

GENDER DIVERSITY IN PRIVATE EQUITY AND VENTURE CAPITAL IN SPAIN

PROGRESS STARTS WITH UNDERSTANDING

PRODUCED BY

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LEVEL
20

AUGUST 2021

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ABOUT NINA CAPITAL

Nina Capital is a specialized venture capital firm investing exclusively at the intersection of healthcare and technology. From our home base in Barcelona, Spain, we provide early-stage capital for founders across Europe, North America, and Israel. Early stage means, for us, entry-point checks at the preseed and seed stage.

We are inspired by a vision for the future in which data, computing, networks, and other digital and deep technologies deliver meaningful clinical and value outcomes for healthcare participants. In our investment criteria and process, we are informed by a Stanford-born methodology of health technology innovation known as Biodesign. Since 2001, Biodesign has proven to de-risk the process of new venture creation by applying a need-driven and value-based approach to reinventing healthcare with the help of technology.

For more information, visit www.nina.capital or contact: info@nina.capital.

ABOUT LEVEL 20

Level 20 is a not for profit organisation founded in 2015 by 12 women working in senior roles in private equity, aligned around a common vision of improving gender diversity in the industry.

We aim to inspire women to join and succeed in this dynamic industry by creating opportunities for them to interact and learn from the insights and experience of others. Our vision is underpinned by a focus on four key initiatives: mentoring and development; networking and events; outreach and advocacy; and research.

For more information, visit www.level20.org or contact: office@level20.org.

COVER IMAGE: data-artwork by Nina Capital's friend Giorgia Lupi, author of Dear Data.

For more information, visit www.giorgialupi.com.

FOREWORD

Nina Capital and Level 20 are delighted to publish our findings on Gender diversity in the Spanish Private Equity and Venture Capital industry.

Level 20, a not-for-profit organisation, was created to drive gender diversity in Private Equity and its core objective is to increase the number of women working in senior roles in the industry to 20%. Whilst we know that the Venture Capital and Private Equity industry lags behind other market sectors, including financial services in terms of gender diversity, without a dataset it is very difficult to measure progress. This study provides a great foundation for firms to set and measure progress and to encourage discussion and debate within the industry as a part of the journey to increasing diversity in the industry.

Whilst there is still much to do, it is encouraging to see that the pipeline of female talent is promising, particularly in the Venture Capital community and we will continue to work with the industry to improve these results in the coming years.

Thank you to all who have been involved in bringing this project to fruition, for your commitment, energy, and passion to make a difference.



PAM JACKSON
Chief Executive Officer
LEVEL 20



MARTA-GAIA ZANCHI
Founder & Managing Partner
NINA CAPITAL

1. EXECUTIVE SUMMARY

Ample research has already shown that industries that neglect true progress towards gender diversity are missing out on a major opportunity to make themselves stronger. Private Equity (PE) and Venture Capital (VC) industries rely on institutional investor funding, and institutional investors are demanding management teams, especially investment teams, be more diverse.

We at Nina Capital and Level 20 believe that progress starts with understanding. When we realized that no one had made the effort to understand the true state of gender diversity in our industry in Spain, we decided to take action.

To measure and understand the state of gender diversity in the Spanish Private Equity and Venture Capital (PE/VC) industry, **we studied data on 209 PE/VC firms and their 2,127 employees with an office presence in Spain and conducted over two dozen interviews with industry professionals.**

The study revealed, for the first time, the severity of the gender diversity issue in Spanish PE/VC and can be used as a baseline for improvement. We found, unsurprisingly, that women are underrepresented in the Spanish PE/VC industry. In aggregate, women represent 30% of the workforce.

Only 17% of senior roles positions are held by women. **When we looked at senior investment roles, we found that only 14% of positions are held by women.** There is a higher percentage of women at the mid and junior level, with 36% of the mid-level roles and 44% of the junior roles¹.

When comparing the percentage of investment roles held by women in PE versus VC, we see that **women in VC hold a slightly higher percentage of senior investment roles relative to PE** (15% versus 12%, respectively). In addition, there is a noticeable difference between PE and VC at the mid level. While **women in VC hold 32% of mid level investment positions, women in PE hold only 18% of mid level investment positions.**

Although the overall numbers paint a picture of an industry dominated by men, there are pockets within the industry where gender diversity is prevalent. For example, we found in the data that **bigger teams are often more gender diverse than smaller ones.** Interestingly, **this trend does not extend to Assets Under Management (AUM) size**, and firms classified as large, medium and small by AUM have similar percentages of staff that are female. In addition, we learned that the **firms specializing in more gender diverse sectors, such as the life sciences, tend to be more gender diverse themselves.**

When speaking with our interviewees, they cited several reasons for this underrepresentation, including lack of awareness of the existence of the PE/VC industry and its career paths amongst young people; misperceptions about the industry amongst those who are aware; a homogenous, male-dominated candidate pool (which we speculate is, at least in part, a consequence of the former); and perhaps also, gender biases embedded in the culture and

¹ Definitions of role levels (senior, mid, or junior role) are included in the report.

hiring practices of firms. We found that the difficulties exist not only in recruiting women into the industry, but also in retaining and advancing women to senior roles.

Through the results of our quantitative analysis and the insights from our qualitative research, we have developed a series of recommendations to help reduce the gender gap in our industry, including:

- engage in **recruitment efforts** towards a more diverse candidate pool;
- foster a **culture of inclusion** within firms for the retention of female talent;
- invest in the **entrepreneurial ecosystem chain** to create future female candidates;
- create and disseminate **policies** for adoption by investment firms;
- continue to **collect and analyze gender diversity data** to track industry progress against specific, measurable goals.

Our objective is that this report provides a methodology for improving gender diversity in Spanish PE/VC. We hope that when this study is repeated, it will show progress towards a more gender diverse industry, not just overall but at every sub-segment and role category in the industry.

