

Let's Settle This Once and for All: 'Can You Be a Good Mom and an Entrepreneur?'

In honor of International Women's Day, a contributor answers this (kind of antiquated) question yet again and offers some solutions.

March 8, 2019 6 min read

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As the founder and face of Pipeline, a company that launched the first gender-equity app, I have frequent speaking engagements that include a Q&A session. And, here, if I've mentioned during my speech that I'm a mom, I almost always get the question, "How are you a good mom *and* entrepreneur?"

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Though the questioner may alternatively say "CEO" or "executive," the implication is fundamentally the same: "*How could you possibly be a good mom and work that hard?*"

I see the query as a derivation of the (sexist) question, "Can women have it all?"

After all, who asks that question of men? Right; we don't. And that's because we assume that their wives are taking care of their children. On February 11, 2007, when then-U.S. Senator Barack Obama announced his candidacy for president, his daughters were ages 5 and 8. I don't recall anyone asking him how he was a good father *and* a good presidential candidate (or senator). The reason was the assumption that Michelle was

taking care of their girls.

Yet that assumption is rife with misconceptions, starting with the belief that once you become a mother, you're not as committed to your career, allowing you to be mommy tracked, as the *New York Times* once described. The reality, according to a study by the Federal Reserve, is that working mothers as a group are the most productive employees over the course of their careers.

And false assumptions are only part of the problem: In addition to the social barriers you'll face in your upward mobility, there are economic ones, because when you become a mother, you also confront a 4 percent per-child pay penalty, according to a study reported in the *American Sociological Review*.

Then, there's the entrepreneurial issue: If you launch your own company, and want it to be scalable and raise capital, you'll next face an uphill battle as a woman *and* as a mother, the Kauffman Foundation reports.

Mother-entrepreneurs: the perfect storm

Here's the reality: Being a woman in the workforce is an experience fraught with headwinds. Being a female entrepreneur increases those headwinds ten times over. Layer in being a mom, and you're now facing a Category 5 hurricane.

Women are the breadwinners in 40 percent of households in the United States with children under the age of 18. And, on average, working mothers earn 76 cents on the dollar – 4 cents less than women overall and 24 cents lower than the earnings of all families. Breadwinner moms, then, are the norm. So, why aren't we treating them as such?

Female entrepreneurs face an especially challenging uphill

climb: In 2017, female entrepreneurs involved with both female-founded and female- and male-co-founded startups received just 14.2 percent of venture capital funding.

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Conversely, 17 percent of startups have a female founder; so that’s a 2.8-point gap. The gap between the largest rounds raised by a male-led startup in 2017 versus those raised by a female-led startup (both, Series G rounds) was 18 times. Eighteen times!

Meanwhile, according to a Morgan Stanley report, investors describe female founders as receiving the right amount of funding to grow their businesses, even as they capitalize multicultural and women-owned businesses at 80 percent less than businesses overall.

Finally, female entrepreneurs are asked what the *Harvard Business Review* has termed prevention questions, which focus on their ability to prevent potential losses. And, behind closed doors, venture capitalists minimize female entrepreneurs’ capabilities. In that same vein, an Illuminate study showed that the investors it surveyed viewed women as lacking the top success attributes needed to build a venture-backed business.

It’s not surprising, then, to see the vast difference in funding, which, when viewed through an economic lens, is actually minimizing the returns to venture capitalists and their limited partners.

Women vs. men

Today, the average entrepreneur is a white male in his 30s. Mother entrepreneurs, according to 99designs figures, break with this norm:

- 57 percent are 40 or older
- 79 percent are married
- 95 percent have a partner who brings home income
- 71 percent are the primary caregiver for their children

In other words, mother-entrepreneurs do not, on average, fit the pattern of what venture capitalists think of as successful entrepreneurs.

Still, that pattern is changing, declares someone as estimable as Melinda Gates. And the result is that venture capitalists risk missing the next wave of capital returns if they don't change their thinking. So, how do we break old patterns? How do we support female entrepreneurs? Here's my outline for a three-step action plan to make those things happen:

1. Limited Partners (LPs), take your rightful place.

In the world of venture capital, limited partners (LPs) sit atop the hierarchy and have a huge role to play in changing the landscape of who gets funded, as Gates demonstrated. LPs need to use their power and wield it for good. Perhaps they should have a pledge similar to that of Founders for Change, in which startup founders commit to taking investment only from diverse investment teams.

LPs should commit to funding only venture capitalists who fund diverse entrepreneurs (demonstrated through their current portfolio) and have a venture partner lineup that is at least 40 percent female.

2. Increase the number of female venture partners.

Currently, women make up only 9 percent of female venture

partners (and 74 percent of U.S. venture firms have no female partners at all). Here's why that matters: Having female partners improves the chances of success for female-led startups. In this instance, success is defined as a successful exit (a liquidity event) where venture capitalists and other investors realize a return on their investment in the startup.

Bust your bias.

Just as pledge organizations like CEO Action and Paradigm for Parity require specific actions by signatories to increase gender equity and bust bias, we need venture-capital firms to commit to specific actions to overcome the bias in the capital-raising process women face. In making such a pledge and following up with action, venture capitalists would not only do the right thing but also expand their projected returns for their LPs (to the tune of \$4.4 trillion, according to an estimate in the Morgan Stanley report referenced earlier).

Overall, mothers are equally valuable as parents *and* entrepreneurs. So, when I answer the question, "How are you a good mom and an entrepreneur?", my answer now is always the same: "We need to redefine what it means to be a 'good mom.'"

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Perhaps we also need to redefine what makes a good entrepreneur. Because good entrepreneurs come in gender identities and ages. The world is changing, and returns are being left on the table. Let's step up.

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