



Connecting Groundbreaking Entrepreneurs  
and Ambitious Angel Investors



# The Ultimate Startup Funding Guide

## for Women and Minority Groups

- **Current State of Women and Minority Businesses**
- **Why Aren't Female-Led Startups Getting More Funding?**
- **Startup Funding Sources for Women and Minority Businesses**
- **How to Apply for Women and Minority Business Funds**

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# The Ultimate Startup Funding Guide for Women & Minority Groups

Starting a new business takes funds. Without funding, businesses struggle to make needed investments in talent, equipment, and marketing. That's why most businesses need outside funding, but securing it can be challenging, especially for women and startup founders from minority groups.

In this guide, I will explain everything you need to know about startup funding for women and minority groups, such as its current state, where to find startup funding sources, and how to apply for one.

## What is the Current State of Women and Minority Businesses?

Although the UK may be the startup capital of Europe, this is not the case for women. The number of women starting and scaling companies remains much smaller than that of men and women in comparable economies, despite a sharp increase in female self-employment since the 2008 downturn.

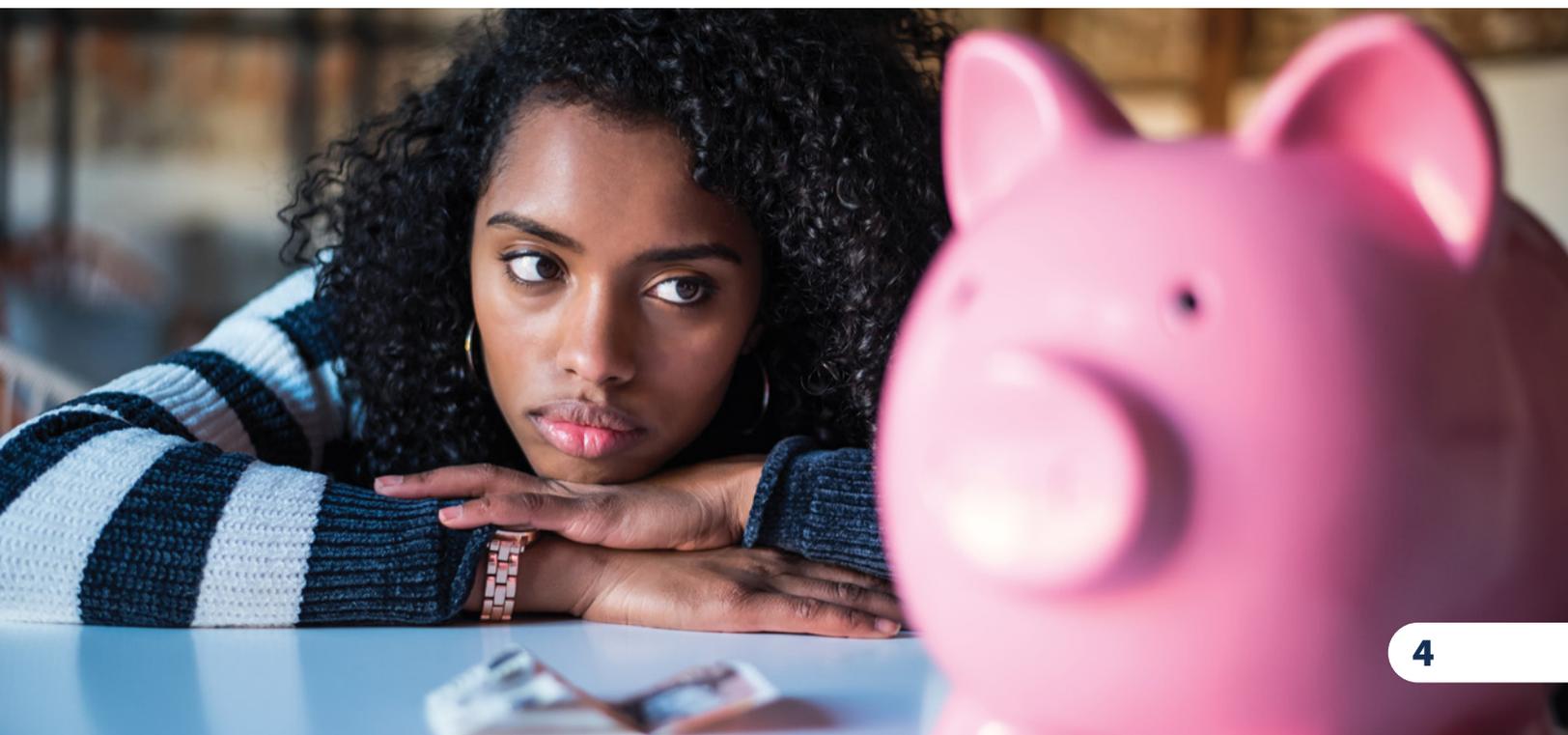
**In 2019, only 1 in 3 UK entrepreneurs is female: a gender gap equivalent to 1.1 million missing businesses.**

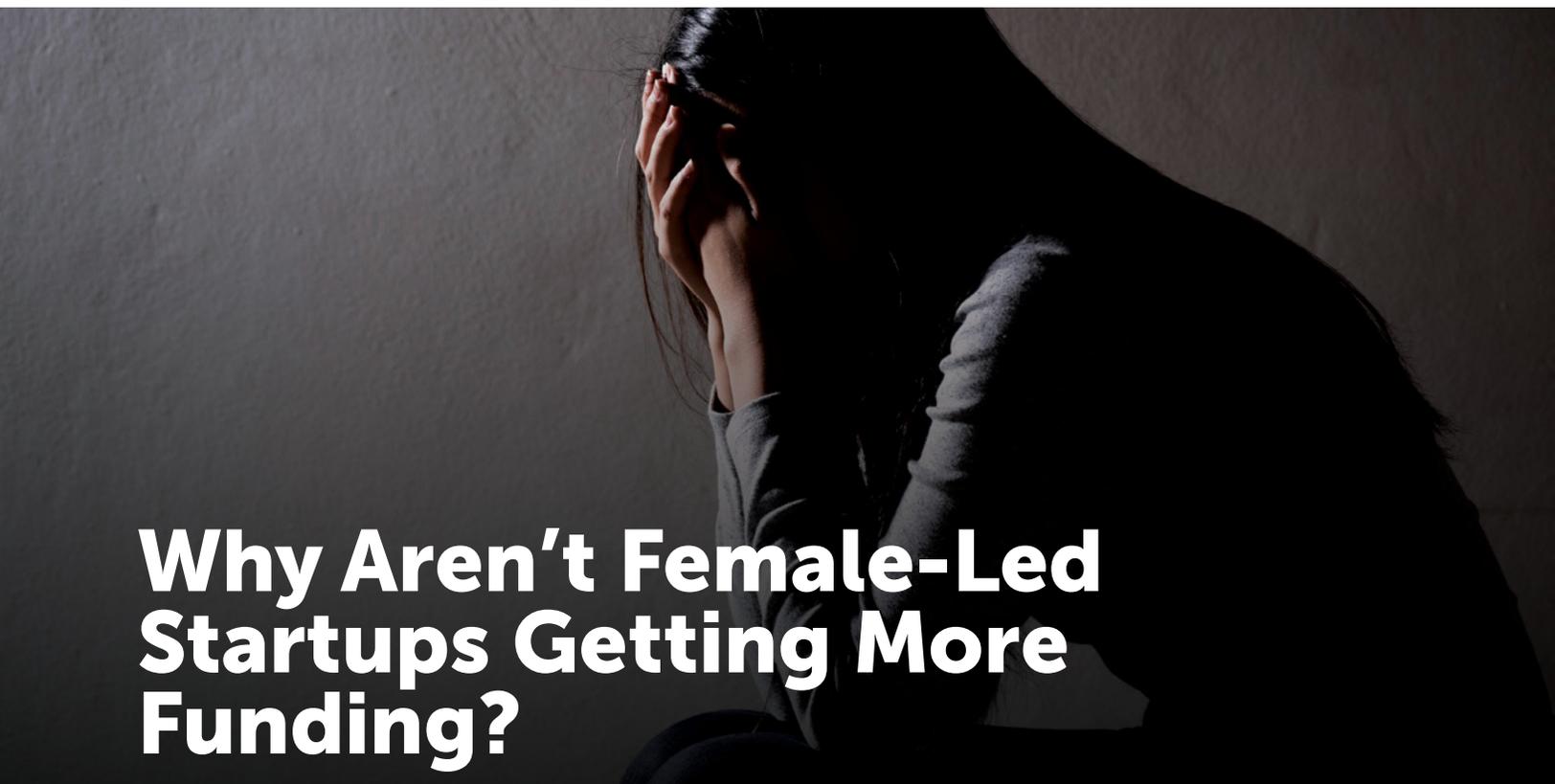
Meanwhile, individuals with ethnic minority backgrounds are also held back by barriers not faced by other entrepreneurs even when they contribute £25 billion a year to the UK economy.

**A 2020 research from the Federation of Small Businesses research** shows that businesses owned by ethnic minority entrepreneurs are more creative than their rivals: 30 percent have recently invested in innovation in new goods or services, compared to just 19 percent of their counterparts.

Ethnic minority businesses are also more likely to export their goods and services. However, the FSB warns that such businesses appear to be more distant from conventional funding and are likely to find access to finance disproportionately difficult. These concerns will discourage many ethnic minority entrepreneurs from getting their businesses off the ground and slow down the growing companies' growth.