AT A GLANCE: WOMEN IN PRIVATE EQUITY AND VENTURE CAPITAL IN SPAIN

		% FEMALE, INVESTMENT ROLES	% FEMALE, NON-INVESTMENT ROLE	TOTAL NUMBER OF WOMEN
junior	PE	32%	69%	98
	VC	33%	61%	92
mid	PE	18%	63%	104
	VC	32%	49%	211
senior	PE	12%	47%	53
	VC	15%	27%	84
total number of women		335	307	642

out of a total of 2,127 Spanish PE/VC professionals included in this research.

2. INTRODUCTION

From **June to September 2021**, Nina Capital and Level 20 conducted research to measure and understand the state of gender diversity in the Spanish Private Equity (PE) and Venture Capital (VC) industry. As this is the **first study of its kind for Spanish PE/VC, we had to develop a methodology for it**. We then decided to share it with the recommendation that this research be repeated over time; a vital step in measuring and monitoring progress towards a more gender diverse workforce.

To develop an objective understanding of the state of gender diversity in Spanish PE/VC, we **collected and analyzed firm and employee data at the most granular level**. In parallel with this effort, we also **conducted qualitative interviews with representatives of the industry**, both men and women at various levels of seniority. Our goals were to:

- (i) extract insights from the community to explain or complement the numbers, and
- (ii) offer opportunities for dissemination of recommendations around specific interventions that may improve gender diversity in Spanish PE/VC.

While we **expected women to be underrepresented in Spanish PE/VC overall, we also expected the statistics to vary by certain firm characteristics**. To investigate this further, we collected various dimensions of data to help us identify trends that exist in firms with a relatively higher proportion of women, which could then guide the formation of a set of recommendations for improving gender diversity.

3. QUANTITATIVE ANALYSIS

3.1 METHODOLOGY & OBJECTIVES

The objective of the quantitative research was to **collect, measure, and analyze gender diversity data** in a way that can be repeated, scaled, and improved over time. We believe this is the first time such an effort is undertaken for the Spanish Venture Capital and Private Equity industry. We had to develop a new methodology, which sets a framework that defines scope, relevant data sources, necessary data points, and primary data collection methods.

In addition, as part of the methodology, we identified **relevant criteria by which to summarize and view the data**. By measuring gender diversity across various buckets of interest, such as type of firm, its location, and size, we were able to examine and identify differences or trends amongst the many characteristics of the firms. Overall, our methodology lays the foundation to conduct quantitative research in a way that enables the measuring and monitoring of trends over time.

3.1.1 Scope

The analysis includes **Private Equity and Venture Capital firms with employees in Spain**. The broad definition includes all employees of firms headquartered² in Spain, as well as employees located in Spain working for firms headquartered outside of Spain (i.e. for a subsidiary³). The firm must have an active investment program in order to be included.

Employees of Venture Builders, Business Angels, Accelerators, LPs, Corporate venture arms and firms with no Spanish legal presence were excluded from the analysis due to limitations in being able to confidently distinguish between non-venture and venture arm employees at corporations.

3.1.2. Private Equity and Venture Capital Firm database

The data sources used for this analysis include:

- (i) the ASCRI 2021 Directory Private Equity & Venture Capital,
- (ii) the Invest Europe 2021 Member Directory, and
- (iii) Nina Capital's own proprietary database.

Through the combination of these data sources, we created a final firm database that includes a unique set of 255 companies with headquarters or subsidiaries in Spain.

² Headquarter in Spain = the main operational and administrative center is located in Spain.

³ Subsidiary in Spain = the main operational and administrative center is not in Spain, but the firm has at least an office in Spain.

For all 255 firms, we collected data to indicate whether the firm is PE or VC; the firm's main location (city) in Spain; as well as, the firm's assets AUM size.

AUM data was collected using external data sources, including data provided by Preqin⁴. We were not able to find AUM data for 59 firms in our analysis.

3.1.3. Private Equity and Venture Capital Employee database

After finalizing the list of Spanish PE and VC firms, **we collected employee data and created a database of employees**, using two data sources.

The first data source was Level 20: here, data was created as the output of a proprietary web-scraping algorithm developed by the Motherbrain team of EQT Growth⁵. The second data source was Nina Capital: here, data was created through manual effort by the Nina Capital team, by compilation of publicly available employee information. The combination of the two databases resulted in a final list of employees, their gender and role.

46 firms were excluded from the analysis because employee information was not publicly available .

⁴ Preqin provides financial data and information on the alternative assets market, as well as tools to support investment in alternatives.

⁵ EQT is a global investment organization founded in 1994, dedicated to investing in, developing, and owning companies across multiple regions, sectors and business models. EQT Growth explores thematic growth opportunities at the point companies are ready to scale, investing in a range of technology and technology-enabled businesses. EQT Growth is powered by Motherbrain, EQT's proprietary AI-based Investment Platform designed for better and more efficient decision making.

3.1.4. Firm classification

To support our analysis and for visualization purposes, we introduced some classifications and their definitions. Specifically, we classified and subsequently analyzed firms by the following characteristics:

- Assets Under Management (AUM)⁶ size
- Employee size
- PE vs. VC
- Firm location

The **size classification of firms**⁷ are defined as follows.

