

GM
36,8

930

Received 8 June 2020
Revised 15 April 2021
14 May 2021
Accepted 26 May 2021

In women, we trust! Exploring the sea change in investors' perceptions in equity crowdfunding

Antonella Francesca Cicchiello

*Faculty of Economics and Law, Catholic University of the Sacred Heart,
Piacenza, Italy*

Amirreza Kazemikhasragh

*University Program of Studies on Asia and Africa (PUEAA),
National Autonomous University of Mexico, Mexico, and*

Stefano Monferra

*Faculty of Economics and Law, Catholic University of the Sacred Heart,
Piacenza, Italy*

Abstract

Purpose – Women's entrepreneurial activity can significantly impact economic and social development globally, particularly in developing countries. The significant challenges entrepreneurial women face draw the attention of researchers and policymakers. This paper aims to analyse the impact of gender disparity on the likelihood of obtaining equity financing through crowdfunding. The equity crowdfunding industry was selected because it is a non-traditional financial market where gender bias may act differently for women.

Design/methodology/approach – To investigate the relationship between gender and equity financing through crowdfunding, this paper applies ordinary least squares regression. The analysis is based on a unique data set of 492 equity crowdfunding campaigns launched between 2013 and 2017 on all existing platforms in Brazil, Chile and Mexico.

Findings – The analysis reveals that the involvement of at least one woman on the board of firms seeking equity financing increases campaign success rates in terms of the investors' average pledge, the target amount reached at the end of the campaign and the percentage raised at the end of the campaign exceeding the initial fundraising goal. Altogether, this suggests that equity crowdfunding campaigns should be based on gender equality in the firms' boards. The research finds evidence that there is no gender disparity in the likelihood of a campaign being financed by a greater number of investors.

Practical implications – These findings have implications for Latin American female entrepreneurs when selecting funding sources and policymakers when defining political actions to remove the barriers at the root of this historic inequality in female entrepreneurs' access to finance.



Gender in Management: An
International Journal
Vol. 36 No. 8, 2021
pp. 930-951
Emerald Publishing Limited
1754-2413
DOI [10.1108/GM-10-2020-0309](https://doi.org/10.1108/GM-10-2020-0309)

© Antonella Francesca Cicchiello, Amirreza Kazemikhasragh and Stefano Monferra. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>

Originality/value – To the best of the authors' knowledge, this document analyses the gender disparity in the Latin American equity crowdfunding market, shedding light on women's access to crowdfunding financing for the first time.

Keywords Latin America, Equity crowdfunding, Female entrepreneurship, Entrepreneurial finance, Gender disparity, Signalling theory

Paper type Research paper

1. Introduction

The existence of gender-based differences in entrepreneurial activity is widely recognised in the entrepreneurship literature (Gupta *et al.*, 2009), although individual studies differ as to the origins and implications of the differences identified (Bruni *et al.*, 2004; Ahl, 2006; Hechavarria *et al.*, 2017; Kanze *et al.*, 2018). Women face substantial challenges in starting and leading businesses and are disadvantaged in accessing external equity (Greene *et al.*, 2001; Brush *et al.*, 2004; Gicheva and Link, 2013, 2015). Data from the last Global Entrepreneurship Monitor (2020) shows seven women entrepreneurs for every ten men entrepreneurs. Moreover, only 6 countries out of 54 surveyed in 2018 have shown equal Total Entrepreneurial Activity rates between women and men.

In Latin America, female entrepreneurship lags behind more advanced economies (Amorós and Pizarro, 2007; Allen *et al.*, 2008). Despite significant progress in the number of female entrepreneurs [1], new-business activity for women is endangered by the inadequacy of early-stage funding (Terjesen and Lloyd, 2015). Due to the lack of participation by females in new business activities, many Latin American countries are not realising their full entrepreneurial potential (Terjesen and Amorós, 2010). A lower number of female entrepreneurs results in less innovation, less export potential, fewer jobs created and, consequently, less economic growth in the country (Terjesen and Lloyd, 2015).

The fast spread of new financial companies based on technological platforms, known as Fintech, has generated significant challenges and opportunities in Latin America's financial markets (BID (Banco Interamericano de Desarrollo) and Finnovista, 2017). Beyond the traditional financial markets, equity crowdfunding (one of the most important Fintech segments) has expanded rapidly, reaching US\$39.4m in 2017 and providing 7% of the equity-based business finance in the Latin American region (Ziegler *et al.*, 2017, 2019). The recent literature has recognised that equity crowdfunding has the potential to reduce the gender gap by democratising access to funding opportunities for female entrepreneurs who are disadvantaged in accessing traditional external financing compared to men (Cumming *et al.*, 2019). Early empirical observations from Europe and the USA reveal that in informal contexts such as crowdfunding – wherein a “crowd” of amateur investors make relatively small investments in a digital environment – women are perceived by investors as more trustworthy than men (Johnson *et al.*, 2018). Consequently, women may have a funding advantage in the crowdfunding context, especially in male-dominated industries (Greenberg and Mollick, 2017).

Overall, given the potential of equity crowdfunding financing for Latin American female-owned firms to overcome barriers to accessing capital (Herrera, 2016), it seems timely to shed light on women's access to equity crowdfunding financing, not yet considered so far, to understand whether a gender disparity exists in the likelihood of obtaining equity funds. Using a data set drawn from 492 projects listed on all existing equity crowdfunding platforms in Latin America between 2013 and 2017, this research investigates the relationship between the gender composition of the entrepreneurial team looking for funds and the probability of success of equity crowdfunded projects. Consistent with previous

papers, the results show that mixed teams (with at least one woman) are significantly more likely to be successfully funded than homogeneous teams composed entirely of women or men.

This article contributes to the literature in several ways. Firstly, it contributes to the entrepreneurial finance literature interested in understanding the link between gender and access to finance (Bruni *et al.*, 2004; Ahl, 2006; Brush *et al.*, 2009; Hechavarria *et al.*, 2017; Kanze *et al.*, 2018). Specifically, it relies on Signal Theory (Ahlers *et al.*, 2015) to explore an unexpected advantage of Latin American female entrepreneurs in the equity crowdfunding market. Secondly, it contributes to a growing body of equity crowdfunding literature by analysing Latin American markets for the first time.

The paper is organised as follows. Section 2 discusses the theoretical background on gender disparity in entrepreneurial finance and the gender-related difference in crowdfunding; Section 3 presents the research setting, data and analysis; Section 4 examines the results of the analysis, and Section 5 concludes and discusses the implications of our findings.

2. Theoretical background

A significant amount of previous research shows gender disparity in capital markets and that females are disadvantaged in accessing external equity (Greene *et al.*, 2001; Brush *et al.*, 2004; Gicheva and Link, 2013, 2015). For instance, women are less likely than men to attract private equity and venture capital funding (Becker-Blease and Sohl, 2007, 2011), and even if they obtain funding, they get a substantially smaller proportion compared to men (Greene *et al.*, 2001; Canning *et al.*, 2012). Greene *et al.* (2001) document that in the USA, female entrepreneurs receive only 2.4% of all equity investments and 4.1% of venture capital. Similarly, Canning *et al.* (2012) report that women-led firms receive only 1.3% of venture capital financing. According to Brush *et al.* (2004), women-owned firms receive less than 5% of venture capital funds distributed annually in the USA. Gicheva and Link (2013, 2015) confirm that female-led firms are less likely to obtain private investment.