**Also, ethnic minority businesses tend to be concentrated in a narrow range of sectors (catering, retailing, and clothing) and located in some of the UK's most deprived areas.**





# Why Aren't Female-Led Startups Getting More Funding?

A ***Columbia Business School 2018 study*** shows how venture capitalists disproportionately overlook female-led ventures at multiple entrepreneurship pipeline stages.

The results of the study show that female-led companies are viewed as “non-starters.” Women start fewer businesses than men, accounting for just 24% of all registered businesses in 2018. The most important aspect of the gap (65%) stems from gender differences in initial founding decisions. Women are less likely to start projects that signal foreign investors with high growth potential.

There are funding discrepancies between women-led and men-led projects: Female-led ventures are 63 percent less likely to receive VC funding than male-led ventures. No businesses led by women were venture-backed in 1995, and today, that number is just 12%.

## Bridging the Funding Gap

Women and minority businesses face difficulties accessing affordable small-business loans and often must seek out alternative funding sources as a result. The discrepancy in loans of women and minority-owned businesses puts them at a disadvantage and can affect their ability to compete in the marketplace.

Despite these differences, there are many opportunities for women-owned and minority-owned companies to secure funds, including grants, microloans, and other business equity funds.



# Startup Funding Sources for Women and Minority Businesses



## Personal Savings

If you have substantial personal credit and a new business idea that you feel outstanding putting your finances on the line, a personal loan for business might be worth considering. These options have the advantage of being simple: No hidden fees, no fancy formulas, just a basic personal loan.

That said, here is the disadvantage—and this is important: When you take one of these loans out for your business, the lender is entering into a contract with you as an individual—not with your business. This means that if something bad happens and the business fails, you are still fully and personally responsible for the outstanding balance repayment.

## Friends and Family

You might want to consider going to friends and family to fund your startup. This can get you quicker access to cash with fewer flaming hoops to jump through. However, you might be headed for some conflict with your family and friends if your business fails or you are tardy in repaying the money.

If you want to approach an informal investor, such as your family or friends, here are some main factors to consider:



### **Demonstrate Passion and Due Diligence**

To have an idea is one thing, but showing that your idea is feasible is another thing. Before proposing your idea and asking for money, be sure you've done your research and due diligence.

### **Choose your Financier Carefully**

Pick someone with solid business skills who knows the costs and benefits of what they are going into with good business skills. Know partnerships will suffer if the company doesn't work out, and you can't repay your responsibilities. Narrow the list down to friends or family who believe you can succeed, understand your plans, and be honest about the risks.

## **Decide What You Want - A Loan or a Share in the Business?**

Think about this one carefully. A loan would require repayment over time (which you will need to be sure you can do), whereas a direct investment in your company is usually made in return for an active role in your business's operation.

If you need mentoring tips or someone who has knowledge of the business and can help you succeed, the latter might be helpful. Think hard, though, on whether you want your family or a friend involved on a day-to-day basis in your business operations. Likewise, if you are unable to repay the loan, what are the emotional consequences? These are some of the factors to think about.



### **Be realistic about how much money you need**

Instead of asking for the limit, consider what you need in your business plan to get you to a particular stage. If you have proven the willingness to repay the initial investment, you will be in a stronger position to apply for more money.

## **Come up with a Repayment Plan Agreement**

Even though you know your lender or investor well, note that this is a business arrangement. Treat it as such. Your business strategy, how the funds will be used, how progress will be calculated, and how the repayments are made should be detailed in the agreement. Also, clearly explain the possible risks so that your family and friends know what they are getting into.



## Government Grants

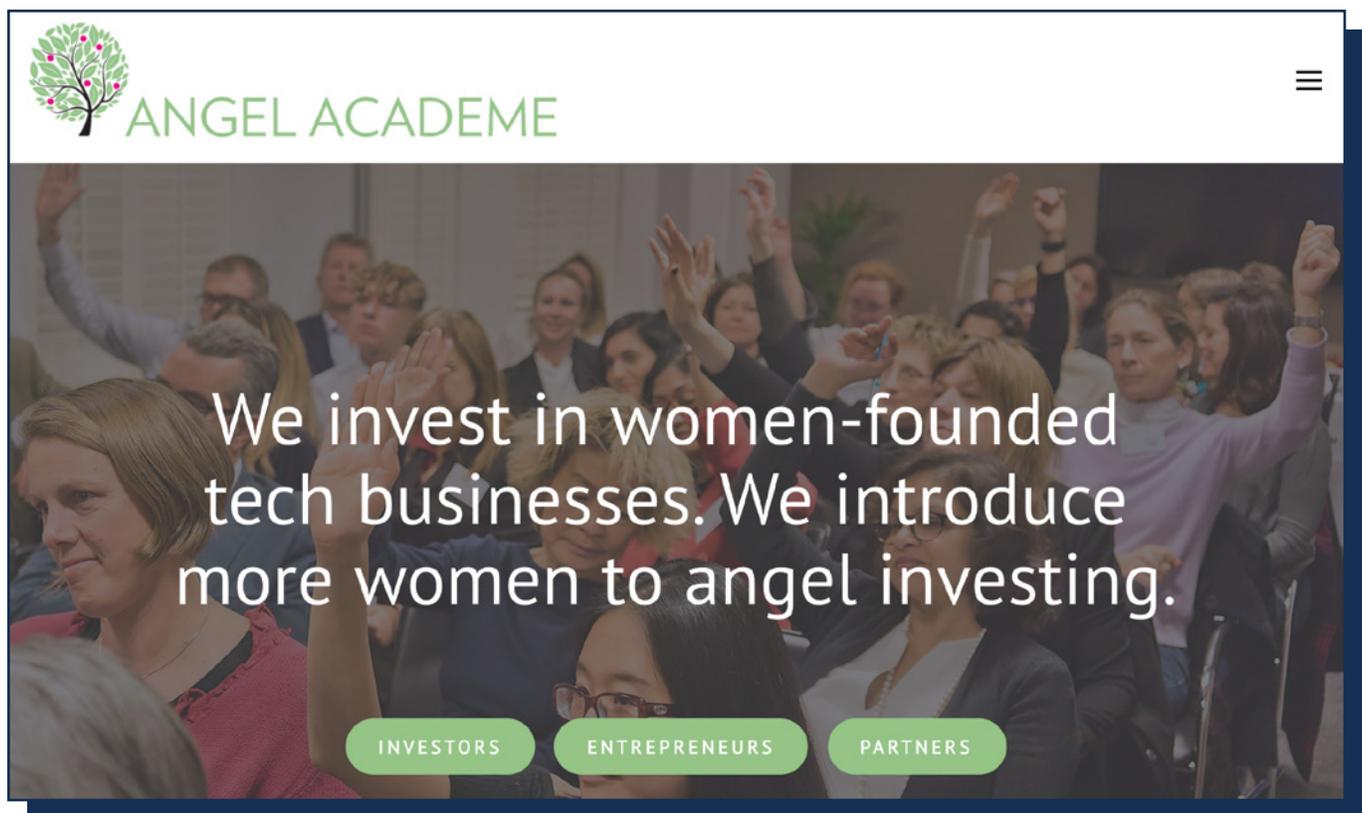
To help small companies throughout the world, the British Government allocates billions of pounds per year to women and minorities that can help them sustain or expand their activities. This government funding comes from a government grant, low interest or no interest loan, tax credit, or financial contributions, and usually comes from local, regional, and national governments. Also, grants are one-time funds that do not require repayment, making them an excellent business startup choice.

## Capital Assistance & Business Equity Funds

Capital Assistance and Business Equity Funds can make you huge savings and might be what you need to get your business off the ground.

Here are a list of capital assistance and business equity funds for women and minority in the UK:

