

# Gender and Mentorship in Entrepreneurship <sup>\*</sup>

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## Abstract

Women face significant barriers to entrepreneurship, primarily in raising money, with female founders raising only 2.4 percent of the total venture capital (VC) funding invested in 2018. With this gender gap in startup funding, we seek to answer the question: what is the role informal mentoring can play in bridging this gender gap in entrepreneurship? We focus on two types of roles a mentor can play - through career development and by acting as a role model. Using data from Global Entrepreneurship Research Network (GERN), we document the characteristics of the matched pairs as well as their funding patterns. We then estimate the relative value of a match using Fox (2018) model and find that the female-female (where both mentor and founder are female) matches benefit more from the role-model aspect of the mentor-founder relationship, compared to male-male matches. Close to 20 percent of the gains from homophily is from career development for males, while this number is less than 1 percent for females.

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