Table 1 Firm Size Definitions & Distribution of Firms

- AUM

Firm size definitions	small	medium	large
AUM (EURO M)	0-50	50-1,000	>1,000

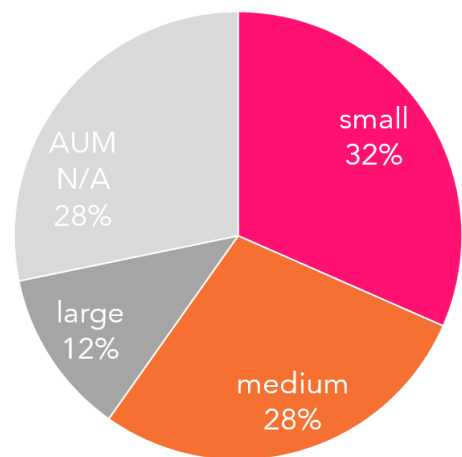
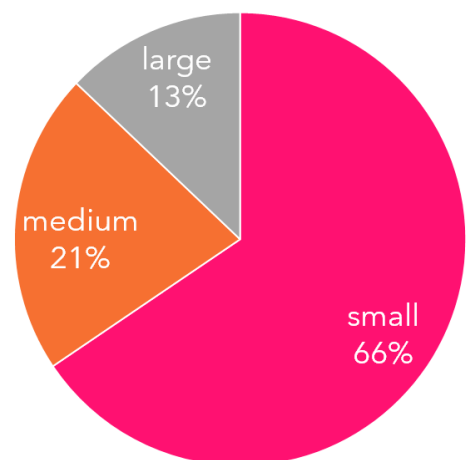


Table 2 Firm Size Definitions & Distribution of Firms

- Employee count

Firm size definitions	small	medium	large
Employee count	0-10	10-20	>20



⁶ AUM is the total market value of the investments that an entity manages on behalf of clients.

⁷ Size classification of firm ranges were selected based on the firm size distribution and the thresholds that allowed a sizable sample within each bucket.

3.1.5. Role classification

We then **classified each employee's role into role level (senior, mid or junior role)** and identified whether the role was an **investment or non-investment** role.

Each job title was assigned a category based on a table provided by Level 20 (see Table 3 & 4 below). For job titles that were not included in the table, the project team made manual assignments.

Table 3 Role level

Junior	<p>Supports senior team members. May or may not participate in a limited way in carried interest.</p> <p>Job titles include: Associate, Investment Associate, Senior Associate, Analyst, Investment Executive.</p>
Mid	<p>Responsible for sourcing, evaluating, executing and managing deals. Participates in carried interest. Non-Investment professionals reporting directly to C-level or equivalent.</p> <p>Job titles include: Executive Director, Investment Director, Director, Investment Manager, Executive Vice President, and in some cases Principal, Senior Vice President, Vice President.</p>
Senior	<p>Leadership of the management company and investment team. Responsible for final investment/divestment decisions. C-level type responsibilities. Own majority of carried interest.</p> <p>Job titles include: Founding Partner, Managing Partner, Senior Partner, Managing Director, General Partner, Partner, Operating Partner, Chairman, and in some cases Principal.</p>

Table 4 Investment vs. non-investment role

Investment	Professionals who are directly involved with making investment / divestment decisions and managing the investment portfolio.
Non-investment	Professionals who are involved in operational, financial, marketing, and investor relations areas.

3.2 RESEARCH DATES

The data collection was conducted over a one-month period, between **June 2021 and July 2021** and the analysis is limited to data available at that time.

3.3 LIMITATIONS

The limitations of our quantitative research largely exist due to our reliance on the **accuracy of publicly available employee information**. For example:

- The **employee data** collected was based on current public information, which may or may not reflect the employee's current role or location. However, we assume that in the large majority of cases, it does. In the case where an employee's role was not available, we excluded the employee from the analysis.
- **The accuracy of the role classification** is limited to the accuracy of the project team's assignment, which, at times, relied on a subjective assessment.

Finally, we were limited to the AUM data available, and therefore **about 28% of firms included in the analysis do not have AUM data** and are not included in the metrics related to AUM size of firm. (The large majority of firms lacking AUM data are classified as 'small' employee size, which is a possible explanation for the unavailability of data.)

3.4 SUMMARY STATISTICS

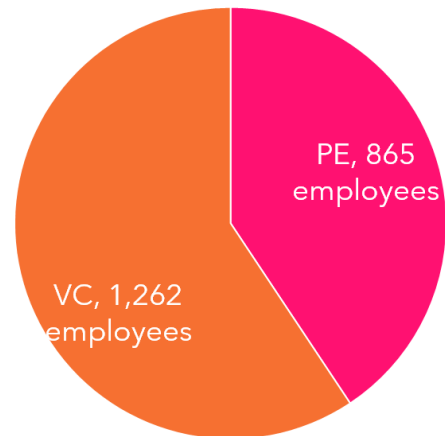
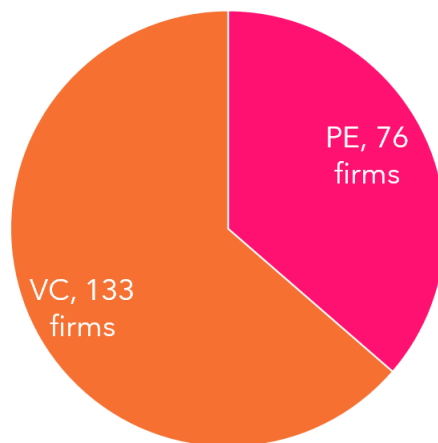
The final database includes 2,127 employees from 209 firms.

Firm characteristics are as follows:

- 64% of the firms operate exclusively in Venture Capital;
- 36% of the firms operate as a Private Equity firm or as a Private Equity firm with other operations including Venture Capital;
- 88% of the firms are headquartered in Spain;
- 12% of the firms are Spain-based subsidiaries of international firms;
- Approximately half of the firms are located in Madrid, 24% in Barcelona, and the remaining throughout Spain.

Table 5 Quantitative Analysis - Summary Statistics

	PE	VC	TOTAL
Total # firms	76	133	209
Total # employees	865	1,262	2,127



4. QUALITATIVE ANALYSIS: INDUSTRY INTERVIEWS

4.1 METHODOLOGY & OBJECTIVES

We conducted a series of interviews with professionals from the Venture Capital and Private Equity industry in Spain to gain a qualitative point of view that complements the data and findings of the quantitative analysis. Whenever possible, we also interviewed other industry experts⁸ and gender diversity researchers. With the additional perspective, we developed a set of insights, supported by data and interviews, regarding the current state of gender diversity in the Spanish Private Equity and Venture Capital industry and recommendations for how the situation can be improved.