### Angel Academe



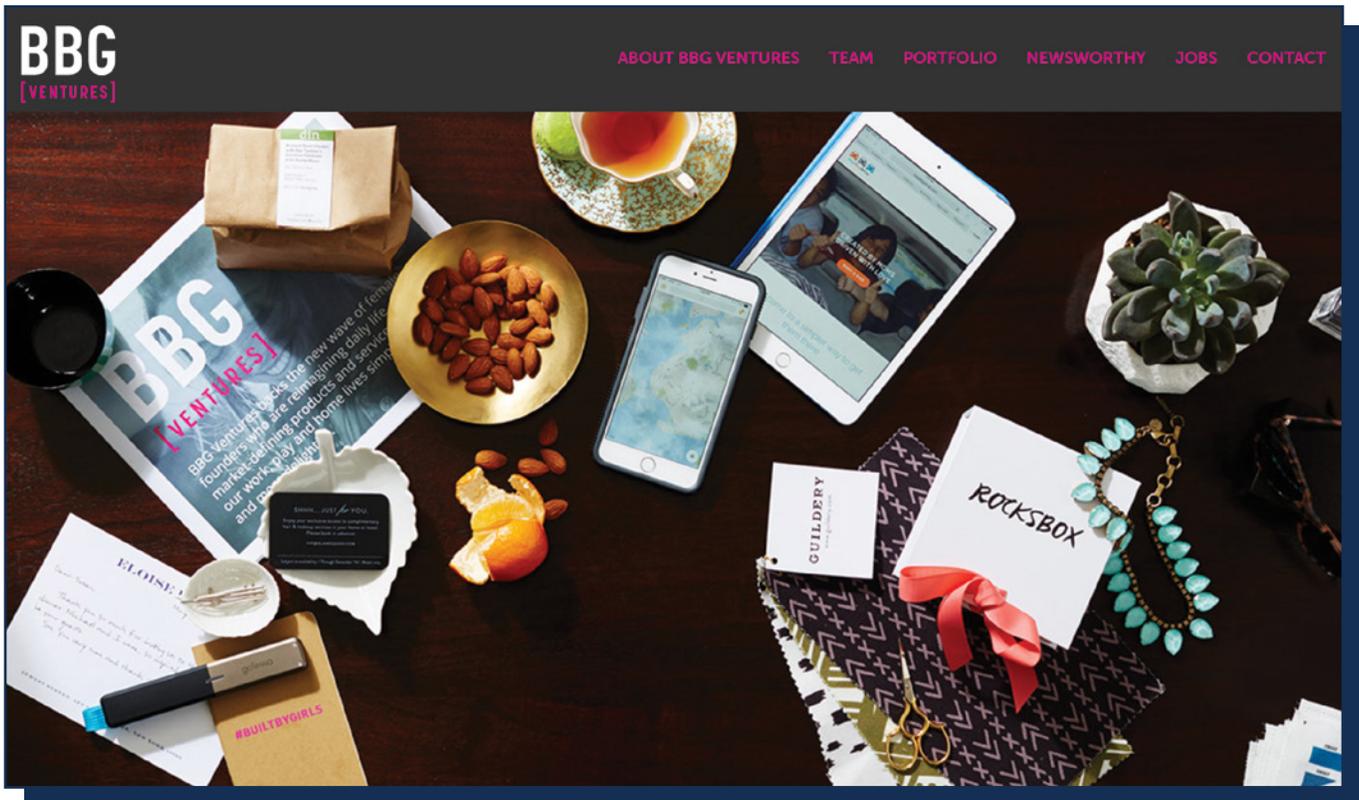
ANGEL ACADEME

We invest in women-founded tech businesses. We introduce more women to angel investing.

INVESTORS ENTREPRENEURS PARTNERS

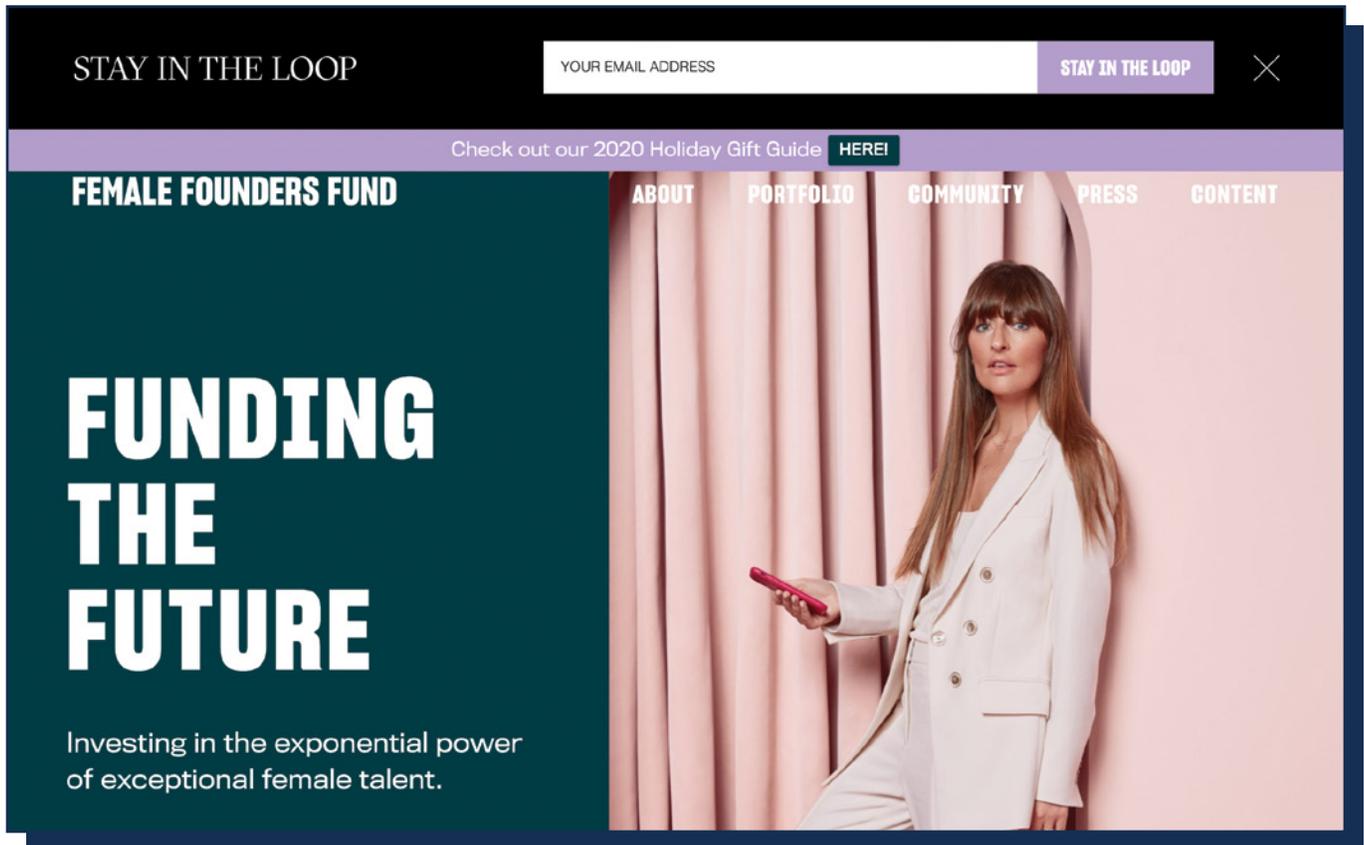
For women (and men) who want to be part of a diverse group and who would like to fund innovative tech startups with women in the founding team, Angel Academe makes angel investing simple, fun, and rewarding. Angel Academe enables top UK tech entrepreneurs to access the funding they need and carry the smartness that women bring.

## BBG Ventures



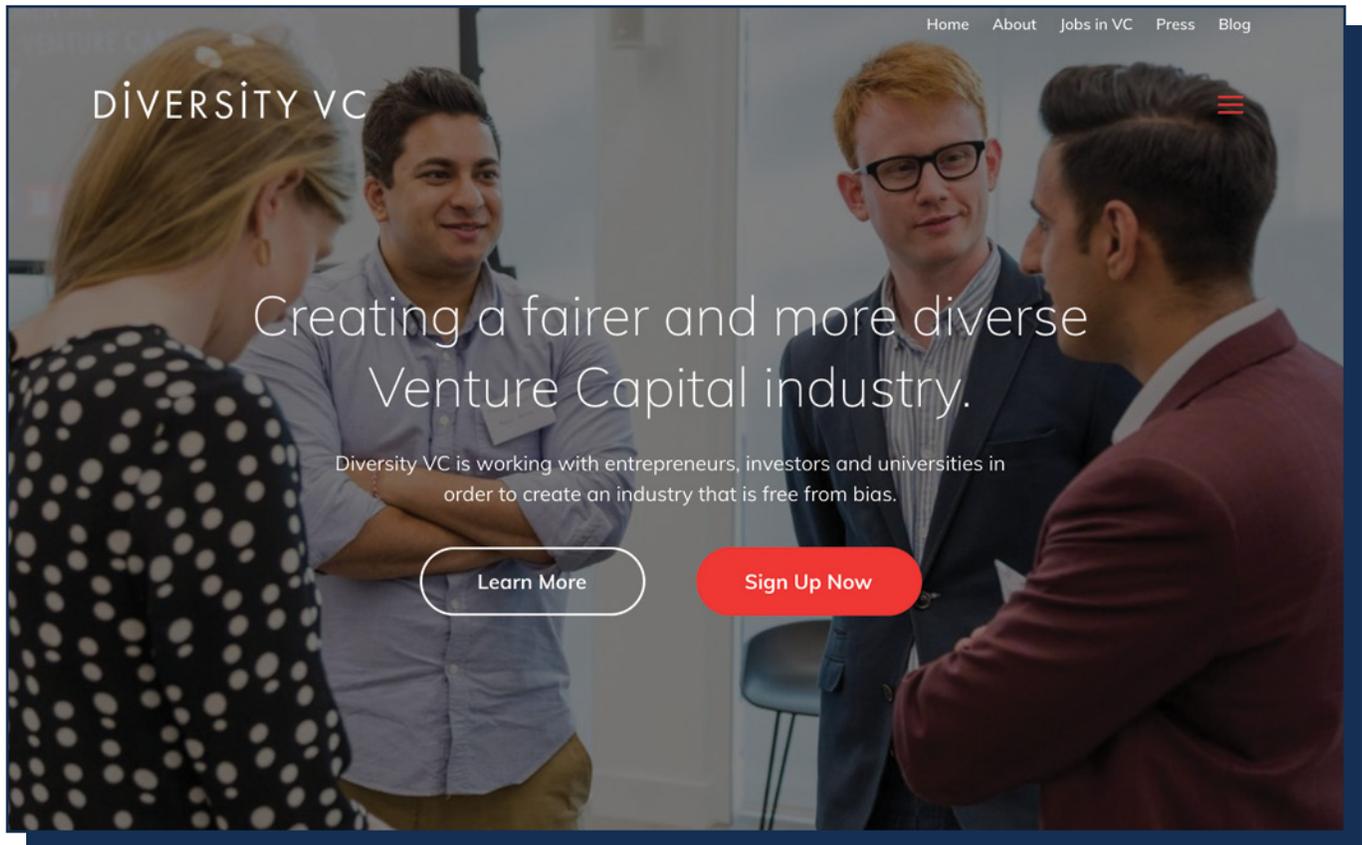
BBG Ventures is investing in innovative entrepreneurs creating the next wave of consumer goods and services that shape the market. Every business their portfolio has at least one female founder. They agree that backing women who use technology to overcome common life problems and change everyday habits are the greatest untapped chance for venture capital. Women are the fastest-growing mobile and social media consumers, and 85% of customer transactions are made or affected by them.

