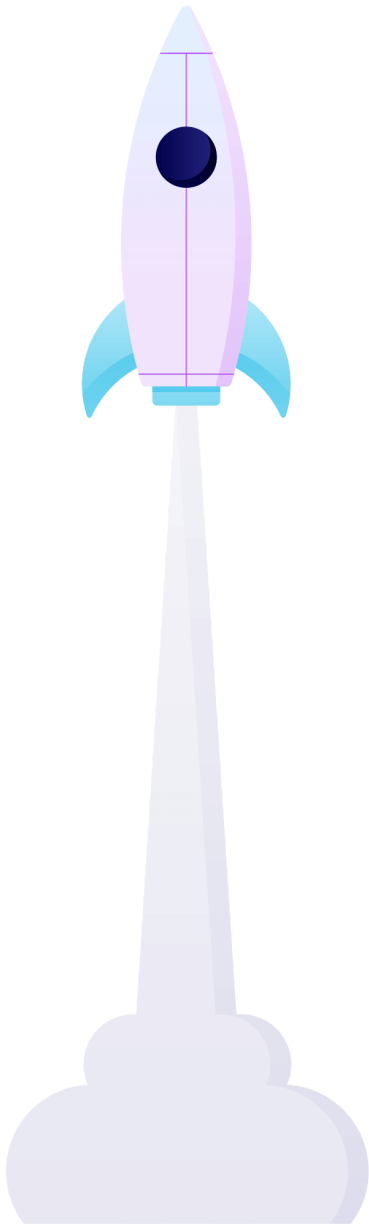


# 106 Must-Know Startup Statistics for 2023

Blog Business Advice & Research



What comes to mind when you hear the word startup?

If it's a grungy basement in the heart of Silicon Valley, you're not alone. A large portion of people think of startups as a team of only five people with one common thread—a high threshold for chaos, but even a five-year-old company can still be considered a startup.

A startup can graduate to a larger company by being acquired, opening more than one office, generating revenues greater than \$20 million, or having more than 80 employees, [Forbes](#) explains.

These employees work for entrepreneurs who believe their ideas could skyrocket by creating a startup. Well that's the dream, right? The risky reality when it comes to startups is that they're vulnerable to risk and likely more than we would imagine. On the bright side, 10% of startups are successful each year and know what it takes to survive the odds of [failing](#).

During the beginning stages of a startup, finding your seed funding is more than half the work. Your initial funding will most likely come from your own pockets and then the goal is to raise outside capital.

To track the latest trends, we've compiled small business and startup statistics to better understand what makes a startup tick. If you're looking to build a startup or just interested in diving into the numbers, check out these informative statistics on success, failure, funding and more before getting started.



## Get startup insurance when you need it, where you need it.

Stay ahead of the unexpected by investing in startup insurance coverage today.

[Learn More](#)

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## 01 Startup Statistics and Trends



The average time between funding rounds from Seed to Series A is **18 months**, Series A to B is **10-18 months**, and Series B to Series C is **27 months**.

[Carta](#)



**47%** of Series A startups spend \$400k or more per month.

[Fundz](#)



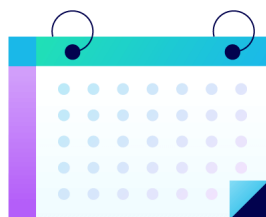
The average funding amount for a Series C round is **\$68 million**.

[Fundz](#)



Once you get to a Series B or C round, you'll probably work for **15 to 20 months** before bringing in new capital.

[Forbes](#)



There were **5 million** new businesses created in 2022.

[Gusto](#)



In 2022, there were **30.2 million** small businesses operating in the U.S.

[SBA](#)



Companies raise nearly **three rounds** before they get to Series A funding.

[TechCrunch](#)



**51.4%** of entrepreneurs have at least a bachelor's degree.

[Ewing Marion Kauffman Foundation](#)



Only **2 in 5** startups are profitable, and other startups will either break even (1 in 3) or continue to lose money (1 in 3).

[Small Business Trends](#)



In 2022, AngelList saw **21% YoY growth** despite an industry-wide 1.4% decrease in pre-Series C VC deals.

[AngelList](#)



The average Series A in 2017 was **\$12.1 million**. By 2022, it reached **\$15 million**.