4.1.1 Criteria for selection of interviewees

We interviewed a **diverse group of employees** at Venture Capital and Private Equity firms with different characteristics to ensure a variety of perspectives. To make our selection, we requested interviews with employees working at firms that vary along a spectrum of the following criteria, with a goal to speak with representatives from each target group:

- Gender diversity (percentage of female staff);
- Firm size;
- PE and VC firms;
- Firms headquartered in and outside of Spain.

In addition, we requested interviews with professionals of junior, middle, and senior roles. And, we ensured representation of both men and women in the final pool of interviewees.

4.1.2 Questionnaire

We developed an interview template that varied by the interviewee's characteristics, with consideration to the characteristics of their firm, as well. (For example, we developed a specific set of questions to conduct the interview with an employee of a firm that has a well balanced gender mix in its staff, but, an underrepresentation of females in senior or investment positions.)

A targeted interview survey helped us learn more about specific issues facing the industry from professionals that had first-hand experience. Using our firm and employee database, we were able to identify the characteristics of firms and employees that helped to further focus our interview.

⁸ Academics, authors, entrepreneurs and Limited Partners.

4.2 SUMMARY STATISTICS

We **completed 27 interviews**, accounting for about 13% of the universe of firms in our study. After reaching out to nearly 50 professionals and a response rate of 60%, we **achieved our goal to include a diverse perspective** by speaking with representatives from each of our target groups.

Overall,

- 41% of interviewees work in PE and 59% in VC,
- 34% are males and 66% are females.

In terms of size of firm,

- 30% of interviewed firms were small, 50% medium, and 20% large.

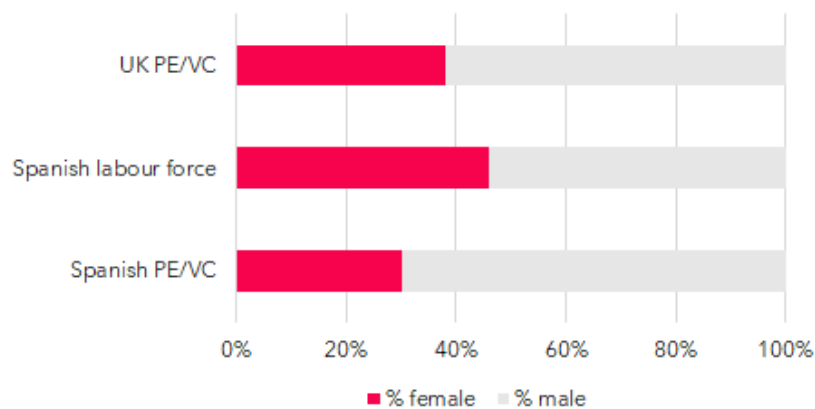
5. INSIGHTS

By combining the results of our quantitative research with the learnings from the interviews, we developed a set of insights to explain the ‘what’ and ‘why’ of gender diversity in the Spanish Private Equity and Venture Capital industry. Our insights below discuss the current state of gender diversity, including measures of gender diversity in senior and investment positions, as well as the common trends and major learnings from our interviews.

WOMEN ARE UNDERREPRESENTED IN SPANISH PE/VC

Based on our analysis of 209 firms and 2,127 employees, we found that **women comprise just 30% of the PE and VC workforce in Spain**, with only minor differences between the two (VC=31% vs. PE=29%). Considering that **women comprise 46% of the Spanish labour force**⁹, the Spanish PE/VC industry is below the national average in gender diversity. When comparing the results of our research with survey data coming from the UK (Level 20 & BVCA “Diversity & Inclusion Survey 2021”¹⁰), the **Spanish PE/VC has less gender diversity compared to the UK**, where women make up 38% of the PE/VC workforce.

Exhibit 1: % workforce, female vs. male



In comparison, **Spain's PE/VC industry is more gender diverse than the Netherlands' PE/VC industry**¹¹, where women make up 11% (PE) and 19% (VC) of the workforce, respectively.

⁹ "Spain Labor Force, Female 1990-2020 Data 2021 Forecast." Tradingeconomics.com, 2020, tradingeconomics.com/spain/labor-force-female-percent-of-total-labor-force-wb-data.html. Accessed 9 Aug. 2021.

¹⁰ "Level 20 & BVCA Launch the Latest Diversity & Inclusion Survey 2021." Level 20, level20.org/research/level-20-bvca-launch-the-latest-diversity-inclusion-survey-2021/. Accessed 19 Aug. 2021.

¹¹ Unpublished study from Level 20 and NVP about Women in Private Equity & Venture Capital in the Netherlands.

THE BIGGER THE TEAM, THE MORE GENDER DIVERSE

Overall, women comprise 30% of PE/VC industry employees, however we observe that this statistic varies by firm size.

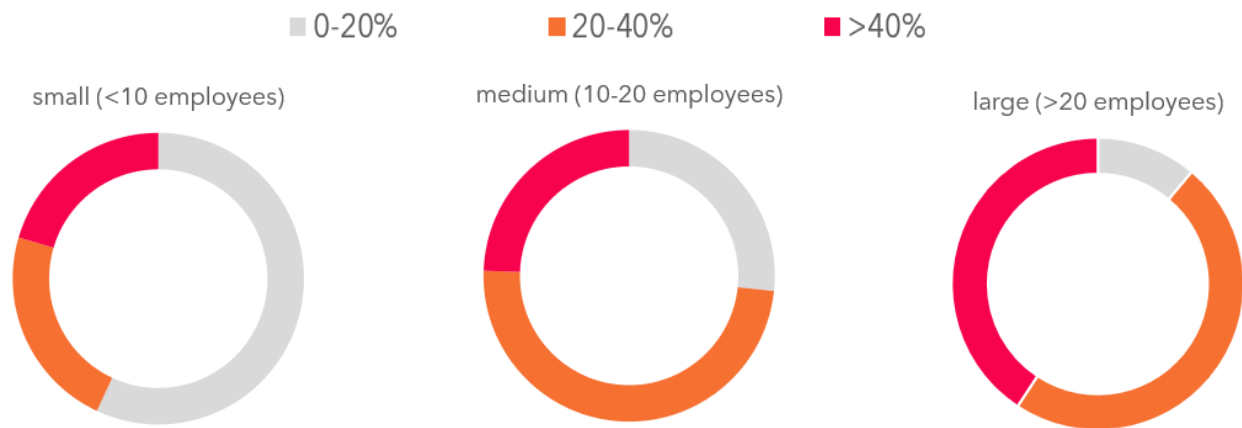
Our research shows that **there is greater representation of women in large firms than in small firms, by number of employees**. Looking in aggregate at the firms classified as 'large' employee size, we find that women comprise 39% of the total workforce in this category. Of the firms classified as 'medium' and 'small', women comprise 28% and 22%, respectively.