## Female Founders Fund



With the expectation that women will build the companies of tomorrow, the Female Founders Fund was founded. With a broad spectrum of seed investment capital, the early-stage fund invests in outstanding female talent.

## Diversity VC



Diversity VC is a non-profit partnership network that believes that investment in companies with underrepresented founders will generate better decision-making and higher returns. They help minority founders get the funding they need and deserve, thereby creating an industry free from bias.

## Angel Investment Network – Impact

Angel Investment Network Country: [United Kingdom](#) Invest Fundraise Help Testimonials Login Signup

Invest Explore Search Invest in Impact Female Founders

### Invest in Impact

What is Investment with Impact? – Impact investment – or profit-with-purpose – investment is the most exciting new investment sector. Confronted by increasingly urgent global issues, more and more entrepreneurs and investors are working to see companies looking to raise funds in an ethical manner along with business objectives that align with what’s best for the planet.

THE GLOBAL GOALS

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH

The Angel Investment Network aims to join women-led and diversity-focused companies in search of funds. Their contributions typically range from £ 10,000 to £10,000,000 from a group that is interested in financing and supporting women-led businesses.

## Impact X

IMPACT X

Home About Us Team Portfolio News

### London-based venture firm

Funding the undiscovered, creating the extraordinary, impacting the world

Find out more

Impact X was originally founded in the US, but they realised that investments in black entrepreneurs were less popular in Europe, so they decided to set up a company in the UK as well.

Impact X was founded to help underrepresented entrepreneurs across Europe to make social change by impact investing. Their primary focus is on Afro-Caribbean individuals who are looking for seed, series A, or series B funding with sectors such as entertainment, media, tech, health, and digital.



## Loans and Micro-Loans

Women and individuals from poor backgrounds may have unique loans that are distinct from minority loans in terms of business loans, which most frequently apply to individuals from various cultural classes that place them at a competitive disadvantage.

## Crowdfunding

By taking advantage of startup platforms like Trendscout, you will be able to finance your business by getting many people to get interested in financing your small business startup through small investments. Each investment from a backer incrementally adds to your goal, so even the smallest contribution helps, and you don't need access to an accredited investor to fund your startup.

Setting up crowdfunding campaigns is also a great way to gain exposure for your young business while you're seeking money for the venture. However, crowdfunding does not usually generate large sums of startup capital, and maintaining a campaign can be time-consuming. If you don't end up meeting your crowdfunding goal, you might have to end up bootstrapping the rest of your startup costs.

## Venture Competitions

Suppose you're interested in funding a startup without taking on interest-bearing debt. In that case, you should look into venture capital, which is a form of equity financing, as your go-to startup funding solution.

Venture capitalists invest in relatively developed companies or early-stage companies based on the venture capital firm's focus. If a startup has enormous potential to expand and is sufficiently attractive to invest in, it is likely to be funded by venture capital. They are also keen on investing in companies with an established track record of success. To speed up their growth and development, venture capitalists also finance such firms.



# How to Apply for Women and Minority Business Funds



## 1. Research Programs

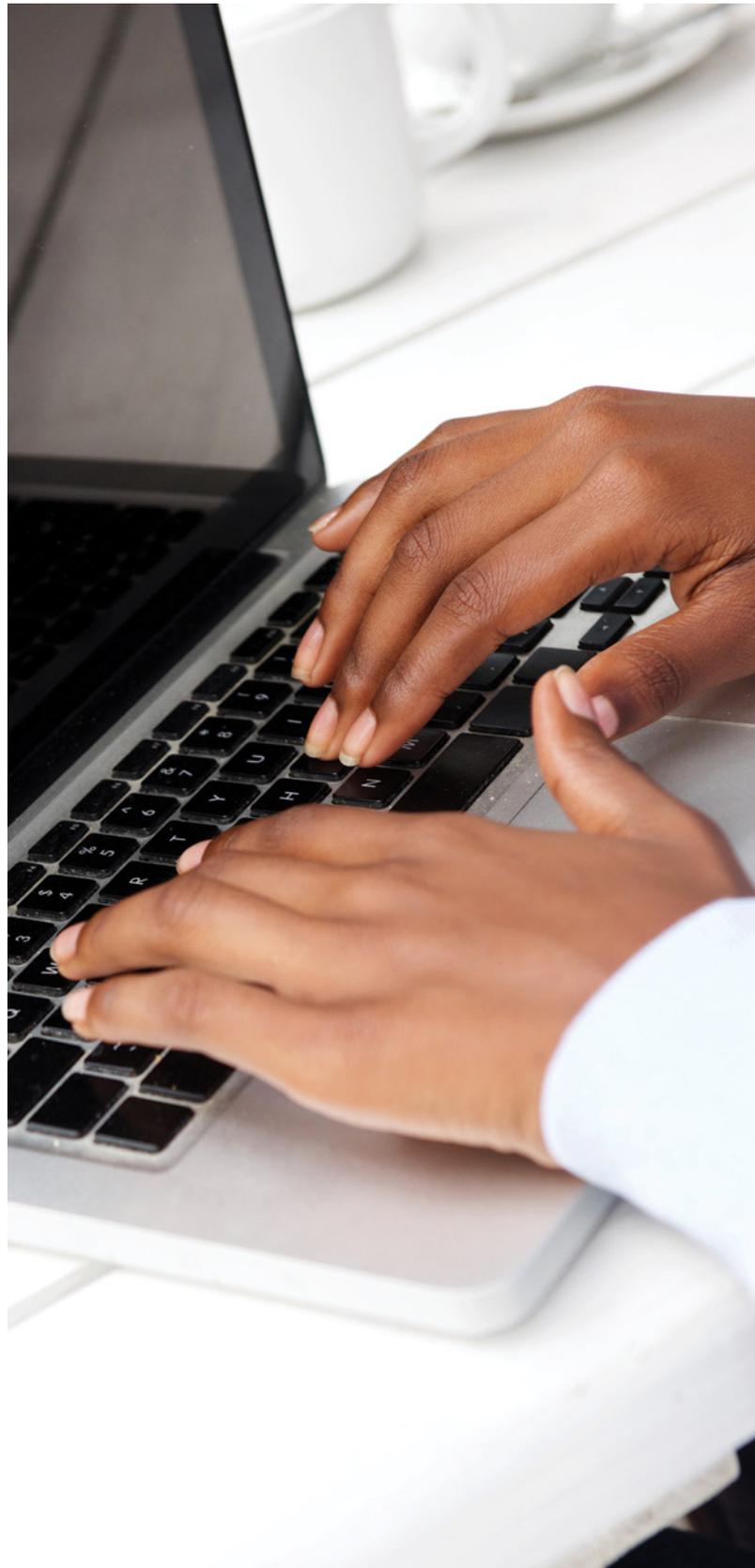
Finding applicable services is the first step in securing funding. Small business grants, loans, and equity funds are all provided by federal, state, and private organisations, so it is necessary to perform a broad search. It's also a good idea to identify the types of projects usually sponsored by each company.

You can also choose unique grant programs that fit your personal and business situation. Take note of each grant agency's name and contact information and compile a list of all the grants for which you are eligible. Select a variety of options – grants for women only, minorities only, or if you are part of both. You can search at **Grants.gov** for federal funding and **SRA International or Business Owners' Idea Cafe** for private funding sources.

## 2. Write Proposals and Applications

It can be overwhelming to complete plans and applications. To learn more about optimizing each program:

1. Do your research in advance.
2. Visit the website to read any organization-related news stories or press releases.
3. Look at the types of organizations and programs funded by the organization and, if necessary, research particular grant-winners.
4. Focus on the exact purpose of the grants. Grants may be awarded solely for the promotion of entrepreneurship for women and minorities or may be awarded to organizations whose services specifically benefit women and minorities in general.



### 3. Ask for guidance

It can be difficult to follow applying for loans, drafting grant applications, and applying for other financing services. To get more information on the application process, seek industry advisors who can provide input and support during the process, or suggest contacting funding organizations.

You can also contact the awarding agency and ask for guidance. Ask a representative to discuss the grant request process with you, discussing preferred application formats and duration, the particular areas of interest of the organization, and any other grant opportunities available for women and minorities.



### 4. Create your Grant Proposal

The proposal should include an overview of your organization, including its mission and product offerings, and a needs evaluation that clearly outlines the needs that your business serves. Focus explicitly on how the company can support the aims of the awarding organization.