Women also encounter many difficulties in securing business angel financing due to investor prejudices regarding their management capabilities (Becker-Blease and Sohl, 2007, 2011; Edleman *et al.*, 2018; Poczter and Shapsis, 2018). Regardless of work experience, women are attributed less legitimacy and lower leadership/management skills (Amatucci and Sohl, 2004). Women-led ventures are evaluated less favourably (Edleman *et al.*, 2018) and are attributed lower net present values (Poczter and Shapsis, 2018). Consequently, female entrepreneurs are forced to rely on their savings, loans from families and friends, or microloans to finance their entrepreneurial activity (Haynes and Haynes, 1999; Coleman and Robb, 2009; Gicheva and Link, 2013, 2015). On the supply side, a very small proportion of women is involved in making investments (Greene *et al.*, 2001). The male dominance among investors constrains the search for and access to capital by female entrepreneurs (Coleman and Robb, 2009), whose legitimacy and credibility are often questioned (Constantinidis *et al.*, 2006; Murphy *et al.*, 2007; Aristei and Gallo, 2016).

Researchers have also demonstrated that women have greater limitations in accessing debt capital and bank financing than men (Buttner and Rosen, 1992; Orser and Foster, 1994; Fabowale *et al.*, 1995; Coleman, 2000, 2002; Eddleston *et al.*, 2016). Gender affects the evaluation criteria that lending officers use when evaluating loan applications (Carter *et al.*, 2007). Accordingly, female entrepreneurs experience higher rejection rates than their male counterparts (Stefani and Vacca, 2015), and even if they manage to receive funding, they obtain lower amounts (Eddleston *et al.*, 2016), are charged with higher interest rates (Dorfleitner *et al.*, 2013; Mascia and Rossi, 2017) and have to provide greater collateral

(Fabowale *et al.*, 1995; Coleman, 2000, 2002; Wu and Chua, 2012). Gender discrimination in traditional financial markets makes women entrepreneurs seek alternative financing channels such as equity crowdfunding.

Equity crowdfunding can be defined as a new player in entrepreneurial finance (Block *et al.*, 2018a), providing companies with the possibility to raise capital from a large number of non-professional investors by issuing small equity stakes via online platforms (Estrin *et al.*, 2018) [2]. Given the rapid growth of crowdfunding as a novel form of financing for new businesses (Bruton *et al.*, 2015), increasing attention has been paid by researchers over the last few years. In particular, recent literature attributes to equity crowdfunding platforms a democratising force able to provide access to funding to underrepresented categories of entrepreneurs (Cumming *et al.*, 2019). Unlike traditional funding channels, which are limited to a relatively small group of private investors, equity crowdfunding platforms facilitate - through the use of the internet - the interaction between entrepreneurs and many non-professional small investors (Wang *et al.*, 2019; Zhao *et al.*, 2020). In this way, equity crowdfunding enables underrepresented groups of potential entrepreneurs (including female entrepreneurs) to raise funds from diversified sets of investors, democratising access to entrepreneurial finance. A number of studies have reported that, unlike in traditional financial markets, female entrepreneurs may be favoured in equity crowdfunding (Cicchello, Kazemikhasragh and Monferrà, 2020).

Vismara *et al.* (2017) point out that equity crowdfunding provides higher access to equity capital than traditional means of entrepreneurial finance. Using a sample of 58 equity offerings of the UK crowdfunding platform Seedrs, the authors show higher success rates for firms with a female CEO. From the supply side, results show that women invest more and prefer female-led firms. Using equity offerings on the UK platform, Crowdcube, Barbi and Mattioli (2019) reveal that the gender composition of the entrepreneurial team plays a key role in the success of campaigns. Indeed, one additional woman on the entrepreneurial team increases the total funding by around 6%. Similarly, Cumming *et al.* (2019) find that female entrepreneurs attract a higher number of investors. Relying on Stereotype Content Theory and Warm-glow Theory, Zhao *et al.* (2020) find that female entrepreneurs are more likely to be funded through equity crowdfunding than their male counterparts.

Examining the effect of Title II of the JOBS Act, which legalised equity crowdfunding in the USA, McGuire (2020) find a reduction in the gender gap in external financing by three percentage points. According to these studies, equity crowdfunding can mitigate the gender gap in business financing, increasing women's ability to raise funds, especially in male-dominated industries (Greenberg and Mollick, 2017). This change can be explained by the different perceptions that the "crowd" of investors have concerning the gender of entrepreneurs in informal funding contexts such as crowdfunding.

Signalling Theory has recently gained prominence in studies of investment decisions in equity crowdfunding (Ahlers *et al.*, 2015). In this context, the theory is focused on the effectiveness of signals that entrepreneurs use to alleviate the information asymmetries faced by small investors and induce them to commit financial resources in equity crowdfunding campaigns. Signals concerning the entrepreneur and the entrepreneurial team's quality are typically related to human, social and intellectual capital, reputation and track record, and the entrepreneurial team's commitment and investments. For instance, according to Ahlers *et al.* (2015), the amount of equity offered and the provision of more detailed information about risks can act as effective signals and can, therefore, strongly impact the probability of funding success. The authors also demonstrate that human capital can enhance the likelihood of attracting investors and increase the capital-raising speed. Indeed, a higher number of board members and a percentage of board members with MBA degrees are

perceived by outside investors as a positive signal of the firm's ability to face market uncertainty. In line with these arguments, [Block *et al.* \(2018a\)](#) describe that the possession of a patent can act as an effective human capital signal in equity crowdfunding. Similarly, [Ralcheva and Roosenboom \(2016\)](#) highlight that entrepreneurs can signal their start-ups' quality by showing attributes such as having won governmental grants or having been financed by business angels. The early funding activity on the campaign was found to influence the probability of funding success, suggesting that early interest and investment pledges send to potential late investors a positive signal triggering a herding effect ([Vismara, 2018](#)). Similarly, public profile investors have been found to play a crucial role in attracting other investors in the initial days of the campaign, conveying to uninformed investors a strong signal of the quality of the venture ([Vismara, 2018](#)). In their study, [Piva and Rossi-Lamastra \(2018\)](#) argue that only human capital signals that have both a good fit with start-up quality and a low degree of ambiguity (i.e. entrepreneurs' business education and entrepreneurial experience) significantly contribute to entrepreneurs' success in equity crowdfunding. [Kleinert, Volkmann and Grunhagen \(2020\)](#) find evidence that prior financing – especially from venture capitalists – positively affects campaign success by certifying firms' quality to investors and reducing information asymmetries in equity crowdfunding.

Gender aspects related to signalling have been limitedly explored in the equity crowdfunding context.