When looking at the percentage of women working at any given firm, instead of computing based on total workforce numbers, we see that the average percentage of female staff by firms within each of these categories—large, medium and small—are 38%, 27%, and 19%, respectively.

Interestingly, **this trend does not extend to AUM size**, and firms classified as large, medium, and small by AUM have similar percentages of staff that are female.

This data aligns with learnings from our interviews, including the insight that firms with small teams face more difficulties in their quest to achieve gender diversity. Among the reasons cited by our interviewees, smaller firms often lack formal policies related to the issue.

Exhibit 2: females as a % of a firm's employee headcount, by size of firm
females as % of workforce

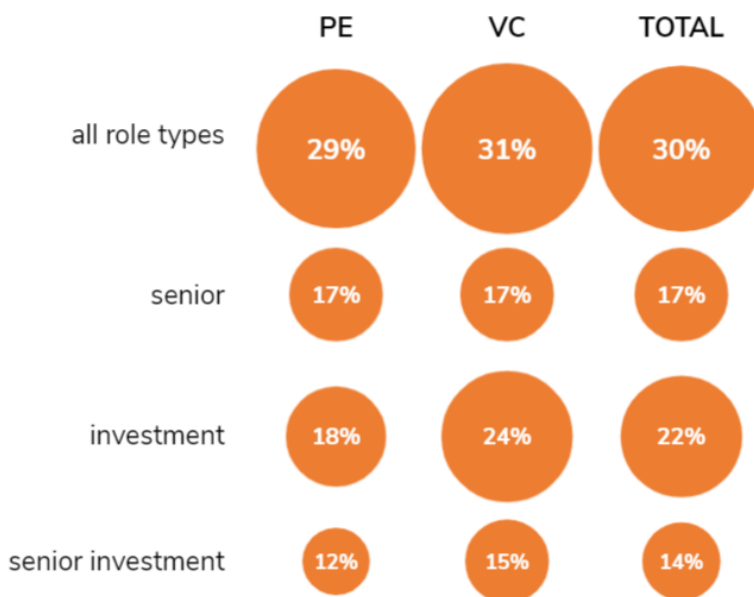


WOMEN ARE SIGNIFICANTLY UNDERREPRESENTED IN INVESTMENT TEAMS, PARTICULARLY IN SENIOR INVESTMENT ROLES

Across all PE/VC firms, our research shows substantial differences in gender diversity between employees with investment and non-investment roles, as well as looking across all roles in different levels of seniority.

Overall women comprise 30% of the Spanish PE/VC workforce, however this hides the fact that 52% of non-investment roles are held by women but **only 22% of investment roles are held by women**¹².

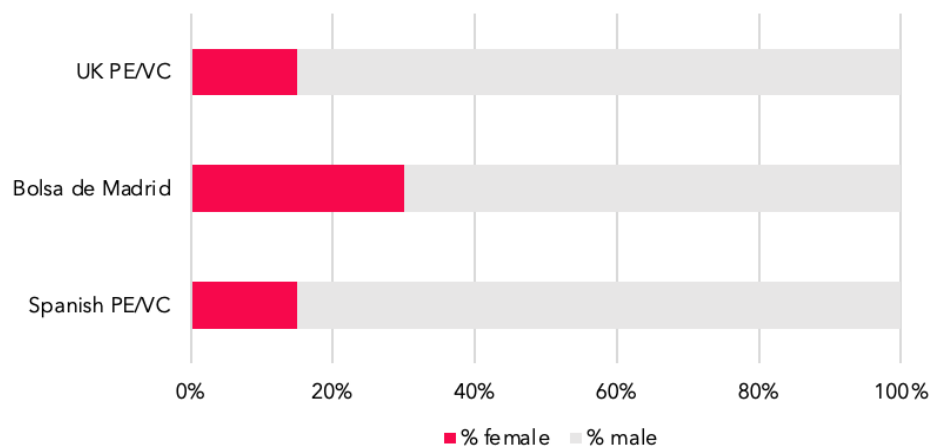
Exhibit 3: % female, by role type, PE vs. VC



¹² The Level 20 & BVCA "Diversity & Inclusion Survey 2021" shows that women comprise 38% of the overall UK PE/VC workforce, a higher percentage than Spain; however, the Survey also shows that women comprise 59% of non-investment roles and only 20% of investment roles. Although the total percentage of women in the UK workforce in PE/VC is higher in Spain, this is weighted towards non-investment roles. We speculate that the reason might be that UK firms tend to be much larger with more support staff.

Across all roles, both investment and non-investment, only 17% of senior professionals are female, and when this is narrowed to only senior investment teams the number drops to only 14% of senior investment roles being held by women. By comparison, the Bolsa de Madrid¹³ has 30% of women representation on the board of directors. In the UK and again according to the Level 20 & BVCA “Diversity & Inclusion Survey 2021,” the percentage of senior roles held by UK PE/VC women is also only 15% overall.

Exhibit 4: % senior workforce, across all roles, female vs. male



In line with the findings regarding size of firms, we observed that **firms with bigger teams not only have more gender diversity overall, but also have proportionally more women in their investment teams.** (Again, there appears to be no significant differences based on AUM size.)