[Fundz](#)



A study shows that a 60 year old is **3x as likely** to build a successful startup than a 30 year old in 2023.

[Entrepreneur](#)



In 2022, there were **1,000** "active unicorns" in the U.S. collectively worth **\$1.1 trillion**.

[Bloomberg](#)



Startups can expect to pay, on average, **\$300,500** for five employees across the U.S. in the first year.

[HubSpot](#)

**41.5%** of all entrepreneurs are women, while 58.5% are men.

[Zippia](#)

The **time of year** you pitch, the **detailedness** of your data, and the **value** of your pitch deck are a few of the strongest factors affecting the amount of funding a business receives.

[Forbes](#)



It only takes **six days** to start a business in the United States.

[Dynado](#)



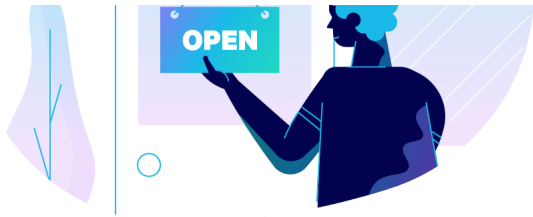
**66%** of small businesses will outsource services to other small businesses.

[FreshBooks](#)



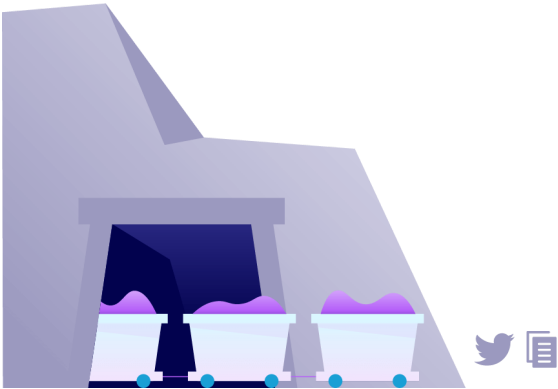
02

Startup Success Rates



The highest five-year survival rate for new businesses is mining, at **51.3%**.

[US Census Bureau](#)



The main challenge to the success of a startup is **generating new business**.

[Statista](#)

Founders of a previously successful business have a **30% chance** of success with their next venture.

[Skill vs. Luck in Entrepreneurship and VC](#)



**82%** of successful business owners admit they have the right qualifications and backed up experience to run a company, even with limited cash flow.

[Small Business Trends](#)

Paying attention to your customers is important since **14%** of startups fail due to not regarding customers' needs.

[Fundera](#)

[Skill vs. Luck in Entrepreneurship and VC](#)



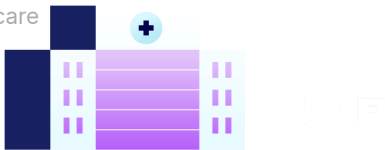
Founders who have failed previously have a **20% chance** of success while first time first time founders have an 18% chance of success.

[Skill vs. Luck in Entrepreneurship and VC](#)



In 2022, U.S. healthcare startups were the strongest industry, bringing in **\$12.6 billion** in revenue.

[Fierce Healthcare](#)



03

Startup Failure Rates



About **90%** of startups fail.

[Failory](#)



**10%** of startups fail within the first year.

[Failory](#)



Across all industries, startup failure rates seem to be **close to the same**.

[SBA](#)



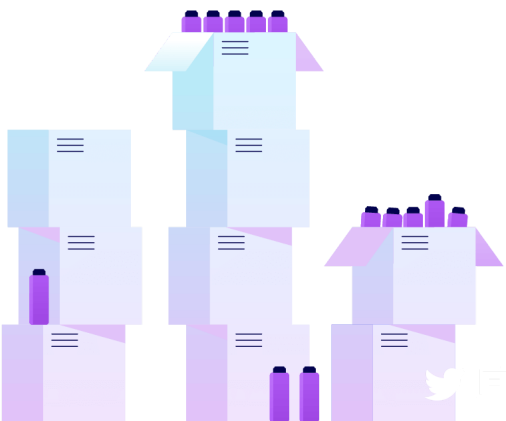
Failure is most common for startups during years two through five, with **70%** falling into this category.

[Failory](#)



The number one reason why startups fail is due to misreading market demand — this is found in **42%** of cases.

[CBInsights](#)



The second largest reason why startups fail (**29%** of cases) is due to running out of funding and personal money.