## 5. Describe Your Service

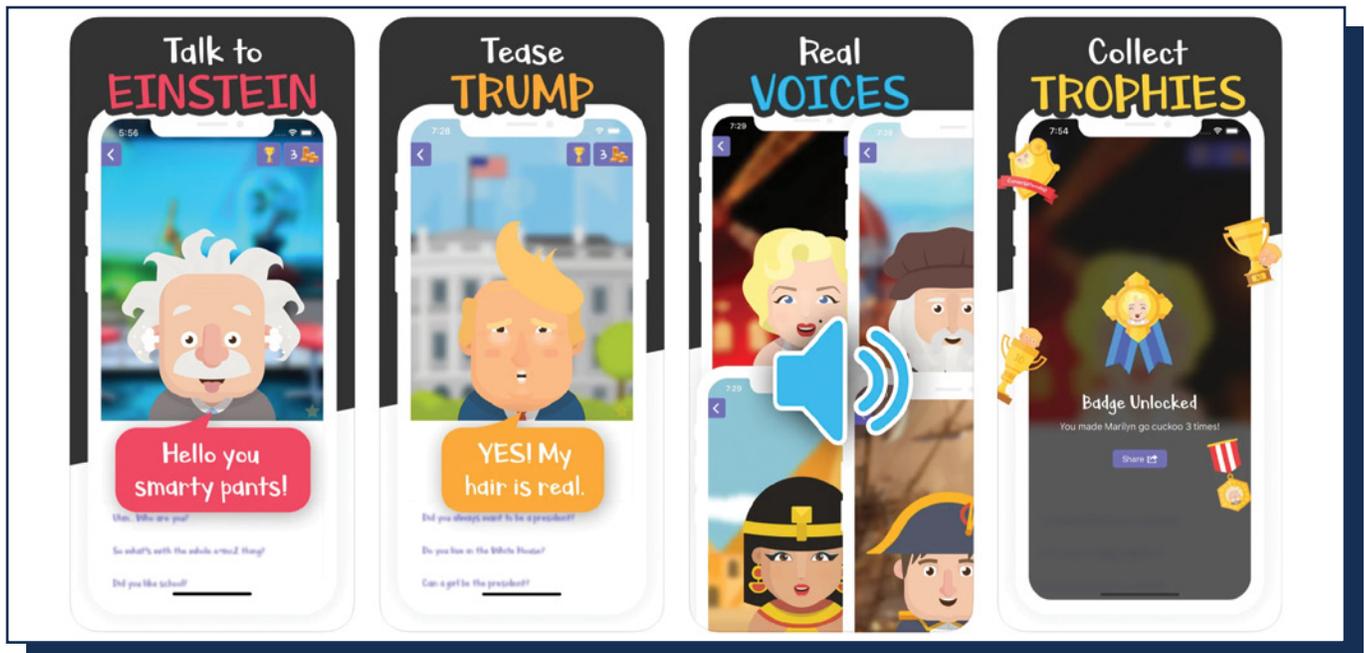
Create a detailed description of your products, services, and business model, and include it in your grant proposal. Add a budget, estimated financial statements, and a comprehensive outline of how you expect to invest the money on the grant. End your proposal with professional biographies of yourself and your top-management team. Also, list the names of any organization or party of women or minorities in which you are a member.

## 6. Follow Submission Requirements

Send your grant proposal to the awarding agency to your contact or designated recipient. When sending in your proposal, follow all format and submission directions and provide a brief cover letter introducing yourself and your business while thanking the grant reviewers for their time.

# Here are the 10 examples of UK startups owned by women and minority groups.

## Einee



Einee is an EdTech app that teaches children aged 6 to 14 and inspires them. It enables them to talk to popular real-life characters, such as Einstein and Cleopatra. At the same time, Einee is highly educational and incredibly playful.

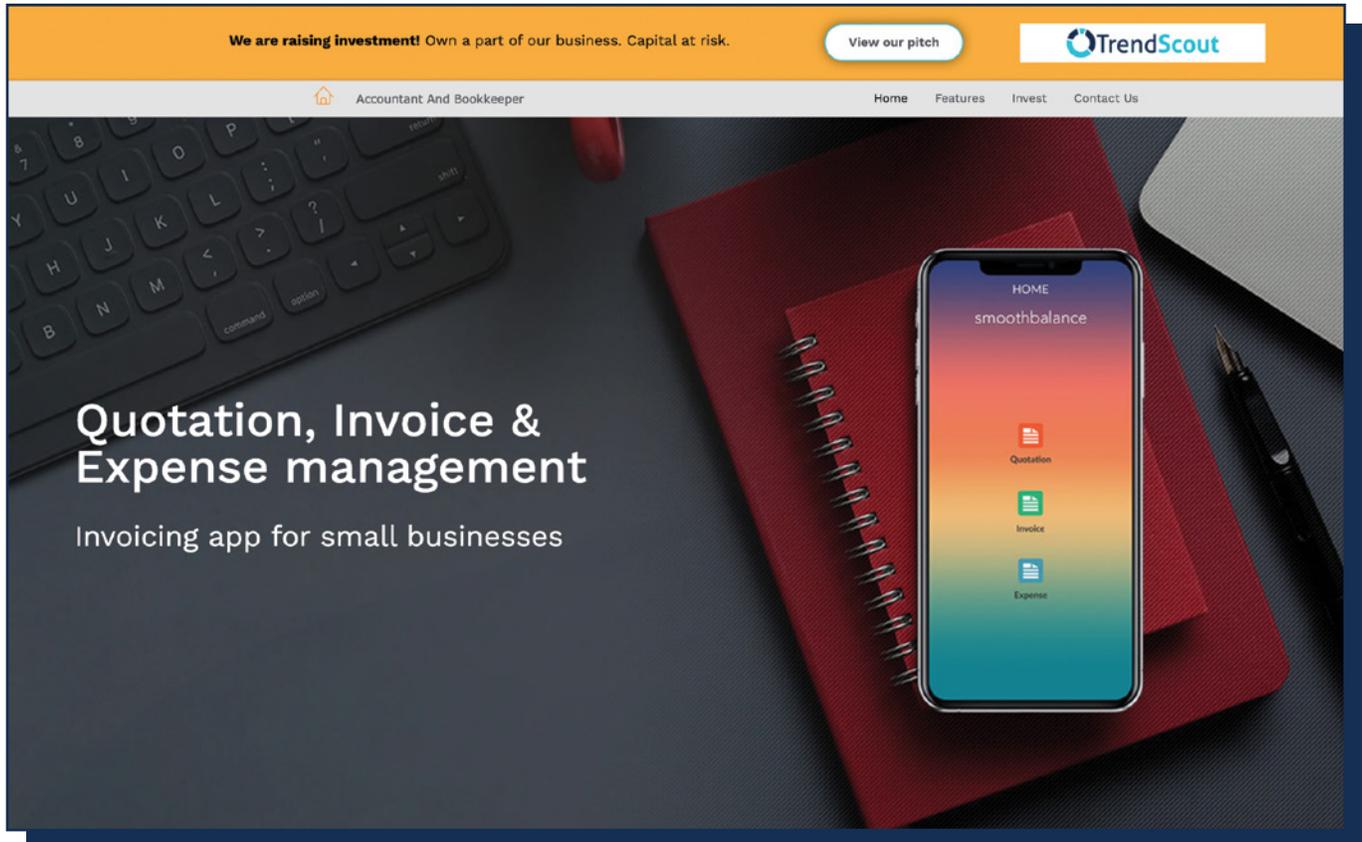
Without even realizing it, Einee plants seeds of motivation and knowledge into the minds of children. The children concentrate on collecting coins, trophies, and making the characters perform goofy emotions that they barely know are educational in the app.

### WiRE



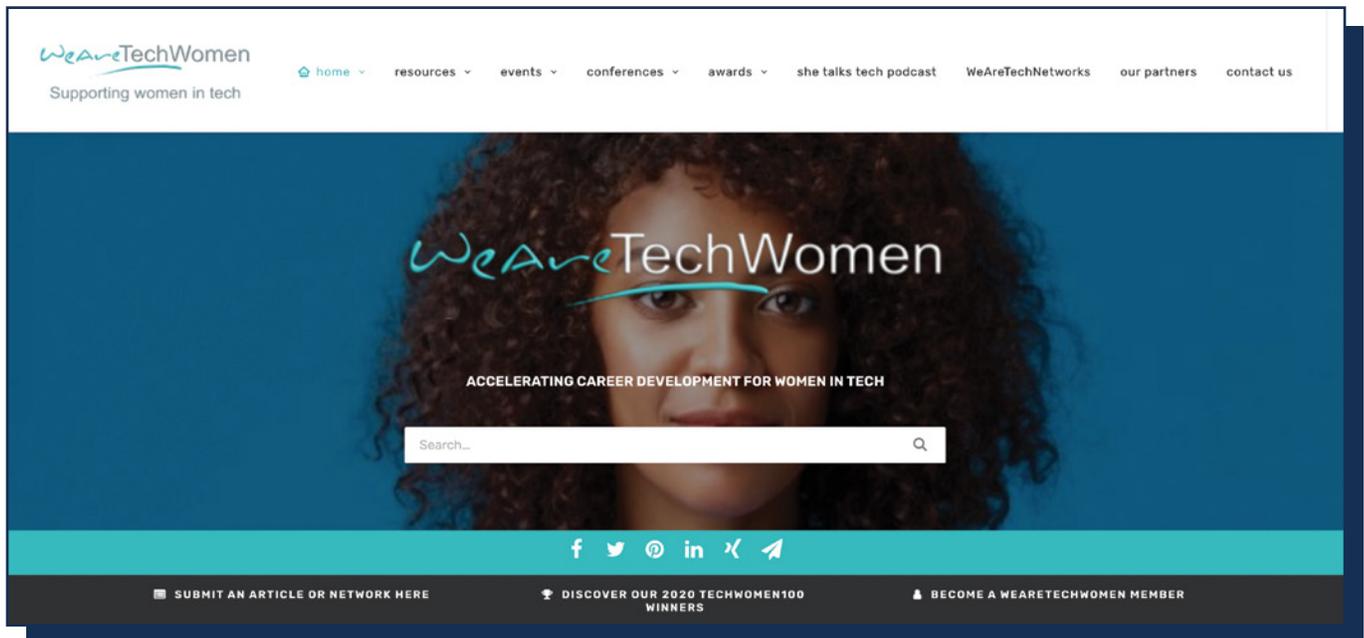
WiRE is a trusted national organisation that helps rural women develop and grow their business and delivers a range of services in response to member feedback and women's rural business needs. WiRE believes passionately that women in rural businesses should be heard and valued. They lobby on a national level to keep rural businesses on the political agenda and regularly contribute to national policy as the Government often seeks our advice. WiRE has Prowess flagship status for excellence in women's enterprise development.