However, a recent study has indicated that gender influences venture capital funding both related to how entrepreneurs signal the quality and legitimacy of their businesses and in how investors interpret those signals ([Alsos and Ljunggren, 2017](#)). Recognising that gender is embedded in the entrepreneur–investor relationship ([Connelly *et al.*, 2011](#)) and that gender differences in human, social and financial capital determine the signals related to the entrepreneur/team and the venture ([Talbot, 2010](#)), there are several ways in which gender may play a role in the equity crowdfunding context.

For instance, female entrepreneurs may have a greater need to signal their own and their ventures' legitimacy and credibility to compensate for structural barriers and stereotypical ascriptions associated with being a woman. Furthermore, in informal funding settings characterised by severe information asymmetry, such as equity crowdfunding ([Colombo *et al.*, 2015](#)), gender may signal the trustworthiness of the initiators ([Johnson *et al.*, 2018](#)). Due to the typical social roles - trustworthy in nature - that society associates with women, they tend to be seen as more trustworthy, benevolent and upstanding than men. At the same time, male entrepreneurs who use crowdfunding can be perceived by investors as less competent than those who would choose traditional sources of funding (i.e. venture capital or angel investment). Finally, gender diversity may also signal a multiplicity of perspectives that can spark creativity and innovation and help the company spot and seize new opportunities. For instance, having both women and men in the entrepreneurial team means that the company can benefit from the different points of view and approaches that come from different life experiences. Overall, based on Signalling theory, it is expected that the presence of women should influence funders' willingness to provide financial backing to female entrepreneurs in the equity crowdfunding context.

Hence, we hypothesise the following:

- H1.* The presence of at least one woman on the entrepreneurial team increases the probability of success of equity crowdfunding campaigns in terms of investors' average pledge.

- H2. The presence of at least one woman on the entrepreneurial team increases the probability of success of equity crowdfunding campaigns in terms of the number of investors.
- H3. The presence of at least one woman on the entrepreneurial team increases the probability of success of equity crowdfunding campaigns in terms of the target amount reached at the end of the campaign.
- H4. The presence of at least one woman on the entrepreneurial team increases the probability of success of equity crowdfunding campaigns in terms of the percentage raised at the end of the campaign exceeding the initial fundraising goal (i.e. overfunding).

The hypotheses are tested using hand-collected data from all existing equity crowdfunding platforms in Latin America between 2013 and 2017. The specific case of Latin America offers scholars the opportunity to expand the knowledge of gender differences in the equity crowdfunding context. Additionally, this study provides valuable insights to policymakers and practitioners across Latin America to better understand the growing phenomenon of equity crowdfunding and how it may be harnessed to bridge the funding gender gap and increase female's participation in new business activities.

3. Data and sample

The study investigates the relationship between gender and equity crowdfunding investment in Latin America using hand-collected data from equity crowdfunding platforms in Brazil, Chile and Mexico. Specifically, the sample includes data from Broota.com.br, Eqseed, Start Me Up and Eusocio from Brazil, Broota.cl from Chile and Crowdfunder.mx and Play Business from Mexico [3] (Table 1). The analysis covers only Brazil, Chile and Mexico because the remaining countries in Latin America do not have a single equity crowdfunding platform at the date of data collection (November 2017) (Ziegler *et al.*, 2017). Foreign equity crowdfunding platforms are not taken into account. This is the only sample of equity crowdfunding campaigns in Latin America so far collected as far as is known. Table 1 presents the list of platforms by the city in which the platform is located, the foundation year and the current state (active/inactive).

Most of the platforms analysed work according to the traditional "All-or-Nothing" Model (Cumming *et al.*, 2015), according to which a project is only considered successful when 100% of the fundraising goal is reached within the specified time period, generally 60–

Country	Platform's name	City	Foundation year	Model	Status
Brazil	Broota.br	São Paulo	2014	Equity	Active
	(currently Kria)				
	Eqseed	Rio de Janeiro	2014	Equity	Active
	Eusocio	Rio de Janeiro	2013	Equity	Active
	Startmeup	São Paulo	2015	Equity	Active
Chile	Broota.com	Santiago	2013	Equity	Active
Mexico	Crowdfunder.mx	Mexico City	2015	Equity	Inactive
	PlayBusiness	Mexico City	2014	Equity	Active

Table 1.
Crowdfunding platforms

90 days. In Brazil, campaigns are considered successful if they reach at least two-thirds of the fundraising goal [4]. When the fundraising goal is reached, the invested sums are transferred from the deposit account to the founders' accounts. After that, investors become shareholders in the company, and they acquire all the established rights. When the fundraising goal is not reached, the amounts invested are returned to the investors. Successful campaigns are listed on the main page of platforms' websites following a similar presentation structure, which ensures homogeneity and comparability in the collection of information. Unsuccessful campaigns are deleted at the end of the campaign. Thus, information from the platforms' CEOs and CTOs were obtained for this research. Finally, the Orbis Bureau Van Dijk (BVD) database was used to extract information about firms asking for equity funds (e.g. industry and firm age). The final sample is made up of 492 projects, out of which 382 (77.6%) were successful in reaching their fundraising goal, considering a time period spanning four years, i.e. from the inception of the platforms (2013 for Chile and Brazil and 2014 for Mexico) to the end of 2017. Table 2 presents the number of projects by platform and year.

4. Identification strategy

In line with previous studies (Ahlers *et al.*, 2015; Colombo *et al.*, 2015; Ralcheva and Roosenboom, 2016; Vismara, 2018), the success of equity crowdfunding campaigns is measured with four dependent variables. The primary dependent variable of interest is “project success”, a dichotomous variable equal to “one” for successful equity crowdfunding campaigns (i.e. the campaign reaches the fundraising goal in the time period imposed by the platform), otherwise “zero”. The choice of this measure is driven by the “All-or-Nothing” character of the platforms analysed. The second dependent variable is the percentage of the target amount raised at the end of the campaign that exceeds the initial fundraising goal “percentage raised”. This is a more fine-tuned measure of the success of the campaign than the dichotomous variable “project success”. It indicates how much capital has been raised relative to the initial target amount. The percentage raised can take values above 100% in project overfunding (the campaign reaches a higher percentage of funding with respect to the initial goal). The “number of investors” and the “average pledge” of investors (measured by the total amount raised at the end of the campaign divided by the number of investors) were used.

The independent variable of interest is the gender composition of the entrepreneurial team of the firm asking for equity crowdfunding financing. In addition to capturing team size, following Poczter and Shapsis (2018), several characterisations of what is considered a female team were considered. Firstly, the starkest measure was considered, in which a team will be considered “female” if it is entirely composed of women. This may include teams of individuals that are women or a single female entrepreneur. Thus, the variable “all-female” is a binary variable equal to “one” for those teams that are all female and “zero” for those teams with 100% male composition (“all-male”). The gender funding relationship was also

Table 2.

Number of projects
by platform and year

Campaign year	Broota	Broota.br	Crowdfunder	Eqseed	Eusocio	Playbusiness	Startmeup	Total
2013	11	0	0	0	0	0	0	11
2014	5	6	0	0	3	45	0	59
2015	13	17	0	1	3	119	2	155
2016	13	19	3	2	0	89	6	132
2017	18	17	15	9	0	73	3	135
Total	60	59	18	12	6	326	11	492

examined using a “both” team variable, which is a binary variable equal to “one” for those teams that have at least one female, and equal to “zero” if the team is all male.