¹³ “IESE Insight Women on Spanish Boards: 30% Goal for IBEX-35 Companies Reached.” Ieseinsight.com, 2011, www.ieseinsight.com/doc.aspx?id=2405&ar=3. Accessed 9 Aug. 2021.

GENDER DIVERSITY VARIES BY REGION AND AMONGST FIRMS THAT ARE HEADQUARTERED OUTSIDE OF SPAIN

When comparing gender diversity in Spanish firms by city, Barcelona-headquartered firms are slightly more diverse than average with 33% of employees being female. Madrid firms are slightly less diverse than average, with a 28% female workforce composition overall.

Regarding firms that are Spanish-headquartered, we see slightly higher gender diversity with 31% of the workforce being females, while Spanish subsidiaries are just 25% female composition overall.

The distribution of non-investment vs. investment professionals and junior vs. mid vs. senior level roles follow a similar distribution to the overall trend in Spain.

FACTORS RELATED TO INDUSTRY IMAGE, RECRUITMENT, AND FEMALE CANDIDATE AVAILABILITY CONTRIBUTE TO THE UNDERREPRESENTATION OF WOMEN IN THE INDUSTRY

After speaking with many industry experts, we noticed one factor that was true for most individuals: they entered the industry, mostly, through serendipity. Most of our interviewees were not aware about the industry's career opportunities in their initial years of entering the workforce.

Building on their own experience as professionals and hiring managers, our interviewees cited the low awareness about the PE/VC industry as one of the reasons for the limited size and diversity of the candidate pool.

These interviewees tell us that in the majority of cases, the pool of candidates applying for the job position is mostly male.

*"In most of the cases, the ratio of CVs that we receive
is around 90% males vs. 10% females."*

~Senior level male, VC

A common complaint we heard in interviews is that recruiting experienced female candidates is exceptionally difficult. To address this challenge, firms have been able to build a more gender diverse workforce by broadening their search for candidates, looking for candidates from a broad range of universities, degrees, industries, backgrounds. The more varied the candidate pool and the larger its size, the easier it is to create gender-diverse teams.

Some of our interviewees also cited the very demanding and competitive nature of this industry as a possible reason that limits the gender diversity of the funnel of candidates for open positions.

No doubt, it is an industry that requires many hours of work and great dedication—like many others. Contrary to others, though, it is one that has traditionally prided itself of such a high level of intensity and commitment. In their opinion, this might have created the perception that a work-life balance is exceptionally difficult to find in this industry; and, our interviewees speculate, this may in turn have discouraged a higher proportion of female versus male candidates from pursuing the profession.

This idea is supported by research¹⁴ that studies the importance of work-life balance, including flexibility for supporting female entrance and retention in the workforce.

Similarly, we have heard about the perception of risk and aggressivity that surrounds an outsider's idea of the investment world. These concepts are usually associated with the macho male figure, generating a feeling of not-belonging for women thinking about entering the industry.

Our interviewees, in summary, point us to a missed opportunity to change the perception of our industry, by showcasing more stories of successful women leaders as examples, and allowing them a platform to speak of how they have achieved work-life balance and belonging, especially to a younger audience.

Specifically, some of the actions that are being taken by the firms represented by our interviewees include the organization of outreach events at universities, internship program recruitment focused on gender diversity, and participation in Level 20 mentoring program and networking events¹⁵.

We have also heard of the practice of positive discrimination and all the debate that revolves around it. The range of opinions is very wide; there are professionals who believe that it is effective, others who believe that meritocracy is important and that discrimination lead to a loss of talent. There are also those who believe that the implementation of such practices gives room to question whether a woman has been selected for her abilities or for her gender.

Consequently, blind recruitment processes¹⁶ are generally more popular and broadly recommended, coupled with the aforementioned strategies for diversification of the candidate pool, advocacy and outreach.

¹⁴ Saraiva, Catarina. "Bloomberg - Are You a Robot?" Wwww.bloomberg.com, 9 Mar. 2021, [bloomberg.com/news/articles/2021-03-09/women-could-give-20-trillion-boost-to-economic-growth-by-2050](https://www.bloomberg.com/news/articles/2021-03-09/women-could-give-20-trillion-boost-to-economic-growth-by-2050). Accessed 13 Aug. 2021.

¹⁵ For more information about Level 20 mentoring, development, and networking initiatives, please visit <https://www.level20.org/what-we-do/mentoring> and <https://www.level20.org/what-we-do/level20-events>

¹⁶ Hiring methodology that involves removing from the application the candidate's name and other identifying factors that could influence or "bias" a hiring decision.

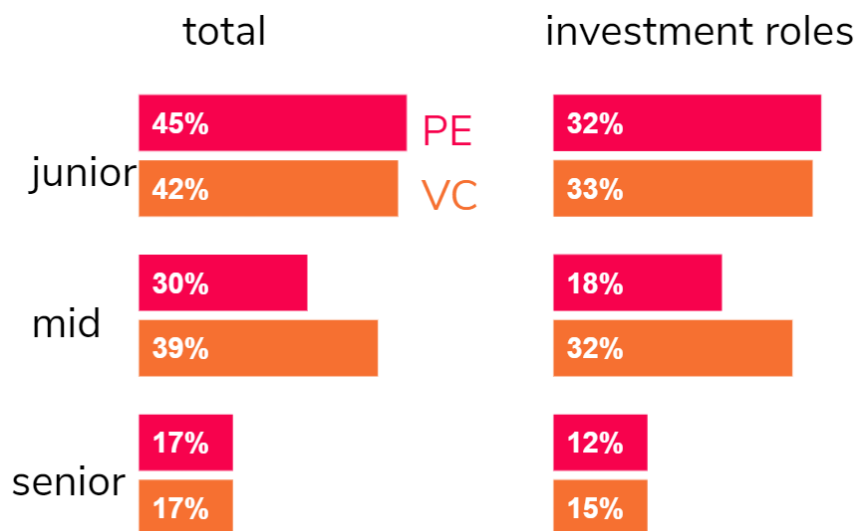
ONCE RECRUITED, FIRMS NEED TO FOCUS EFFORTS ON RETENTION TO MOVE TOWARDS A MORE GENDER DIVERSE SENIOR STAFF

We have heard from our interviewees that efforts to hire female talent is not sufficient to achieve gender diversity objectives if those hires do not remain long term; we must also focus on retaining talent.