## Smooth Balance



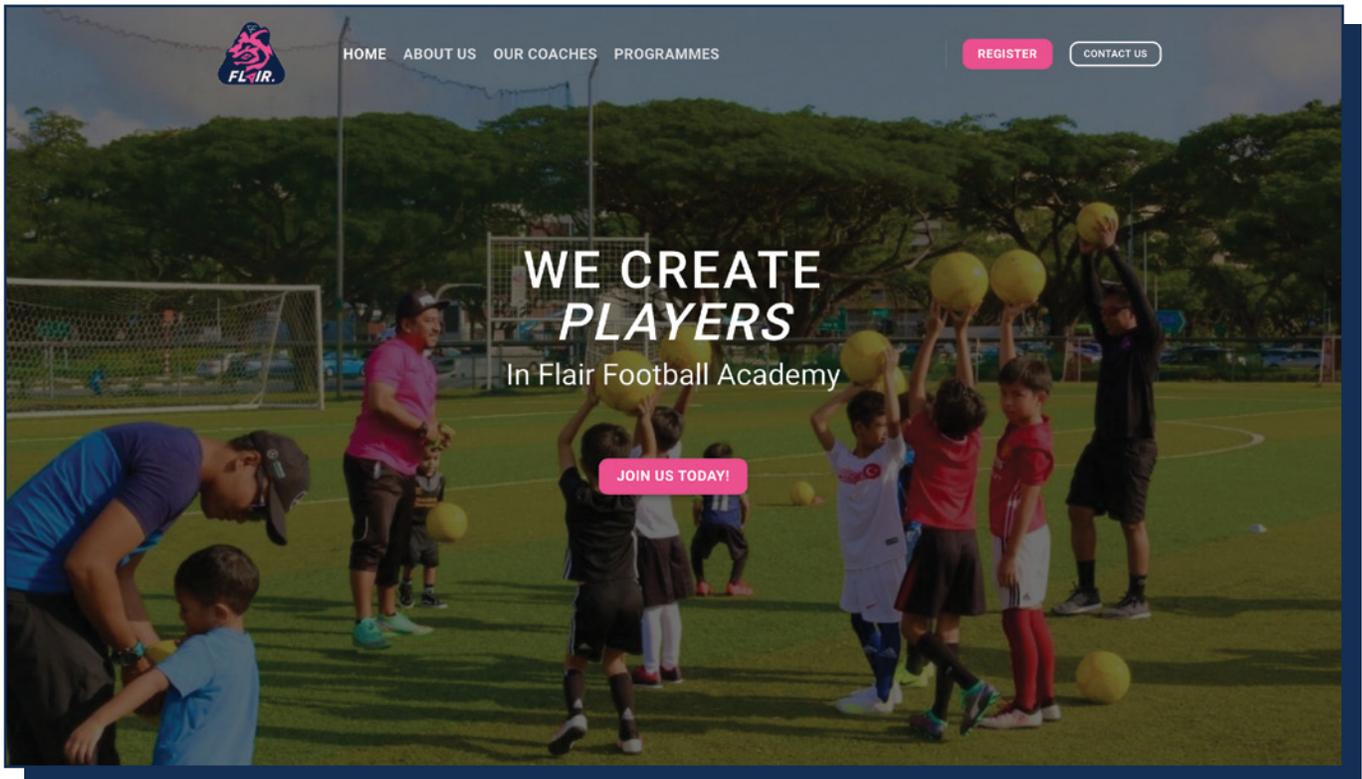
Smooth Balance is an app for sole traders, limited companies, and their accountants. The app allows users to generate and submit quotations, invoices, and log expenses. It is meant to be used by plumbers, interior decorators, graphic designers, tree surgeons, painters and decorators, tutors, singers, web developers, programmers, translators, electricians, network engineers, PC engineers, and anyone who is self-employed or runs a small company. This app is intended to ensure that companies never send quotes, invoices or report expenses late.

## Wearetech Women



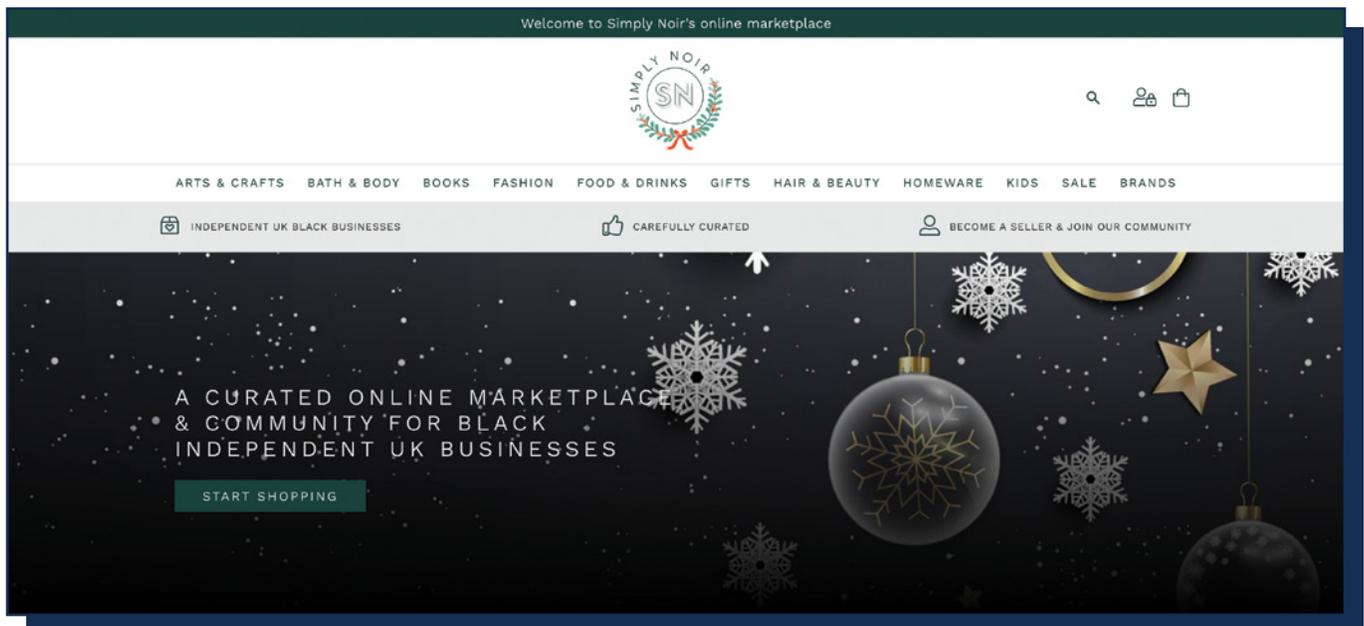
In 2015, WeAreTechWomen was founded to help women who work in technology maximise their potential. Via meetings , conferences, and awards, WeAreTechWomen has helped thousands of women in technology develop their professions. They have partnered with over 40 corporate organizations across multiple industries to help them attract, retain, and grow their female tech talent. WeAreTechWomen currently has a membership of 15,000 diverse female members working across a multitude of industries and tech disciplines.