Other characteristics of the entrepreneurial team and the company that may be related to gender and funding were considered and recorded because, if not included as control variables, the estimates may suffer from Omitted Variables Bias. Therefore, an additional set of control variables were included. As with [Ralcheva and Roosenboom \(2016\)](#), the analysis controlled for “firm age” at the time of the crowdfunding campaign measured by subtracting the campaign’s year from the firm’s incorporation date reported on the Orbis database. Also taken into account were several company characteristics such as the “industry” and the country (“Brazil”, “Chile” and “Mexico”) in which it operates. For the industry, the Global Industry Classification System is used. With regards to the structure of the campaign, the researchers controlled for the target amount of capital to be raised in million USD (“fundraising goal”), and the relative percentage of equity offered to investors (“equity offered”) as reported on the presentation pages of each campaign made available by the platforms. In line with previous studies ([Mollick, 2014](#); [Ahlers et al., 2015](#); [Vismara, 2016](#); [Cumming et al., 2019](#); [Ralcheva and Roosenboom, 2016](#)), it was expected that a high fundraising goal, as well as a high percentage of equity offered, negatively affects the success of equity crowdfunding campaigns. Firms seeking financing can choose to use the consulting services offered by an “advisor”, whose presence is indicated on the page of the campaign on the platforms’ websites. The researchers believe that the presence of an advisor can increase the level of investor confidence, and therefore increase the chances of campaign success. To attract potential investors, founders can use presentation videos through which additional information about the company and its team is provided. Thus, the researchers controlled for the number of viewings (on YouTube and Vimeo) of the videos used to promote the campaigns (“video”). In line with [Mollick \(2014\)](#) and [Vismara \(2016\)](#), it was expected that including a video can increase the likelihood of project success by reducing information asymmetry. Following [Mollick \(2014\)](#), [Colombo et al. \(2015\)](#) and [Vismara \(2016\)](#), the researchers considered the number of LinkedIn connections of each founder as reported on their personal LinkedIn profiles linked to the project page on the platform. Then the researchers calculated the average number of LinkedIn connections of all founders (“LinkedIn”). Following [Mejia, Urrea and Pedraza-Martinez \(2019\)](#), the researchers controlled for the presence of “financial information” about the company provided by the founders’ team to attract investors. Data sources and variables are presented in [Table 3](#).

With [Ralcheva and Roosenboom \(2016\)](#) and [Ahlers et al. \(2015\)](#) research in mind, to measure the relationship between gender and equity crowdfunding financing, ordinary least squares (OLS) regression was used, with the following model specification:

$$Y_i = \beta_0 + \beta x_i + \epsilon_i$$

In this model βx_i is a coefficient for each used variable. In the above equation, X is an independent/explanatory variable, Y is a dependent/response variable and ϵ_i represents the error term. Given the general characteristics of variables in this study, OLS regression is used to allows identification of the relationship between dependent variables and independent variables ([Freedman, 2009](#)). [Table 4](#) reports the summary statistics, and [Table 5](#) reports the correlation matrix.

5. Results

[Table 6](#) shows the results of the independent variable “average pledge” by using the OLS (Model 1) as well as robustness (Model 2). It can be seen from [Table 6](#) that the involvement

Variable	Description	Data sources
<i>Dependent Variable</i>		
Project success	Dummy variable equals to 1 if crowdfunding project succeeds, and 0 otherwise	Platforms*
Number of investors	The number of investors at the end of the campaign	Platforms
Average pledge (in USD)	The total amount raised at the end of the campaign divided by the number of investors	Platforms
Percentage raised	The total amount raised at the end of the campaign divided by the target amount	Platforms
<i>Explanatory Variables</i>		
All Female	Binary variable equals 1 for teams composed of all-female or a single female entrepreneur, and 0 otherwise	Platforms
All Male	Binary variable equals 1 for teams composed of all-male or a single male entrepreneur, and 0 otherwise	Platforms
Both	Binary variable equals 1 for teams that have at least one female, and equal to 0 if the team is all male or all female	Platforms
Firm age	The company age expressed in years at the time of the crowdfunding campaign	Orbis/platforms
Industry	The Standard Industrial Classification (US-SIC-code)	Orbis
Country	The country in which the platform operates (Brazil, Chile, or Mexico)	Platforms
Advisor	Binary variable equals 1 if the company has an advisor, and 0 otherwise	Platforms
LinkedIn founders' connections	The average number of founders' LinkedIn connections	LinkedIn
Equity offered (%)	The percentage of equity offered to investors	Platforms
Video	The number of video's viewings on YouTube or Vimeo	Platforms
Financial info	Binary variable equals 1 if the company give financial information, and 0 otherwise	Platforms
Fundraising goal	The amount that founders seek to raise using crowdfunding in million USD	Platforms

Table 3.

Notes on variables and data sources

Notes: (*) Platforms: Broota.com.br, Eqseed, Start Me Up, and Eusocio from Brazil, Broota.cl from Chile, and Crowdfunder.mx and Play Business from Mexico

of at least one woman in both models has a positive and significant impact on the average pledge. The results indicate that mixed teams (teams with at least one woman) are significantly more likely to attract investors who pledge significantly higher amounts of funds than the all-male and all-female teams (i.e. teams of individuals that are all women or a single female entrepreneur) (average pledge, $b = 0.2329$, $p < 0.1$), thus $H1$ is accepted. These results may have practical implications on how female entrepreneurs should choose mixed-sex partnerships when creating a new entrepreneurial team.

Regarding the control variables, as [Ralcheva and Roosenboom \(2016\)](#), this research finds that the presence of an advisor offering consulting services increases the investors' average pledge. In contrast with [Ralcheva and Roosenboom \(2016\)](#), this research finds that firm age has a positive and significant impact on the average pledge. This is probably due to the fact that the greater the number of years of the company's activity, the greater the investor's confidence and, consequently, their pledge. It also finds statistically significant empirical

						Perceptions in equity crowdfunding
Variable	Obs	Mean	SD	Min	Max	
Project success	492	0.776423	0.417066	0	1	
Number of investors	492	26.36789	44.44711	0	362	
Average pledge	492	1272.789	2603.447	0	25450	
Percentage raised	492	0.4108878	49.29294	0	286.28	
All male	446	0.753363	0.431538	0	1	
All female	446	0.047085	0.212059	0	1	
Both	446	0.199552	0.400112	0	1	
Brazil	492	0.178861	0.383626	0	1	
Chile	492	0.121951	0.327562	0	1	
Mexico	492	0.699187	0.459078	0	1	
Advisor	452	0.130531	0.33726	0	1	
Video	492	1.829268	0.376657	1	2	
Industry	451	0.840355	0.366684	0	1	
Firm age	438	1.899543	2.628649	-2	26	
Linkedin	427	302.0295	182.7127	0	1	
Equity offered	492	11.90242	8.130079	0.2	68.38	
Financial info	492	0.401746	0.490787	0	1	
Fundraising goal	492	73942.56	96647.28	578.9	92,624	

939

Table 4.