[CBInsights](#)



Other notable cases of failure are a weak founding team (23%) and being beat by competition (19%).

[CBInsights](#)



Failure because of competition most likely happens when a startup has been active for **three to five years**.

[Failory](#)



Other major reasons for startup failures (**at least 10%** or above) are from pricing/cost issues, user-unfriendly products, poor marketing, and product mistiming.

[CBInsights](#)



In 2023, **82%** of businesses that went under did so because of cash flow problems.

[Fundera](#)



## 04 Startup Funding + Investor Facts



Individual venture capital firms receive more than **1,000** proposals a year and are mostly interested in businesses that require an investment of at least **\$250,000**.

[Money Crashers](#)



**31%** of startup capital for employer firms is less than **\$10,000**.

[Federal Reserve](#)



**18%** of startup capital for employer firms is **\$250,000** or more.

[Federal Reserve](#)



Venture capital funding reached a decade-high of **\$200 billion** in 2022.

[KPMG](#)



About **1%** of startups evolve into a unicorn startup, like Uber, Airbnb, Slack, Stripe, and Docker.

[CBInsights](#)



In 2022, male founders brought in **\$156.2 billion** in VC, while female founders only brought in **\$28.1 billion** in VC.

[PitchBook](#)

Valued at **\$75 billion**, Bytedance, a Beijing-based news and information content platform, was the top valued startup by venture capital firms worldwide in March 2019.

[Statista](#)



**One in four** businesses, surveyed by the NSBA, were not able to receive the funding they required, which led to limiting the growth of their business.

[Fundera](#)



**1 in 3** begin their small business with less than \$5,000.

[Small Business Trends](#)



Business loans, credit cards, and lines of credit account for about **¾** of financing for new firms.

[SBA](#)



05

Startup Costs Statistics



One of the most expensive startup costs is payroll, averaging around **\$300,500** for five employees across the U.S. according to data from

Smart Asset

The most popular financing method for startups costs in 2023 was "love money" aka friends and family.

[Chamber of Commerce](#)

Large unicorn startups, such as Airbnb and Uber, have taken a **billion dollars** or more in debt in order to become more successful.

[PitchBook](#)

Equipment costs for startups can range anywhere from **\$10,000 to \$125,000**.

[Fundera](#)



With costs being so large and detrimental to a startup's survival, the median salary for self-employed individuals was **\$84,305** in 2022.

[Zippia](#)

Recent research has shown the most expensive small businesses and startups to launch are restaurants, medical offices, and manufacturing companies, needing more than **\$100,000** to get started.

[Small Business Trends](#)

Startups in accounting, online retail, construction, and landscaping were most likely to get started with **under \$5,000** in startup costs, shown in recent research.

[Small Business Trends](#)

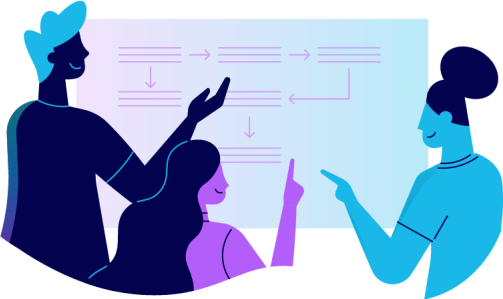
One of the biggest challenges to the survival of small businesses and startups is the **cost of health insurance**.

NSBA



06

A Look at Startup Teams



Over **99%** of U.S. businesses are considered small (less than 500 employees).

[SBA](#)

On average, it takes **six months** to hire someone for a startup.

[Forbes](#)

Startup teams that reported high levels of previous experience but average to low levels of passion and collective vision were overall **weaker**.

Harvard Business Review

Startup owners can spend around **40%** of their working hours on tasks that do not generate income such as hiring, HR tasks, and payroll.

[Entrepreneur](#)

Startup failure is most common when the company has **11–50** employees.

[Failory](#)

Two founders increase the odds of a startup's success with **30%** more investment, three times the customer growth rate, and a higher likelihood the startup will not scale too fast.

[Small Business Trends](#)

**23%** of startups mentioned team issues leading to failure.

[Entrepreneur](#)



Experience alone does not make a team successful — soft skills such as “entrepreneurial passion” and “shared strategic vision” are required as well.