As our research shows, the gap between men and women grows as the role becomes more senior. While women hold only 17% of senior positions overall, there is a higher percentage of women at the mid and junior level, with 36% of the mid-level roles and 44% of the junior roles.

When comparing the percentage of investment roles held by women in PE versus VC, we see that **women in VC hold a higher percentage (15%) of senior investment roles relative to PE, where they hold only 12%.** In addition, there is a noticeable difference between PE and VC at the mid level. While women in **VC hold 32% of investment positions, women in PE hold only 18% of investment positions.**

Exhibit 5: % female, by role level, PE vs. VC - all roles vs. investment roles



Our interviewees believe that the gap is at least in part a failure of female talent retention efforts. In interviews, senior female professionals in the industry have opened up with us about the challenges they have faced. They express that, given the low presence of women in the sector, they often feel alone without support and have found it difficult to be understood because their superiors are men.

*"You are surrounded by males.
You don't have a group you feel comfortable with next to you."*

~Senior level female, PE

In most cases, interviewees believe that a focus on formal policies and an effort to create a culture of inclusion where senior professionals are accountable for creating a diverse firm, is key to the retention and advancement of women in the Private Equity and Venture Capital industry.

"We need to make sure the rest of the table is ready to listen to women."

~Senior level female, PE

RECENT TRENDS INDICATE A ROAD TO A MORE GENDER DIVERSE INDUSTRY

Across the board, our interviewees are positive about the evolution of gender diversity in our industry and tell us that there is hope that gender diversification will occur naturally, with time. To be clear, this does not detract from the fact that active change is also necessary. Rather, it provides a glimmer of hope that there is at least some tailwind support.

What does this mean? How can this happen?

VC and PE are very segmented sectors, where firms are often defined by their area or industry of focus. Industry professionals, especially those working in specialized firms, have commented that they expect more gender diverse firms to exist in sectors where their investee companies have already reached higher representation by women. For example, it has emerged from our research and interviewees that specialist VC firms investing in industries with greater female representation in management positions all have greater gender diversity than those investing in male-dominated sectors. The interviewees explain that this phenomenon occurs because of a larger female candidate pool that exists for specialized firms investing in female-dominated sectors, as industry professionals seek to make the transition from the world of private and public product companies to the PE/VC industry that invests in them. The upward trend of diversification of industries that are recipients of PE/VC funding gives hope that PE/VC gender diversity will “catch up” and improve in the future.

“Firms investing in female predominant sectors have more gender diverse teams.”

~Mid level female, VC

Related to this reasoning, many interviewees in the VC space remark on the interconnection between professionals in the world of investment and entrepreneurs as a powerful tool for increasing gender diversity. Gender balance in entrepreneurship, and especially the startup and scaleup ecosystem, ultimately gives more women the opportunity to acquire the necessary experience to be the future candidates to enter our industry. Venture Capitalists investing in diversity of their portfolio companies are, therefore, indirectly contributing to the greater diversity of their own industry in the future.

“The types of startups are diversifying. This gives hope that it is just a matter of time before we see more women in our industry.”

~Senior level female, VC

6. RECOMMENDATIONS AND NEXT STEPS

Throughout our interviews, we asked about which policies firms have implemented that have proven working towards increasing gender diversity. Consistently, our interviewees have struggled to return definitive answers and concrete recommendations.

Despite best efforts and good intentions, many firms seem to lack a structured agenda on gender diversity and are unable to report how their actions have measurably impacted the issue at their company. There were some exceptions, of course: some firms were able to provide concrete recommendations for the Spanish PE/VC industry, based on what is working well at their firm; these were mostly firms with a large employee base, as mentioned previously.

Below, we first share a set of recommendations we've received from interviewees at the most gender diverse firms. Following this discussion, we have developed, based on the insights revealed throughout our research, a set of recommendations unique to the Spanish PE/VC industry that we believe will help the industry to move towards a more gender diverse workforce.

6.1 RECOMMENDATIONS FROM OUR INTERVIEWEES

INDUSTRY PROMOTION TO ENCOURAGE GENDER DIVERSITY IN PRIVATE EQUITY

Many from the industry cite biases as an initial barrier to increasing gender diversity in PE/VC in Spain, particularly related to the **awareness of our industry**.

How many of you knew about PE and VC in your teenage or college years? Our interviewees point to a missed opportunity to normalize the industry and introduce the entrepreneurship and investment ecosystem from an early age.

We must invest in creating a variety of outreach activities in the universities where women leaders showcase the opportunities that the industry offers. We must succeed in generating motivation and admiration for the industry among young people.

"We need female leaders to mentor and inspire young females"

~Mid level female, VC

"You can not dream to be something you do not see"

~Senior level female, VC

In addition to building greater awareness about the industry, we must be sure to do so by using gender-neutral language, free of discrimination and dispelling existing industry myths.

TRUST, NETWORKING AND EXPERIENCE

To increase the number of women in investment roles, we must retain female talent¹⁷. One of the propositions to achieve this retention is to **increase female mentorship**. It has often been instrumental to employee retention, higher employee satisfaction, and promotion readiness. On many occasions, we have heard, well-connected women often rise to high-level leadership positions. As an example, Level 20 has been running mentoring programs in various countries, including the UK and Spain, that are helping hundreds of women to advance in their careers.

Another effective-retention tool is networking. It can help strengthen business relationships as well as create a feeling of belonging and comfort where women can build a group of female professionals to reach out to for help and guidance on both labor and personal issues.