Descriptive statistics

evidence that a higher number of video viewings influences the amounts of funds pledged by investors. This lends support to [Mollick's \(2014\)](#) argument about signalling of the quality of the project and the of commitment of its proponents through the inclusion of a video used to promote the campaign. The findings also show that the fundraising goal affects the campaign's capacity to raise higher amounts of funds from individual investors and that a larger percentage of equity offered negatively influences the average pledge. This evidence reflects the investor's positive perception of retained equity which is typically interpreted as a strong sign of venture quality ([Ahlers *et al.*, 2015](#)). There is no statistically significant empirical evidence that the average number of founders' LinkedIn connections influences the average pledge. However, financial information is found to have a positive impact on the average pledge. This suggests that investors place greater trust in the financial information provided by the company rather than the number of the founders' LinkedIn connections. As stated by [Lukkarinen *et al.* \(2016\)](#), the availability of income statement data and forecasts may be considered a sign of credibility and capability. Conversely, the absence of financial information may be considered dubious or unprofessional by investors.

At the country level, the results show that relationships with all countries are positive and statistically significantly related to the average pledge. According to the results, projects launched on Mexican platforms are significantly more likely to attract investors who pledge significantly higher amounts of funds than projects launched on Chilean and Brazilian platforms (project success $b = 0.096599$, $p < 0.1$). Finally, the industry in which the firm operates is not significantly related to the average pledge. This suggests that the relationship between team gender composition and average pledge is not due to industry specifics.

[Table 7](#) shows the results of the regression analysis with the dependent variable measuring the number of investors. The results indicate that the gender of the founders is not significantly related to the number of investors. Indeed, none of the variables relating to gender (all-male, all-female and both) is statistically significant. Therefore, $H2$ is rejected. Among control variables, in line with previous studies ([Colombo *et al.*, 2015](#) and [Vismara, 2016](#)), results show that the presence of professional advisors, a large number of founders'

Table 5.
Correlation matrix

Variables	Gender	Project success	Brazil	Chile	Mexico	Advisor	Video	Industry	Firm age	LinkedIn	Equity offered	Average pledge	No of investors	% raised	Financial info	Fundraising goal
Gender	1															
Project success	0.0509	1														
Brazil	0.055	0.0505	1													
Chile	-0.077	0.0713	-0.198	1												
Mexico	0.0071	-0.094	-0.719	-0.539	1											
Advisor	-0.042	0.1647	0.5105	0.1411	-0.539	1										
Video	0.0646	0.1833	0.0104	0.071	-0.059	0.0486	1									
Industry	-0.061	0.041	-0.048	-0.14	0.1407	0.0179	0.0538	1								
Firm age	-0.029	-0.06	0.2203	0.1651	-0.306	0.1696	-0.064	-0.225	1							
LinkedIn	-0.083	0.1229	0.2611	0.2412	-0.395	0.2572	0.1133	-0.036	0.1982	1						
Equity offered	0.0162	-0.049	-0.084	0.1682	-0.047	-0.024	0.0096	-0.04	-0.035	-0.025	1					
Average pledge	0.0174	0.2121	0.169	0.2732	-0.339	0.2886	0.0482	-0.064	0.2205	0.259	0.0074	1				
Number of investors	0.0064	0.2701	0.0024	0.0089	-0.008	0.0305	0.0952	0.0084	0.0149	0.181	-0.004	-0.039	1			
Percentage raised	0.0397	0.3959	0.2789	0.1564	-0.35	0.333	0.1291	-0.013	0.0786	0.349	-0.079	0.3065	0.5538	1		
Financial info	0.1101	0.3217	0.2148	-0.063	-0.14	0.2512	0.1344	0.0569	0.0868	0.134	-0.164	0.0124	0.4443	0.514	1	
Fundraising goal	-0.084	-0.001	0.2494	0.3973	-0.496	0.246	0.0066	-0.17	0.2896	0.33	0.1189	0.4791	0.1	0.1526	-0.03	1

Perceptions in equity crowdfunding

Average pledge	Model 1 OLS		Model 2 Robust	
	Coef.	Sth. Err.	Coef.	Sth. Err.
All male	0.007	0.169856	0.007	0.099707
All female	-0.1877	0.299943	-0.1877	0.111450
Both	0.2329**	0.088579	0.2329**	0.172482
Advisor	0.487**	0.058471	0.487**	0.032841
Brazil	0.019157*	0.016413	0.019157*	0.008238
Chile	0.075967*	0.065892	0.075967*	0.053712
Mexico	0.096599**	0.049171	0.096599**	0.031829
Video	0.063775*	0.090915	0.063775*	0.042061
Industry	0.084924	0.128899	0.084924	0.061274
Firm age	0.038694*	0.020	0.038694*	0.000219
Linkedin	0.00012	0.000239	0.00012	0.000103
Equity offered	-0.007448*	0.006474	-0.007448*	0.002219
Finance info	0.381208**	0.110009	0.381208**	0.050351
Fundraising goal	0.000049**	0.000007	0.000049**	0.000015
_cons	0.699881**	0.390527	0.261679**	0.261679
R-squared		0.33		
Prob>F		0.00		

Notes: (*) Significant at the $p < 0.05$, (**) Significant at the $p < 0.1$, Obs: 492

Table 6.
Results of the independent variable “Average Pledge” by using the OLS regression

No. of investors	Model 1 OLS		Model 2 Robust	
	Coef.	Std. Err.	Coef.	Std. Err.
All male	0.87291	0.382562	0.87291	0.202693
All female	-0.8588	0.368449	-0.8588	0.192098
Both	0.09302	0.421521	0.09302	0.226852
Advisor	0.17155**	0.051308	0.17155**	0.031576
Brazil	0.067655**	0.179014	0.067655**	0.392463
Chile	0.235612*	0.193417	0.235612*	0.102664
Mexico	0.247425**	0.123462	0.247425**	0.076523
Video	0.6155686*	0.084496	0.6155686*	0.049104
Industry	0.0158793	0.341039	0.0158793	0.201195
Firm age	0.2407862*	0.166631	0.2407862*	0.091752
Linkedin	0.0103997**	0.011748	0.0103997**	0.010636
Equity offered	0.4588233*	0.168305	0.4588233*	0.119946
Finance info	0.3747242*	0.053553	0.3747242*	0.023871
Fundraising goal	0.0008525**	0.000268	0.0008525**	0.000034
_cons	0.8474284**	0.124284	0.8474284**	0.075547
R-squared		0.31		
Prob>F		0.00		

Notes: (*) Significant at the $p < 0.05$, (**) Significant at the $p < 0.1$, Obs: 492

Table 7.
Results of the independent variable “Number of Investors” by using the OLS regression

LinkedIn connections and the presence of a video and financial information to support the campaigns are consistently associated with a large number of investors.

