to control for the overall number of investors in a firm decreasing the likelihood that any one investor would be the lead in a given round.

$$ln\frac{P(IsLeadInvestor = yes)}{P(IsLeadInvestor = no)} = B_0 + B_1(female_i\#female_i) + B_2(female_i\#male_i) + B_3(male_i\#female_i) + B_4(male_i\#male_i) + B_5ActiveInvestors_i$$

$$ln\frac{P(IsLeadInvestor = yes)}{P(IsLeadInvestor = no)} = B_0 + B_1(female_i\#female_i) + B_2ActiveInvestors_i$$

$$ln\frac{P(IsLeadInvestor = yes)}{P(IsLeadInvestor = no)} = B_0 + B_1GenderMatch_i + B_2ActiveInvestors_i$$

H3 was tested by using a proxy for company size in a logit regression as the dependent variable: employees. The GDP and PrimaryIndustrySector variables were once again used to control for macroeconomic conditions and industry-specific effects respectively. I also controlled for a given private equity firm's propensity to invest more generally by using the TotalInvestmentsLast5Years variable. The assumption is that companies that invest more frequently fit into one of two categories:

1. Large private equity firms that make many investments across the board because they have the human capital and money to do so.
2. Private equity firms that invest in a select few early-stage companies which require greater due diligence.

$$Employees_i = B_0 + B_1(female_i\#female_i) + B_2(female_i\#male_i) + B_3(male_i\#female_i) + B_4(male_i\#male_i) + B_5GDP_i + \delta(Industry_i)$$

$$Employees_i = B_0 + B_1(female_i\#female_i) + B_2GDP_i + \delta(Industry_i)$$

$$Employees_i = B_0 + B_1GenderMatch_i + B_2GDP_i + \delta(Industry_i)$$

5. Results

5.1. Descriptive Statistics

Table 1 presents a summary of my dependent, independent, and control variables. The initial limiting factor for my regressions is the gender columns. There are 21,127 CeoGender observations and just 17,790 LeadPartnerGender observations. The GrowthRate, #OfActiveInvestors, and TotalInvestmentsLast5Years control variables further limit their respective regressions. The mean and median values provide valuable insight. Unsurprisingly, just 5.45% of CEOs and 2.87% of lead partners in the data are female respectively. However, nearly 48% of deals have matching CEO and lead partner gender. Approximately 28% of investors served as the lead investor on their deals in the dataset. The average number of employees in a portfolio company is just under 3000. Portfolio companies have just 2 active investors on average.

Table 2 provides a more detailed breakdown of CEO and lead partner gender. Less than 0.5% of deals have both a female CEO and a female lead partner. In contrast, over 90% of deals have both a male CEO and a male lead partner. Table 3 is a snapshot of the industries present in my data sample. Business Products and Services has the most representation, with the rest trailing far behind.

5.2. Deal Size Regressions

For my first set of regressions, I looked at how gender impacts deal size (H1). The results are presented in Table 4. When all CeoGender and LeadPartnerGender combinations are included, six terms are statistically significant. The Female#Female term is positively significant, suggesting that female CEOs are more likely to make larger investments in female-led businesses. On the

other hand, Female#Male is negatively significant, which indicates that men are far more hesitant to invest heavily in women-led businesses. These results affirm H1. GrowthRate and GDP are both positive and significant, which is fairly intuitive. Interestingly, Consumer Products and Services (B2C) and Healthcare are both negatively significant, suggesting that private equity deals in those industries tend to be smaller.

When the gender terms are narrowed down to just Female#Female for the second DealSize regression, the results are nearly identical. The Female#Female t-statistic increases from 2.05 to 2.08. However, when only the GenderMatch variable is used, the significance is no longer present. GrowthRate increases in significance by nearly 3x, while the GDP variable becomes insignificant. Once again, the B2C and Healthcare industry variables remain significant. These results suggest that deal size does not differ significantly if two men are involved, only when two women are involved or when a male is investing in a female CEO.