We should aim to build an environment where women feel comfortable and understood, encouraging them to stay in the industry. Therefore, **our interviewees recommend that companies be proactive in providing access to mentors** so that women feel supported and valued within the organization.

“There is a lot of inertia here, relationships that you have been consolidating and reputation that you have been building.”

~Senior level female, PE

A third recommended action to promote women retention is **sponsorship**¹⁸. Female interviewees express how hard it is to find a sponsor. As the *Harvard Business Review* article¹⁹ explains, “women tend to be over-mentored and under-sponsored” because “they are still viewed as “risky” appointments”.

¹⁷“As the Level 20 report “Reaping the Rewards of Retention” states, we should not underestimate the power of support and the value of networks in retaining and advancing women into senior positions. Level 20/YSC Consulting-Reaping the Rewards of Retention.”

level20.org/research/level-20-ysc-consulting-reaping-the-rewards-of-retention-summary/. Accessed 17 Aug. 2021.

¹⁸ Relationship between a protégé and a person who has authority or influence they can use to help them in their career development or advancement

¹⁹ Ibarra, Herminia, et al. “Why Men Still Get More Promotions than Women.” *Harvard Business Review*, 7 Sept. 2017, hbr.org/2010/09/why-men-still-get-more-promotions-than-women. Accessed 17 Aug. 2021.

FLEXIBLE WORK FOR ALL, NOT JUST WOMEN

As an extension of the discussion on retention, we heard in almost every interview about the importance of labor flexibility. Many of the women in senior positions with whom we have spoken speak of the option of a flexible working schedule as key to their success in the firm, pointing to how it has provided them a way to manage work and at-home life, and their merits to be measured not based on office hours but on the quality of the work performed.

"There are still a lot of companies that have an old connotation of chair warming. [...]"

*No one has to make demands on me if I am in the office more or less hours
as long as I deliver what is asked of me."*

~Senior level female, PE

ECOSYSTEM CHAIN

An insight from our interviews that is specifically unique to the PE/VC industry is the entrepreneurial ecosystem. As mentioned earlier, the ability to invest and promote the success of female entrepreneurs not only enables gender diversity in the startup community, but also paves the way for more female founders to pursue a career on the investment side.

Many companies are aware of the opportunities that this entrepreneurship chain offers and recommend that the industry actively engages in promoting gender diversity through the conscious selection of companies in their portfolio. Similarly, we have heard the impact and positive reaction as a result of Limited Partners putting pressure on firms to diversify their workforce and the workforce of their portfolio companies.

"We promote diversity through the investment in female-led startups."

~ Junior level male, VC

6.2 RECOMMENDATIONS FROM NINA CAPITAL

CONCRETE ACTION, MEASURABLE RESULTS

As mentioned above, a key insight overall was that most companies fail to set specific actions focused on improving gender diversity at their firms and their industries. Our first original recommendation to the industry is that firms ensure their policies are concrete and that the results of the policies are measurable, which we believe is the first requirement for improving gender diversity in Spanish PE/VC.

We can learn from the companies who are gender diverse and who already have concrete and measurable policies in place. For example, several companies are already taking action by implementing initiatives to create an inclusive and equitable culture. Some of the actions being taken include:

- Impose parental leave for both men and women.
- Offer flexible working hours so that employees can efficiently reconcile work and personal life.
- Establish employee engagement to increase retention rates.
- Invest in increasing the diversity of the hiring pool, coupled with the adoption of a blind recruitment process.

Companies should set criteria and measure the impact of new policies on female recruitment, retention and career satisfaction as these policies are implemented.

GOOD DATA FOR GOOD RESULTS

This is the first study that has gathered data on the gender diversity issue in the Spanish PE/VC industry. We offer the results of this work just as a starting point.

We recommend that the industry continues to invest in the collection of high quality, relevant data to provide insights and the basis for continually measuring gender diversity. In this way, we will be able to prospectively measure the effectiveness of specific actions and track the industry's progress to see if the actions taken are indeed positively influencing a forward path towards gender diversity. Additionally, we also recommend firms to gather their own data regularly on recruitment, promotion and retention, as well as to set themselves some Key Performance Indicators (KPI).

As mentioned, if we take actions but we do not evaluate their impacts, we will never know if we are on the right track or if some things need to be changed. In addition, by measuring gender diversity, we are able to quantitatively and objectively assess and raise awareness on the issue to drive concrete action.

SETTING CLEAR GOALS

In order to maintain motivation and achieve progress, we believe that it can be very valuable to set realistic short and long term gender-specific goals.

As an illustration, one possible goal would be to determine a specific percentage of women representation that we want to achieve in a specific time and at a specific level. Another option could be to set a goal of increasing the number of young women who become interested in entrepreneurship and finance in their university years. Note that this has not been a part of our work, which instead focused on understanding the current stage of gender diversity and offer suggestions for its interpretation, as well as, potential levers to pull in order to progress towards these goals. We view this report, summarizing the current situation of gender diversity in Spanish PE/VC for the first time, as the initial step in the conversation about where we are headed in the industry and what is the ideal state of gender diversity that we should aim to achieve.

7. CONCLUSION

Women are significantly underrepresented in PE/VC firms, especially in investment teams and senior positions. Main drivers of these imbalances include recruitment difficulties, often tied with education and awareness, and challenges in retention. More balanced gender representation will not be achieved overnight, but small changes by all of us can be adopted to expedite the industry's journey to gender balance. Especially because true change will be measured in the span of years, if not decades, we believe a framework for continuous measuring of the state of gender diversity and monitoring against interventions borrowed from industry insiders who have been successful towards this goal is key. We hope this report has offered you some ideas for how to do it.

FOR MORE INFORMATION

For additional reading materials and research, please visit the Level 20 website:

<https://www.level20.org/what-we-do/research/>

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ACKNOWLEDGEMENTS

FOR THEIR SUPPORT

Meridia Capital

Altamar Capital Partners



FOR THEIR DATA

ASCRI Asociación Española de Capital, Crecimiento e Inversión

Invest Europe

EQT Group

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