Results also show that the number of investors increases when companies are older and offer a high percentage of equity. This last result is not fully in line with the results of

Ahlers *et al.* (2015), Vismara (2016) and Ralcheva and Roosenboom (2016), which all indicate that larger percentages of equity offered are negatively associated with project success. However, this may be due to the fact that in Latin America, platforms may set a minimum percentage of equity that companies must offer to investors. The Chilean platform Broota, for example, establishes that companies must offer at least 30% of their equity, up to a maximum of 50%. As with Lukkarinen *et al.* (2016), the results here find that the fundraising goal is positively associated with the number of investors (the higher the goal, the more investors). With reward-based crowdfunding however, the literature shows that higher funding targets can negatively impact investors (the higher the goal, the fewer investors) (Mollick, 2014 and Zheng *et al.*, 2014) and that in equity-based crowdfunding, investors may be interested in campaigns with higher funding targets (higher goals may encourage investors). This positive relationship is in line with the results of this research. Indeed, according to Lukkarinen *et al.* (2016), larger target sums may signal to investors the company’s willingness to take more substantial measures for growth and value enhancement. At the country level, the results show that in all the countries analysed; equity crowdfunding campaigns are able to attract investors. However, projects launched on Mexican platforms are associated with a greater number of investors than projects launched on Brazilian and Chilean platforms. There is no statistically significant empirical evidence that the industry in which the companies operate influences the project’s chance of receiving funding from a large number of investors.

Table 8 shows the results of the third dependent variable, “project success”. Similar to the first dependent variable, it is found that mixed teams (with at least one woman) are significantly more likely to obtain equity crowdfunding financing and reach the fundraising goal than the all-male and all-female teams ($b = 0,104034$, $p < 0.05$). Thus, $H3$ is accepted.

Table 8.
Results of the
independent variable
“Project Success” by
using the OLS
regression

Project Success	Model 1 OLS		Model 2 Robust	
	Coef.	Std. Err.	Coef.	Std. Err.
Gender				
All male	0.07736	0.060435	0.07736	0.056233
All female	−0.24469	0.368449	−0.24469	0.139911
Both	0.104034*	0.079903	0.104034*	0.053874
Advisor	0.091491**	0.056078	0.091491**	0.035697
Brazil	0.361543**	0.147511	0.361543**	0.051012
Chile	0.465389**	0.153995	0.465389**	0.052811
Mexico	0.474520**	0.138447	0.474520**	0.049567
Video	0.125303*	0.086369	0.125303*	0.067362
Industry	0.011911	0.045862	0.011911	0.042709
Firm age	0.0158251**	0.008076	0.0158251**	0.006582
Linkedin	0.0000251	0.000106	0.0000251	0.000101
Equity offered	0.0007562**	0.002313	0.0007562**	0.002299
Finance info	0.0828767**	0.038945	0.0828767**	0.033362
Fundraising goal	0.0000023**	0.002299	0.0000001**	0.000002
_cons	0.45472**	0.178604	0.45472**	0.138447
R-squared		0.22		
Prob>F		0.00		

Notes: (*) Significant at the $p < 0.05$, (**) Significant at the $p < 0.1$, Obs: 492

These results suggest that to be more effective in raising funds for their ventures, female entrepreneurs should strategically choose to form mixed-sex composition teams. When looking at the control variables, results confirm that project success improves when companies are older, have advisors on board, provide videos and financial information and offer a high percentage of equity. Results also confirm that Mexico has a higher impact on project success and that projects launched on Mexican platforms are more likely to be more successful than those launched on Brazilian and Chilean platforms (project success $b = 0.474520, p < 0.1$). There is no statistically significant empirical evidence that the industry in which the firm operates nor the number of founders' LinkedIn connections influence the success of the campaign.

Lastly, Table 9 presents the OLS regression results for the last dependent variable, "percentage raised", showing the same results as previous ones. It was found that the team with both genders on the board has a positive impact on the percentage of capital raised at the end of the campaign exceeding the initial fundraising goal, giving support to *H4*. Therefore, there is reason to conclude that a managerial board composed of both genders is more likely to succeed in the long run. Once again, these results confirm that female entrepreneurs should choose mixed-gender teams when they approach equity crowdfunding to raise capital.

6. Discussion and conclusions

This paper investigates the relationship between success in equity crowdfunding financing (measured by four variables) and the gender composition of the team, using unique hand-collected data from 492 equity offerings from Latin American crowdfunding platforms. The results show that the success of equity crowdfunding campaigns can be influenced by the gender composition of the managerial boards. The involvement of at least one woman in the

Percentage raised	Model 1 OLS		Model 2 Robust	
	Coef.	Std. Err.	Coef.	Std. Err.
Gender				
All male	0.07752	0.107294	0.07752	0.074061
All female	-0.0904	0.185745	-0.0904	0.131807
Both	0.03963**	0.063595	0.03963**	0.046855
Advisor	0.263313**	0.099558	0.263313**	0.086524
Brazil	0.073815**	0.261885	0.073815**	0.119278
Chile	0.405591*	0.273396	0.405591*	0.203121
Mexico	0.547878**	0.245793	0.547878**	0.194633
Video	0.175757**	0.119592	0.175757**	0.087031
Industry	0.102301	0.081421	0.102301	0.771448
Firm age	0.014481*	0.011686	0.014481*	0.011169
Linkedin	0.000298*	0.000179	0.000298*	0.000151
Equity offered	0.0038868**	0.004091	0.0038868**	0.003914
Finance info	0.0207722**	0.069141	0.0207722**	0.065168
Fundraising goal	0.0000846**	0.000002	0.0000846**	0.000001
_cons	0.5478784**	0.245793	0.5478784**	0.194633
R-squared		0.42		
Prob>F		0.00		

Notes: (*) Significant at the $p < 0.05$, (**) Significant at the $p < 0.1$, Obs: 492

Table 9.
Results of the
independent variable
"Percentage Raised"
by using the OLS
regression

team of the company looking for funds increases the probability of success of the equity crowdfunding campaign in terms of investors' average pledge, target amount reached at the end of the campaign and overfunding. Altogether, this emphasises the importance of the board's gender equality in equity crowdfunding campaigns. Evidence was also found that there is no gender disparity in the likelihood of a campaign being financed by a greater number of investors. These results confirm previous studies on gender diversity in entrepreneurial teams, according to which mixed teams have better chances of securing investment capital (Vogel *et al.*, 2014). Furthermore, the results are in line with recent works showing that in a crowdfunding context, female entrepreneurs might have a funding advantage (Carmon, 2017; Greenberg and Mollick, 2017; Johnson *et al.*, 2018).