5.3. Lead Investor Regressions

For my second set of regressions, I examined how gender impacts whether or not the lead partner and their firm is the lead investor for the round. In theory, the lead investor is the largest investor taking on the most risk, and therefore the biggest believer in the success of the business. The results are presented in Table 5. Regardless of which gender interaction terms are included, only the #OfActiveInvestors term is significant. This result is surprising and contradicts H2. The negative coefficient on #OfActiveInvestors is in line with my assumption that when there are more investors in the picture, any given investor is less likely to take on the lead role.

5.4. Employees Regressions

For my third and final set of regressions, I examined how gender impacts at what stage and size of the portfolio company a firm makes its investment. To accomplish this, I used the number of employees at a given portfolio company as a proxy for company size. The results are presented in Table 6. Regardless of which gender terms are included, none of them is significant (even GenderMatch). These results are also suprising and are not in line with H3. There are slight discrepancies in how significant the control variables are across the three regressions. GDP was negatively significant, which reinforces the idea that in bad macroeconomic conditions, companies tend to conduct layoffs or delay hirings. The TotalInvestmentsLast5Years variable was positively significant, suggesting that firms with many investments tend to invest in later-stage companies. This could be because firms that invest in later-stage companies have to do less due diligence and can therefore invest in more companies. Some firms may be adopting this as a general strategy, hoping that their investment "hits and misses" will be evened out by covering a wider base of companies. The PrimaryIndustrySector variables vary greatly in terms of their significance, which is an intuitive result. Companies in different industries can be at the same "stage" but have varying numbers of employees based on the nature of the work they do or the service they provide.

6. Discussion

While diversity has become a hot topic in private equity in recent years, the industry remains dominated by white men. Some papers have attempted to quantify the impact of diversity on private equity firms and potentially encourage better hiring and promotion practices, but research on the subject is still in its infancy. Researchers are often limited by their use of private survey data and their focus on firm and fund performance metrics like IRR and risk (ex: volatility

of returns). The results of such research have been mixed, and even those that find positive impacts struggle to pinpoint how or when in the process diversity impacts a firm.

My paper attempts to address several of these issues and provide context for further research efforts. The data I use from Pitchbook is publicly available and frequently updated, making my results replicable and my analysis able to be repeated over time. Rather than tackle a broad category like deal performance, I am to pinpoint specific gender-based interactions and their impact on the making of a deal. Studying deal size and whether or not a given partner is the lead investor provides insight into the willingness to invest more heavily across or within genders. Examining the number of employees at the time of a deal can illustrate how gender might impact the stage at which a partner feels comfortable investing.

While the majority of my regressions did not have significant gender terms, they still provide valuable insight. In most cases, gender does not appear to have an impact on deal size, whether or not the partner is the lead investor, or the stage at which the partner invests in the business. However, this narrows down where gender does play a role in the industry. Perhaps women are able to drive value by being a voice in the room during meetings about firmwide strategy or when discussing operational challenges for portfolio companies. While female investing habits may not change when it comes to the actual deal, women may still be impacting deal flows through their differentiated networks. The gender spread across deals from my dataset still suggests that women invest more in their fellow women than men do. The difference in deal characteristics may be insignificant, but female CEOs and female lead partners may still be more likely to make deals together in the first place.

In addition, my regressions that do have significant gender terms also serve to reinforce and expand upon previous findings. My first deal size regression indicates that women invest more

heavily in women, while men are very reluctant to invest heavily in women. This is in line with critical mass theory, in that men often stereotype a woman who is not in the presence of other women. The significance of the Female#Female term in both the first and second deal size regressions also suggests that women band together when it comes to investing.

7. Conclusion

The findings of my research have real-world implications and provide a clear path forward for future research. Given that female lead partners appear to invest more heavily in female CEOs, perhaps female CEOs should spend more time targeting and appealing to female lead partners when they are seeking investment. Private equity firm leadership may also want to consider the possible ramifications of a larger deal size on risk for the firm. Even in one-on-one interactions, a potential reduction in return due to gender diversity may be worth it for its potential risk reduction benefits. These are the calculations private equity executives need to be making.