## Flair Football



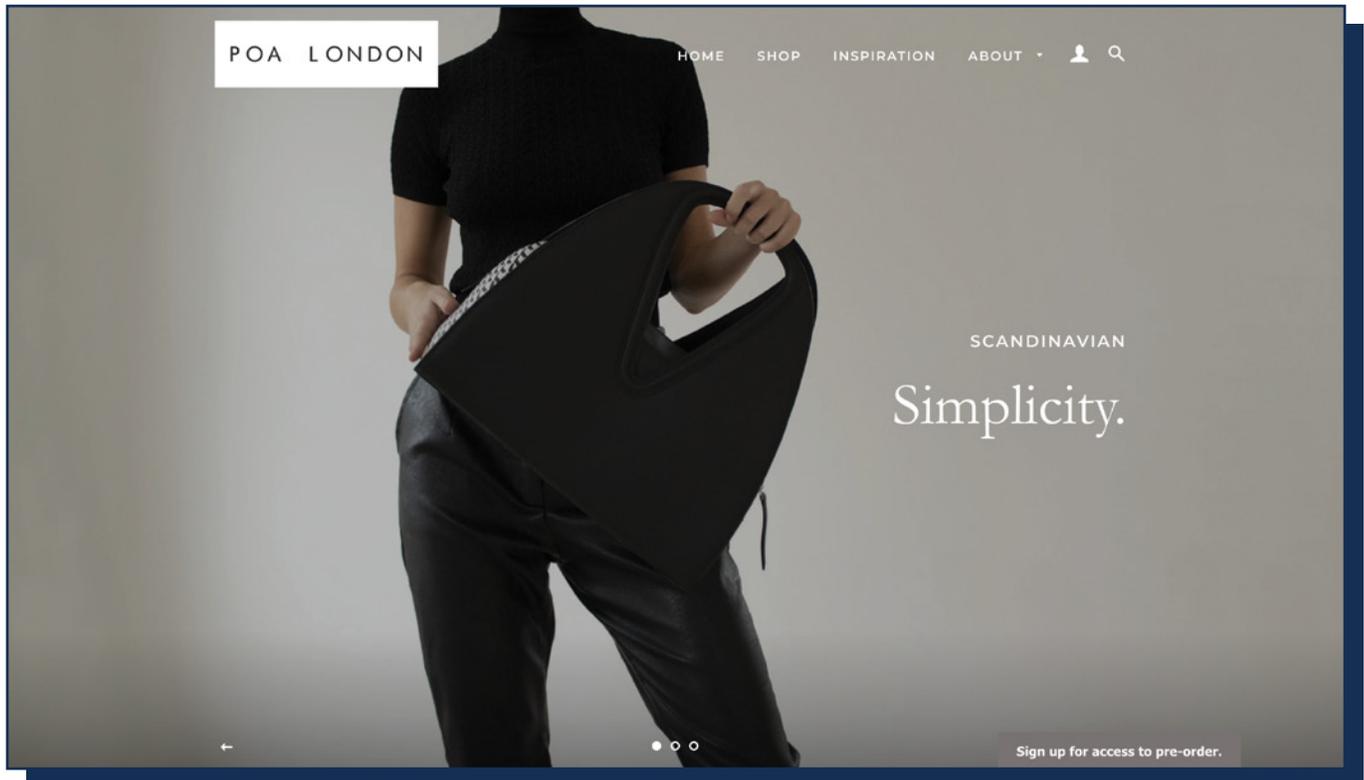
Flair Football is a smartphone app for monitoring their results and training for upcoming matches for children who play football. Flair's mission is to make every young football player feel like a pro. The goal of Flair is to make each young football player feel like a pro. Their ultimate aim is to become an international digital forum for the next generation of athletes. The app is currently available in the UK and Ireland.

## Simply Noir



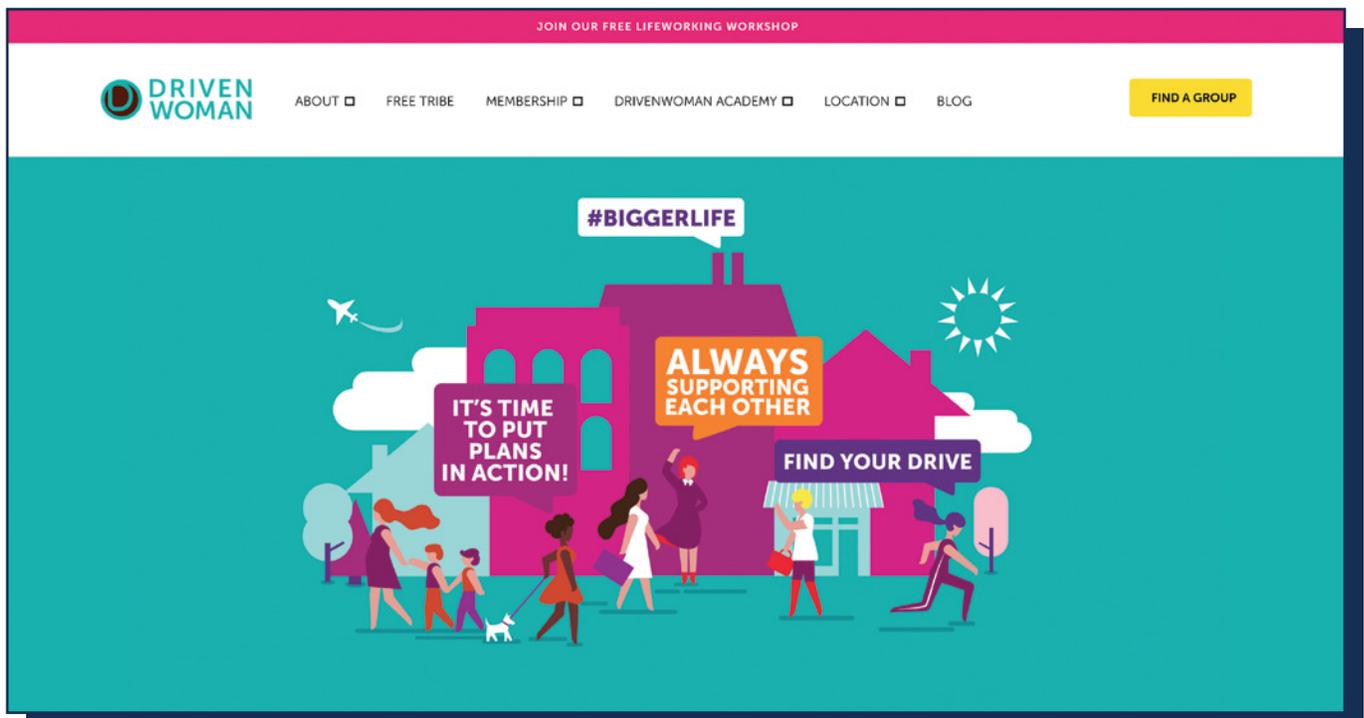
Simply Noir is a thoughtfully and lovingly curated online marketplace. They support the growth of the UK black economy and community. They make the whole process easy, helping you connect directly with talented sellers to find something special.

## POA



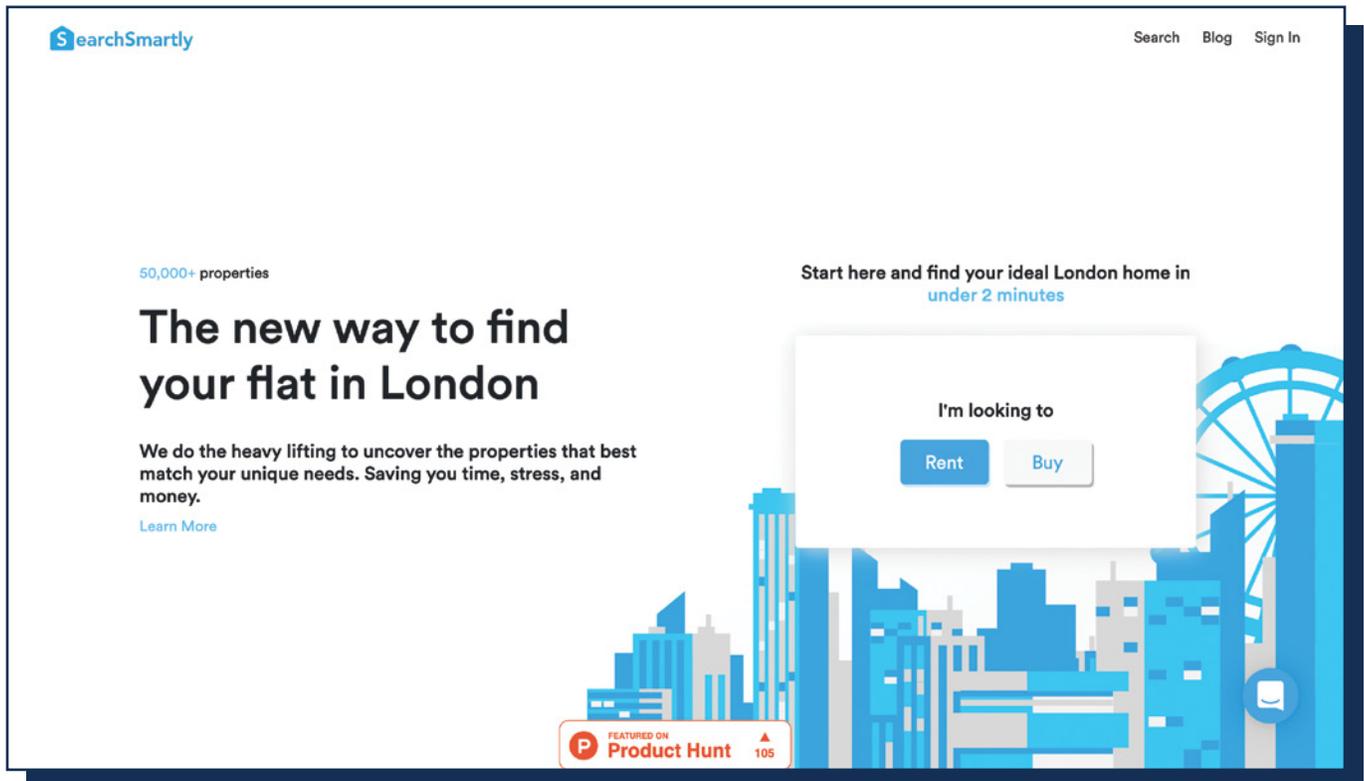
POA LONDON is a Swedish accessory brand based in London. POA delivers timeless designs in basic colours that boast minimalism and Scandinavian simplicity. They are animal and environmental friendly by using materials which classified as vegan. POA encourages and promotes fashion that is more sustainable.