[Harvard Business Review](#)



Over **18%** of small businesses have a Chief Financial Officer.

[Forbes](#)



07

## Statistics for FinTech Startups



Decentralized finance startups raised **\$2.1 billion** in the first quarter, and NFT-focused startups **\$2.4 billion**, both all-time highs.

[TechCrunch](#)

Research has shown that successful fintech startups will focus on data-driven iteration and continuous user testing, rather than using new technology.

[McKinsey Panorama Report](#)



Venture investment into fintech companies in 2022 reached **\$81 billion** as of Dec. 14.

[CB Insights](#)

About **80%** of financial institutions implemented a fintech partnership.

[McKinsey Panorama Report](#)



About **21%** of American adults have owned cryptocurrency as of 2022.

[Bankrate](#)



Worldwide, there are **more than 12,000** fintech startups and 5,779 in the U.S. This makes the U.S. the most popular place for fintech startups as of August 2018.

[Statista](#)



The fintech market includes 39 venture capital backed unicorns worth a combined **\$147.37 billion**.

[CB Insights](#)



Crypto startups mostly shrugged that off, raising a huge number of rounds worth **\$100 million** in the three-month period and minting a record number of unicorns.

[TechCrunch](#)

In October 2022, the US has held its leading unicorn share, accounting for slightly more than half of all unicorns (**53.9%**).

[CB Insights](#)



According to a recent dataset from CB Insights, crypto startups raised more capital than ever before in Q1 2022 and set records across a host of other metrics.

[TechCrunch](#)

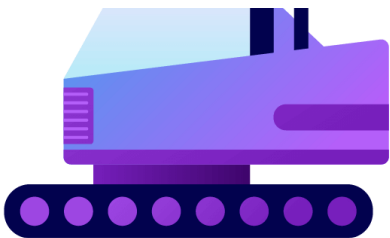
The largest challenge that fintech startups face is the cost of customer acquisition.

[McKinsey Panorama Report](#)



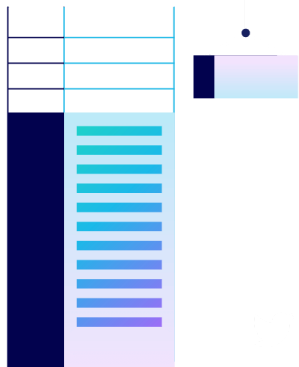
08

Statistics for Construction Startups



Construction had the second highest failure rate as of 2022.

Construction Connect



In North America, construction tech startups alone reportedly hit **\$1.3 billion** in the first half of 2022, representing a 44% increase on the previous six months.

TechCrunch



Investors contributed to 87 construction startup deals last year.

Crunchbase

One of the now monster startups, Katerra, brought in **\$865 million** in a Series D round.

Crunchbase



The construction industry is among the least digitized.

McKinsey & Co. 2016 study.



The likelihood that a new construction company will last more than five years is **36.4%**.

Small Business Trends



Good news for construction startups, AI technology is estimated to boost profits by **71%** for this industry.

Accenture



Residential housing construction is growing faster than any construction segment, as new business is seen entering this sector.

Tradesmen International



Electric utilities construction is approximated to slide by **9%**.

Tradesmen International



09

Statistics for Technology Startups



The average age of tech startup founders is 45.

Entrepreneur



The U.S. is the largest tech market in the world, coming in at **\$1.8 trillion** in 2022.

Zippia

The United States averages 20 technology companies founded per year that reach **\$100 million** in revenues.

Ewing Marion Kauffman Foundation



As of 2018, the tech startup industry has the highest startup business failure rate, at **63%**.

Failory



Tech-based wage growth was higher than over the U.S. wage growth with a **60.9%**.

Adecco Group



There are ten technology-based industries that define a tech-drive startup including: pharmaceutical manufacturers, medical device manufacturers, computer and electronic manufacturers, and semiconductor machinery manufacturers.

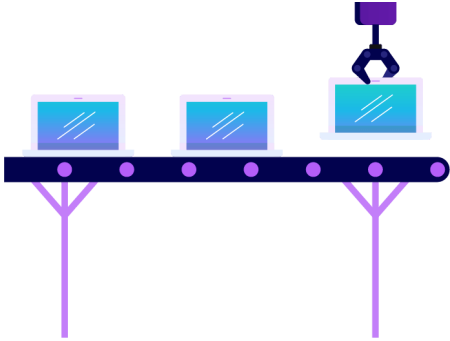
A fairly new investment strategy, crowdfunding will reach **\$1.06B** in 2023.