While the lack of significance is surprising, the vast majority of my regressions not meeting the 95% standard for significance narrows down the areas in which gender diversity could be having specific and measurable impacts. Despite the lack of impact of gender diversity on deal characteristics or stage of a given portfolio company at the time of investment, it may still be impacting the network of the firm and deal performance more broadly. The demographics of my dataset suggest that women are still more likely to invest in women than men are. Furthermore, gender diversity may have a strong impact on performance once a deal is complete. There are many operational challenges that private equity firms, partners, and portfolio companies tackle together. Female partners may be providing valuable and unique insight as these internal discussions take place.

If I had a more complete dataset, I would have attempted to further separate out these different impacts. I encourage future researchers to pursue this line of logic. Isolating and understanding the impacts of gender diversity could give women greater opportunity in the positions that best allow both them and the firm to succeed, drive portfolio company return, increase general economic efficiency, and beyond. In this paper, I have only scratched the surface of what is possible. With better data and longer research timelines, this type of analysis has the potential to revolutionize the young yet powerful industry that is private equity.

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9. Tables

Table 1: Descriptive Statistics

This table shows summary statistics for all of the variables used in my regressions. These summary statistics are calculated from Pitchbook's North America Private Equity dataset. Unsurprisingly, 94% of CEOs and 97% of lead partners are male.

VARIABLES	(1) N	(2) mean	(3) sd	(4) min	(5) max
DealSize	12,052	310.57	749.69	0.01	9,400.00
Employees	17,608	1,623.35	11,408.65	1.00	800,000.00
#OfActiveInvestors	10,114	2.08	1.77	1.00	42.00
TotalInvestmentsLast5Years	30,590	93.43	166.26	1.00	2,440.00
GDP	36,005	17,264.51	4,149.19	4,507.89	26,137.99
GrowthRate	10,406	0.11	3.26	-18.58	124.17
IsLeadInvestor	36,005	1.25	0.43	1.00	2.00
CeoGender	21,127	1.94	0.25	1.00	2.00
LeadPartnerGender	17,790	1.97	0.18	1.00	2.00
PrimaryIndustrySector	36,000	2.67	1.99	1.00	7.00
GenderMatch	10,632	0.91	0.28	0.00	1.00

Source: Pitchbook and author's calculations

Table 2: Gender Breakdown

This table provides a detailed look at the composition of CEO and lead partner genders for deals in my dataset. Less than 1% of deals have female CEOs and female lead partners, which is a limitation in my analysis.

CEO Gender	Lead Partner Gender		
	Female	Male	Total
Female	47	669	716
	(0.44)	(6.29)	(6.73)
Male	275	9641	9916
	(2.59)	(90.68)	(93.27)
Total	322	10310	10632
	3.03	96.97	100.00

Percentages in parentheses
Source: Pitchbook and author's calculations

Table 3: Industry Breakdown

This table provides a breakdown of the portfolio company industries in my dataset. The largest category by far is Business Products and Services, with the rest trailing far behind.

Primary Industry Sector	Freq.	Percent
Business Products and Services	16588	46.08
Consumer Products and Services	5344	14.84
Energy	3223	8.95
Financial Services	1980	5.50
Healthcare	3376	9.38
Information Technology	4137	11.49
Materials and Resources	1352	3.76
Total	36000	100.00

Source: Pitchbook and author's calculations

Table 4: Deal Size Regressions

This table shows the results of a multivariable regression on DealSize. The following variables were chosen to control for portfolio company growth and performance, macroeconomic conditions, and differences in deal size across industries.