This experimental study has some limitations that further research could help overcome. Firstly, the models were tested on a relatively small sample spanning a limited number of countries (i.e. Brazil, Chile and Mexico), because as at the data collection date (November 2017), the remaining countries in Latin America did not have active equity crowdfunding platforms. Additional research is needed to verify whether these results hold with more countries and over longer periods. Secondly, the paper uses data from native platforms which host projects from Latin American countries. Caution should be taken in generalising these results to other countries because the social norms governing the behaviours of members of crowdfunding communities may be culturally mediated. A data-set that includes foreign platforms operating in Latin America and hosting projects from other countries would allow observation of whether these results are contingent on a particular platform's rules and setup or could otherwise be generalised in different emerging contexts. Thirdly, this study explores gender disparity in equity crowdfunding from the demand-side (i.e. entrepreneurs). Future studies could provide a better understanding of the financial inclusion offered by equity crowdfunding in Latin America by analysing this new method of financing from the supply-side (i.e. investors). Studies with regards to the matching between demand and supply side are also needed. Finally, researchers' energies should be devoted to pragmatic, pressing issues. For example, Latin American countries, like the rest of the world, are experiencing socio-economic crises due to the Covid-19 pandemic [5]. Future researchers could investigate how the Covid-19 crisis impacts female entrepreneurial activity in the equity crowdfunding sector and what role crowdfunding platforms can play in rebuilding after this crisis.

Despite these limitations, this study provides novel practical insights for entrepreneurs and policymakers for overcoming the general funding differences between male- and female-led companies that the prior literature has documented. These results could encourage Latin American female entrepreneurs, who are financially constrained in traditional entrepreneurial markets (Becker-Blease and Sohl, 2007; Bigelow *et al.*, 2014; Eddleston *et al.*, 2016), to resort to equity crowdfunding as an alternative source of funding. Furthermore, these results suggest that to be more effective in raising funds through equity crowdfunding, female entrepreneurs should strategically choose mixed-gender teams. Finally, these findings could help Latin American policymakers to define political actions aimed at removing the barriers at the root of this historic inequality in female entrepreneurs' access to finance and unleash the potential of more flexible forms of financing better suited to the needs of new female ventures. To date, only 12% of the fundraisers in the Latin American equity crowdfunding segment are women (Ziegler *et al.*, 2017).

Notes

1. The 2015 Female Entrepreneurship Index shows that Chile ranks 15th among the 77 top nations in the world for female entrepreneurship (Terjesen and Lloyd, 2015).

2. The literature identifies four main types of crowdfunding depending on how investors are recompensed (Mollick, 2014). In the donation-based model, proponents make donations as a purely philanthropic act. The reward-based model involves a non-monetary benefit as a result of a monetary contribution. In the lending-based model, backers lend money to businesses (P2B) or other individuals (P2P) and get their money back (plus interest) when the loan is repaid. Finally, the equity-based model turns the backer into a shareholder, as the contribution gives rise to ownership of a small equity stake in the company and entitles its owner to the company's profits.
3. The list of Mexican equity-based platforms is from the website of the Mexican Association of Crowdfunding Platforms (AFICO – Asociación de Plataformas de Fondeo Colectivo), and it refers to the members' list (available at www.afico.org/). The list of Chilean platforms is from the website of the Association of Fintech Companies of Chile (FinteChile - Asociación Fintech de Chile) (available at www.fintechile.org/). The Brazilian platforms list has been built up based on the records provided by the report "2017 The Americas Alternative Finance Industry Report" (see Ziegler *et al.*, 2017) carried out by the Cambridge Centre of Alternative Finance, the Polisky Centre for Entrepreneurship and Innovation, and the University of Chicago Booth School of Business. Since the list provided by this report includes all the typologies of crowdfunding, platforms have been double-checked on the web, and only the equity-based ones have been selected.
4. Comissão de Valores Mobiliários (CVM), Instrução nº 588, available at: www.cvm.gov.br/legislacao/instrucoes/inst588.html
5. Covid-19 is a new infectious disease triggered in Wuhan city, China, in December 2019. Due to the rapid increase in the number of cases outside China, Covid-19 rapidly turned into a global pandemic.

References

- Ahl, H. (2006), "Why research on women entrepreneurs needs new directions", *Entrepreneurship Theory and Practice*, Vol. 30 No. 5, pp. 595-621.
- Ahlers, G.K.C., Cumming, D.J., Guenther, C. and Schweizer, D. (2015), "Signaling in equity crowdfunding", *Entrepreneurship Theory and Practice*, Vol. 39 No. 4, pp. 955-980.
- Allen, E., Elam, A., Langowitz, N. and Dean, M. (2008), "The Global Entrepreneurship Monitor (GEM) 2007 Report on Women and Entrepreneurship", Babson College and Baruch College, Babson Park, MA – New York, NY.
- Alsos, G.A. and Ljunggren, E. (2017), "The role of gender in entrepreneur–investor relationships: a signaling theory approach", *Entrepreneurship Theory and Practice*, Vol. 41 No. 4, pp. 567-590.
- Amatucci, F.M. and Sohl, J.E. (2004), "Women entrepreneurs securing business angel financing: tales from the field", *Venture Capital*, Vol. 6 Nos 2/3, pp. 181-196.
- Amorós, J.E. and Pizarro, O. (2007), "Women entrepreneurship context in Latin America: an exploratory study in Chile", in Markovic, M.R. (Ed.), *The Perspective of Women's Entrepreneurship in the Age of Globalization*, Information Age Publishing, Charlotte, NC, pp. 107-126.
- Aristei, D. and Gallo, M. (2016), "Does gender matter for firms' access to credit? Evidence from international data", *Finance Research Letters*, Vol. 18, pp. 67-75.
- Barbi, M. and Mattioli, S. (2019), "Human capital, investor trust, and equity crowdfunding", *Research in International Business and Finance*, Vol. 49, pp. 1-12.
- Becker-Blease, J.R. and Sohl, J.E. (2007), "Do women-owned businesses have equal access to angel Capital?", *Journal of Business Venturing*, Vol. 22 No. 4, pp. 503-521.
- Becker-Blease, J.R. and Sohl, J.E. (2011), "The effect of gender diversity on angel group investment", *Entrepreneurship Theory and Practice*, Vol. 35 No. 4, pp. 709-733.