HubSpot



Tech-driven ventures offer better pay opportunities, as they pay an average of \$102,000 **more than double** the current U.S. average of \$48,000.

[Forbes](#)



## 10 Statistics for Real Estate Startups



Venture-backed U.S. real estate companies are down an average of **85%** from their offering price.

[Crunchbase](#)



Proptech startups raised **19.8 billion** globally from venture capital firms in 2022.

[ConnectedRemag](#)



Residential real estate startups using artificial intelligence tools are bringing in the most investments, such as REX (\$45 million), Knock (\$400 million), and Zillow (\$565 million).

[Housingwire](#)



Industrious has raised over **\$1 billion** in funding as of March 2023. This includes a **\$200 million** Series E funding round in February 2021, which was led by Brookfield Asset Management and included participation from several other venture capital firms.

[Crunchbase](#)



The top type of real estate asset that proptech startup CEOs have chosen to pay attention to is commercial property.

[Statista](#)

A large number of small businesses and startups are beginning to support real estate agents and other professionals within the industry.

[inman](#)

Startups worldwide raised a total of **\$415.1 billion** from investors in 2022, down 35% from 2021's all-time high.

[Hubspot](#)



The global quantum computing market size is forecast to expand from **\$470 million** in 2021 to \$1,765 million in 2026.

[Statista](#)



About 31% of commercial real estate investors plan on investing in proptech companies and **26%** plan on partnering with protech companies.

[Statista](#)



## 11 Future of Startups



Startup founders are leaving the Silicon Valley “bubble” and heading to the East coast.

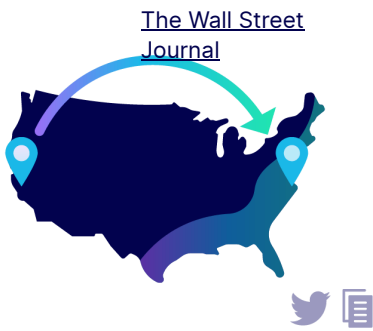
Unicorns are much more common and trending to be even more common. The rate has increased by **1.2%** in October 2022.

[CB Insights](#)

To solve problems across various startup industries, new technology will be implemented.

[Entrepreneur](#)





Recognize that personalized marketing will become important to the success of your startup.

[Startupbasics](#)



2022 is the year where startups will turn heavily towards technology to assist with keeping up with their books and avoiding financial distresses.

[SmallBizTrends](#)



More and more startups will begin to collaborate and become open to partnerships.

[Startupbasics](#)

Within the next few years, we will see more entrepreneurs that have recently graduated from college.

[Entrepreneur](#)



The new customer success role will become a data engineering role.

[LinkedIn](#)



## 12 The Expert’s Opinions



According Forbes, the best way to learn more about entrepreneurship is to start a company.

[Forbes](#)

Asses all potential bottlenecks apart from the competition. Make sure your team is experienced enough and that you are aware of all small threats, which could lead to a larger threat.

[Failory](#)

Research businesses similar to you that have been active for longer than five years.

[Failory](#)



When building your team, look for your business’s weak spots to identify the skill sets required to satisfy your company’s needs.

[Founder Institute](#)

“The secret to successful hiring is this: look for the people who want to change the world.”

[Marc Benioff, CEO of Salesforce](#)



92% of business owners believe that having a website is the most effective digital marketing strategy.

[Iron Paper](#)

"Chase the vision, not the money; the money will end up following you."

[Tony Hsieh, CEO of Zappos](#)

Forbes mentions the criteria for a successful startup, “They have a product that meets a need, they don’t ignore anything, they grow fast, and they recover from the hard-knock startup life”.

[Forbes](#)





The most valuable thing you can do as a founder is recognizing your downfalls beforehand and learning from other businesses' failures. Apply this knowledge to starting your own startup.

[Failory](#).



Despite the startup failure rate, learning from [your mistakes in business](#) and the mistakes of others is the key to startup success and survival. Appreciate the competition, know where you stand, and take note of all startup trends in order to be at the top of your startup's industry.

Thank you for submitting your details.

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