## Driven Woman



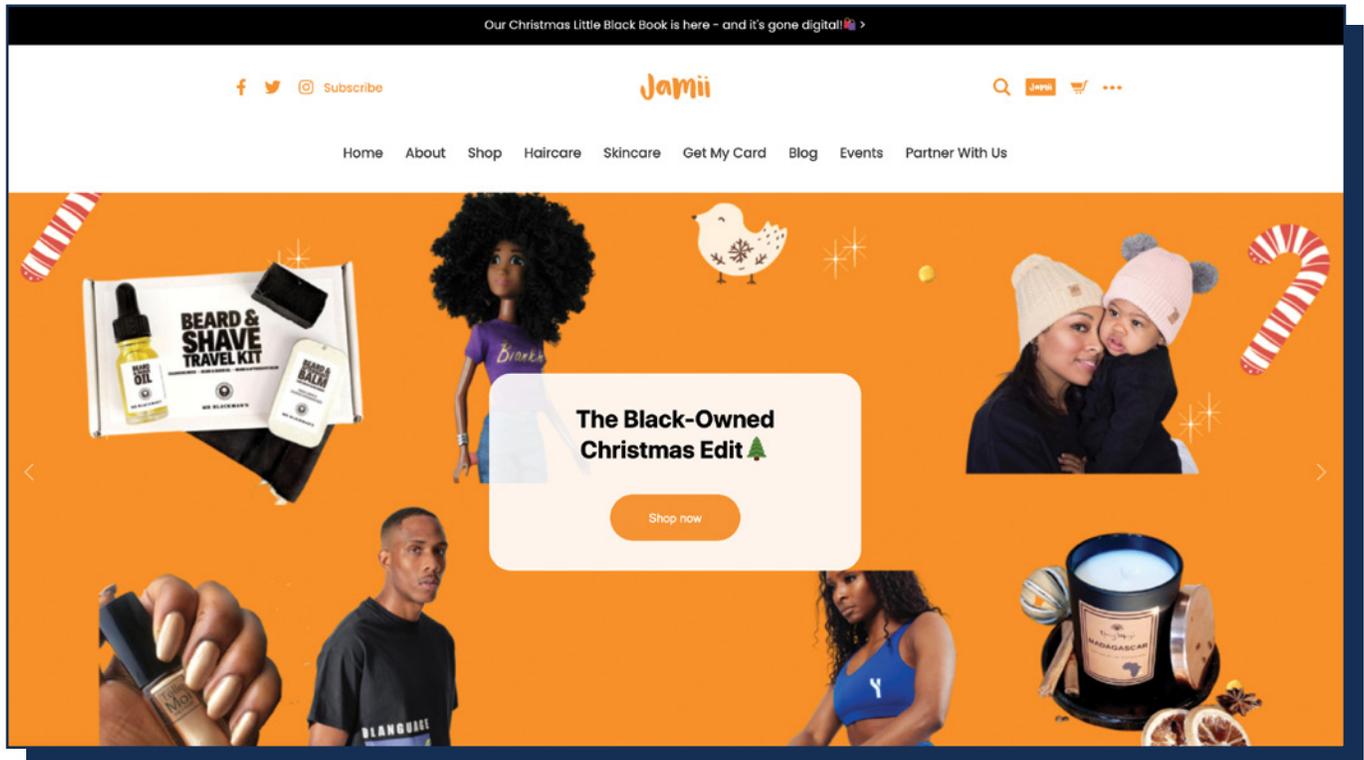
Driven Woman's Lifeworking™ program helps women identify their success, be responsible for their ambitions, and make this 'bigger life' happen. Research shows that the secret to effectively achieving personal goals and meeting expectations is accountability, commitment, and consistently writing down one's goals and aspirations. This is why they get together once a month to discuss success, build good habits, and bring plans into motion, one small step at a time.

## Search Smartly



SearchSmartly is creating the future to ensure that tenants are quickly matched to the homes and communities that best suit their needs. By doing the heavy lifting to discover the properties that are ideally suited to the full, hyper-personal needs of and tenant, whether it be a short commute, good local education, living near green space, and so on, their unique technology reimagines and simplifies the property matchmaking experience.

### Jamii



Jamii is a discount card and a discovery platform that makes it easy for you to find and shop at the UK's best independent black-owned businesses. Launched in August 2016, they're on a mission to make shopping at black-owned brands as seamless and instinctive as any other. They promote the beauty, ambition, and strength of the Black British community.

Given the 10 examples of UK startups owned by women and minority groups, TrendScout specialises in helping entrepreneurs and founders (especially women and minority) of high-potential startups achieve their business goals. Located in the heart of London, we pride ourselves on building strong, profitable partnerships based on common ground.

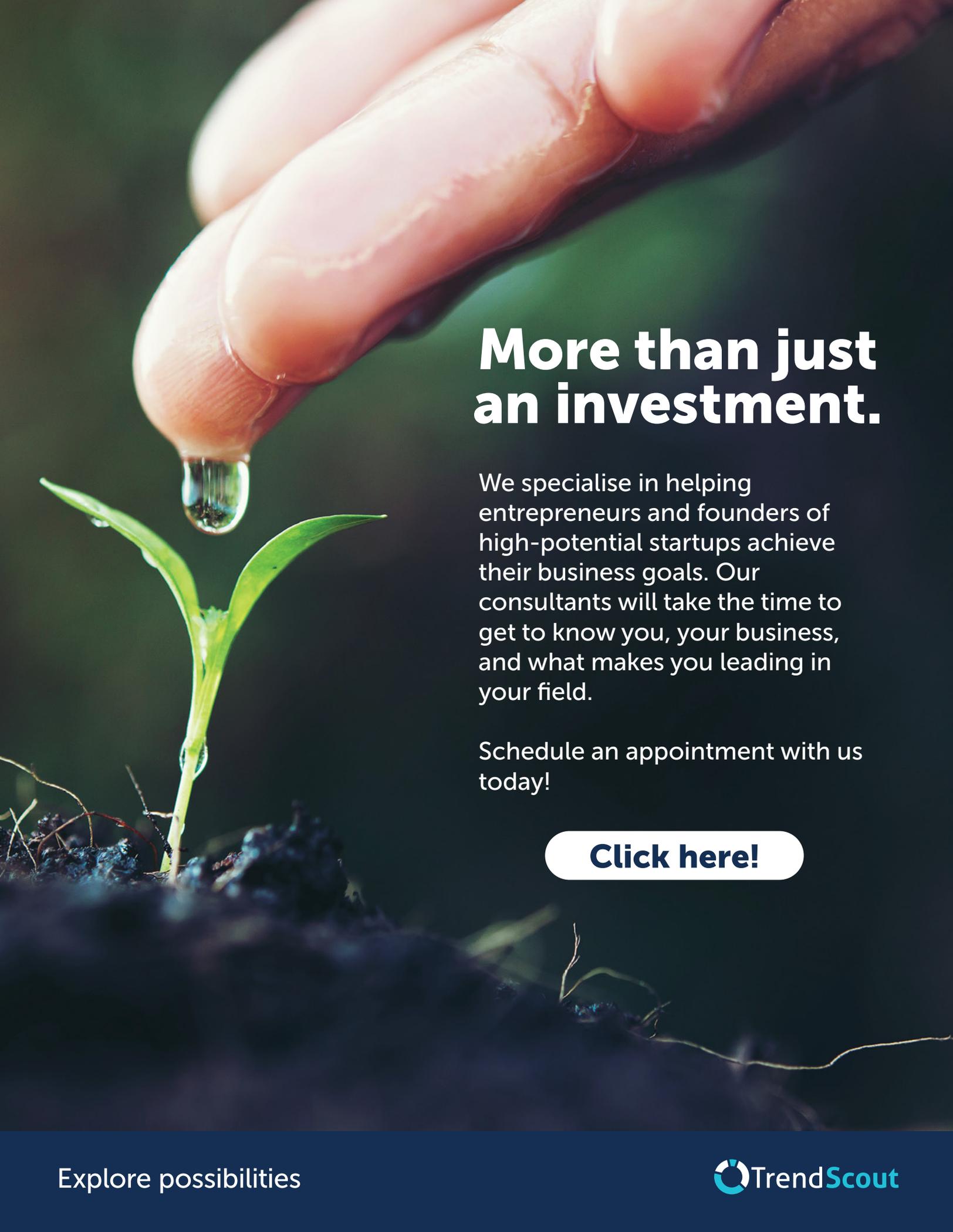
# Summary

There are different challenges that women and startup founders from minority groups face raising the funds they need to scale. However, there are many available options (such as **TrendscoutUK**) helping these startups raise the funds they need. Hundreds of startups are reviewed by our team of experts every year. We evaluate every company we work with, its potential, mission and ethical practices, ensuring that every start-up we serve will always comply with our values.

Our network of innovative startups and investors, combined with over 30 years of industry experience, allows us to identify up-and-coming opportunities before they reach the masses.

If you are interested in finding a startup that aligns with your values, you can **schedule an appointment with us today.**

Rest assured that someone will get in touch with you and help you every step of the way.

A close-up photograph of a hand holding a small green seedling. A single, clear water droplet is suspended just above the plant's leaves, about to fall. The background is a soft, out-of-focus green. The overall image conveys a sense of care, growth, and investment.

# More than just an investment.

We specialise in helping entrepreneurs and founders of high-potential startups achieve their business goals. Our consultants will take the time to get to know you, your business, and what makes you leading in your field.

Schedule an appointment with us today!

[Click here!](#)



Connecting Groundbreaking Entrepreneurs  
and Ambitious Angel Investors

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