VARIABLES	(1) Deal Size	(2) Deal Size	(3) Deal Size	(4) Deal Size
Female#Female	402.42	1,098.90**	1,114.62**	
	(324.44)	(536.08)	(536.29)	
Female#Male	-190.92***	-265.93***		
	(28.63)	(46.69)		
Male#Female	-76.79	-23.60		
	(74.11)	(121.49)		
Male#Male (omitted)	0.00	0.00		
	(0.00)	(0.00)		
GenderMatch				180.02***
				(57.55)
GrowthRate		37.21***	37.33***	37.12***
		(7.10)	(7.17)	(7.16)
GDP		0.02**	0.02**	0.02**
		(0.01)	(0.01)	(0.01)
Business Products and Services		-269.05*	-266.97*	-253.47*
		(151.65)	(151.66)	(151.58)
Consumer Products and Services		-321.57**	-324.70**	-314.70**
		(155.21)	(154.95)	(154.93)
Energy		-116.63	-111.55	-112.95
		(166.89)	(167.17)	(166.83)
Financial Services		142.27	151.21	155.11
		(208.02)	(207.96)	(208.23)
Healthcare		-320.07**	-316.44**	-313.87**
		(152.22)	(151.94)	(151.84)
Information Technology		-99.68	-89.24	-90.44
		(164.69)	(164.36)	(164.20)
Materials and Resources (omitted)		-	-	-
Constant	366.32***	399.82**	391.71**	209.93
	(16.38)	(192.42)	(192.55)	(199.31)
Observations	3,283	1,515	1,515	1,515
R-squared	0.00	0.04	0.04	0.04

Source: Pitchbook and author's calculations

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 5: Is Lead Investor Regressions

This table shows the results of a multivariate logit regression on IsLeadInvestor. The #OfActiveInvestors was chosen to control for more investors making any one of them less likely to be the lead investor in the round.

VARIABLES	(1) IsLeadInvestor	(2) IsLeadInvestor	(3) IsLeadInvestor	(4) IsLeadInvestor
Female#Female	-0.15	-0.20	-0.21	
	(0.30)	(0.51)	(0.51)	
Female#Male	-0.20**	0.24*		
	(0.08)	(0.15)		
Male#Female	-0.14	-0.05		
	(0.13)	(0.19)		
Male#Male (omitted)				
GenderMatch				-0.14
				(0.12)
#OfActiveInvestors		-0.43***	-0.43***	-0.43***
		(0.04)	(0.04)	(0.04)
Constant	-0.42***	1.18***	1.19***	1.32***
	(0.02)	(0.08)	(0.08)	(0.14)
Observations	10,632	4,116	4,116	4,116

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Source: Pitchbook and author's calculations

Table 6: Employees Regressions

This table shows the results of a multivariable regression on DealSize. The following variables were chosen to control for macroeconomic conditions, and differences in the number of employees across industries.

VARIABLES	(1) Employees	(2) Employees	(3) Employees	(4) Employees
Female#Female	579.26	658.40	629.35	
	(1,220.44)	(1,472.97)	(1,473.86)	
Female#Male	-250.30	-224.08		
	(296.02)	(321.52)		
Male#Female	1,606.59	1,745.54		
	(1,481.89)	(1,572.21)		
Male#Male (omitted)	0.00	0.00		
	(0.00)	(0.00)		
GenderMatch				-389.26
				(540.91)
GDP		-0.14***	-0.14***	-0.14***
		(0.04)	(0.04)	(0.04)
TotalInvestmentsLast5Years		4.69***	4.67***	4.70***
		(0.68)	(0.68)	(0.68)
Business Products and Services		407.54	432.96	426.11
		(343.84)	(340.88)	(342.34)
Consumer Products and Services		1,000.29***	1,029.21***	1,009.98***
		(360.27)	(378.54)	(362.54)
Energy		-747.96***	-723.63***	-724.59***
		(203.48)	(201.23)	(201.25)
Financial Services		-229.89	-229.52	-233.28
		(234.64)	(233.42)	(240.79)
Healthcare		721.93**	756.41***	733.03**
		(297.08)	(292.91)	(296.14)
Information Technology		-120.40	-96.23	-106.01
		(230.29)	(227.95)	(228.73)
Materials and Resources (omitted)		-	-	-
Constant	1,361.55***	3,081.50***	3,085.96***	3,459.83***
	(128.56)	(672.71)	(672.43)	(877.81)
Observations	7,874	7,251	7,251	7,251
R-squared	0.00	0.01	0.01	0.01

Source: Pitchbook and author's calculations

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1