- BID (Banco Interamericano de Desarrollo) and Finnovista (2017), "FINTECH: Innovations you may not know were from Latin America and the Caribbean", available at: <https://publications.iadb.org/handle/11319/8265>
- Bigelow, L., Lundmark, L., Parks, J.M. and Wuebker, R. (2014), "Skirting the issues: experimental evidence of gender bias in IPO prospectus evaluations", *Journal of Management*, Vol. 40 No. 6, pp. 1732-1759.
- Block, J.H., Colombo, M.G., Cumming, D.J. and Vismara, S. (2018a), "New players in entrepreneurial finance and why they are there", *Small Business Economics*, Vol. 50 No. 2, pp. 239-250.
- Bruni, A., Gherardi, S. and Poggio, B. (2004), *Gender and Entrepreneurship: An Ethnographic Approach*, Routledge, London.
- Brush, C.G., De Bruin, A. and Welter, F. (2009), "A gender-aware framework for women's entrepreneurship", *International Journal of Gender and Entrepreneurship*, Vol. 1 No. 1, pp. 8-24.
- Brush, C.G., Carter, N.M., Gatwood, E.J., Greene, P.G. and Hart, M. (2004), "Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture capital Industry", The Kauffman Foundation, KS City, MO.
- Bruton, G., Khavul, S., Siegel, D. and Wright, M. (2015), "New financial alternatives in seeding entrepreneurship: microfinance, crowdfunding, and peer-to-peer innovations", *Entrepreneurship Theory and Practice*, Vol. 39 No. 1, pp. 9-26.
- Buttner, E.H. and Rosen, B. (1992), "Rejection in the loan application process: male and female entrepreneurs' perceptions and subsequent intentions", *Journal of Small Business Management*, Vol. 30 No. 1, pp. 58-65.
- Canning, J. Haque, M. and Wang, Y. (2012), "Women at the wheel. Do female executives drive start-up success?", Dow Jones. New York, NY, available at: https://moneydotcomvip.files.wordpress.com/2015/03/womenpe_report_final.pdf
- Carmon, L. (2017), "Closing the gender gap: women founders win on crowdfunding platforms", CNBC, available at: www.cnbc.com
- Carter, S., Shaw, E., Lam, W. and Wilson, F. (2007), "Gender, entrepreneurship, and bank lending: the criteria and processes used by bank loan officers in assessing applications", *Entrepreneurship Theory and Practice*, Vol. 31 No. 3, pp. 427-444.
- Cicchiello, A.F., Kazemikhasragh, A. and Monferrà, S. (2020), "Gender differences in new venture financing: evidence from equity crowdfunding in Latin America", *International Journal of Emerging Markets*.
- Coleman, S. (2000), "Access to capital: a comparison of men and women-owned small businesses", *Journal of Small Business Management*, Vol. 38 No. 3, pp. 37-52.
- Coleman, S. (2002), "Constraints faced by women small business owners: evidence from the data", *Journal of Developmental Entrepreneurship*, Vol. 7 No. 2, pp. 151-174.
- Coleman, S. and Robb, A. (2009), "A comparison of new firm financing by gender: evidence from the Kauffman firm survey data", *Small Business Economics*, Vol. 33 No. 4, pp. 397-411.
- Colombo, M.G., Franzoni, C. and Rossi-Lamastra, C. (2015), "Internal social capital and the attraction of early contributions in crowdfunding", *Entrepreneurship Theory and Practice*, Vol. 39 No. 1, pp. 75-100.
- Connelly, B.L., Certo, S.T., Ireland, R.D. and Reutzel, C.R. (2011), "Signaling theory: a review and assessment", *Journal of Management*, Vol. 37 No. 1, pp. 39-67.
- Constantinidis, C., Cornet, A. and Asandei, S. (2006), "Financing of women-owned ventures: the impact of gender and other owner-and firm-related variables", *Venture Capital*, Vol. 8 No. 2, pp. 133-157.
- Cumming, D., Meoli, M. and Vismara, S. (2019), "Does equity crowdfunding democratize entrepreneurial finance?", *Small Business Economics*, Vol. 56 No. 2, pp. 1-20.

- Cumming, D.J., Leboeuf, G. and Schwienbacher, A. (2015), Crowdfunding models: keep-it-all vs all-or-nothing", available at: SSRN: <https://ssrn.com/abstract=2447567> or <http://dx.doi.org/10.2139/ssrn.2447567>
- Dorfleitner, G., Leidl, M., Priberny, C. and von Mosch, J. (2013), "What determines microcredit interest rates?", *Applied Financial Economics*, Vol. 23 No. 20, pp. 1579-1597.
- Eddleston, K.A., Ladge, J.J., Mitteness, C. and Balachandra, L. (2016), "Do you see what I see? Signaling effects of gender and firm characteristics on financing entrepreneurial ventures", *Entrepreneurship Theory and Practice*, Vol. 40 No. 3, pp. 489-514.
- Edleman, L.F., Donnelly, R., Manolova, T. and Brush, C.G. (2018), "Gender stereotypes in the angel investment process", *International Journal of Gender and Entrepreneurship*, Vol. 10 No. 2, pp. 134-157.
- Estrin, S., Gozman, D. and Khavul, S. (2018), "The evolution and adoption of equity crowdfunding: entrepreneur and investor entry into a new market", *Small Business Economics*, Vol. 51 No. 2, pp. 425-439.
- Fabowale, L., Orser, B. and Riding, A. (1995), "Gender, structural factors, and credit terms between Canadian small businesses and financial institutions", *Entrepreneurship Theory and Practice*, Vol. 19 No. 4, pp. 41-65.
- Freedman, D.A. (2009), *Statistical Models: theory and Practice*, Cambridge University Press.
- Gicheva, D. and Link, A.N. (2013), "Leveraging entrepreneurship through private investments: does gender matter?", *Small Business Economics*, Vol. 40 No. 2, pp. 199-210.
- Gicheva, D. and Link, A.N. (2015), "The gender gap in federal and private support for entrepreneurship", *Small Business Economics*, Vol. 45 No. 4, pp. 729-733.
- Global Entrepreneurship Monitor (2020), "Global Entrepreneurship Monitor 2019/2020 Global Report", Global Entrepreneurship Research Association, London Business School, London.
- Greenberg, J. and Mollick, E. (2017), "Activist choice homophily and the crowdfunding of female founders", *Administrative Science Quarterly*, Vol. 62 No. 2, pp. 341-374.
- Greene, P., Brush, C., Hart, M. and Saparito, P. (2001), "Patterns of venture capital funding: is gender a factor?", *Venture Capital*, Vol. 3 No. 1, pp. 63-83.
- Gupta, V.K., Turban, D.B., Wasti, S.A. and Sikdar, A. (2009), "The role of gender stereotypes in perceptions of entrepreneurs and intentions to become an entrepreneur", *Entrepreneurship Theory and Practice*, Vol. 33 No. 2, pp. 397-417.
- Haynes, G.W. and Haynes, D.C. (1999), "The debt structure of small businesses owned by women in 1987 and 1993", *Journal of Small Business Management*, Vol. 37 No. 2, pp. 1-19.
- Hechavarria, D.M., Terjesen, S.A., Ingram, A.E., Renko, M., Justo, R. and Elam, A. (2017), "Taking care of business: the impact of culture and gender on entrepreneurs' blended value creation goals", *Small Business Economics*, Vol. 48 No. 1, pp. 225-257.
- Herrera, D. (2016), "Alternative finance (crowdfunding) regulation in Latin America and the Caribbean: a balancing act", Inter-American Development Bank (IDB), Discussion paper no. 480, available at: <https://publications.iadb.org/handle/11319/7837>
- Johnson, M.A., Stevenson, R.M., Letwin, C.R. (2018), "A woman's place is in the... startup! Crowdfunder judgments, implicit bias, and the stereotype content model", *Journal of Business Venturing*, Vol. 33 No. 6, pp. 813-831.
- Kanze, D., Huang, L., Conley, M.A. and Higgins, E.T. (2018), "We ask men to win and women not to lose: closing the gender gap in startup funding", *Academy of Management Journal*, Vol. 61 No. 2, pp. 586-614.
- Kleinert, S., Volkmann, C. and Grunhagen, M. (2020), "Third-party signals in equity crowdfunding: the role of prior financing", *Small Business Economics*, Vol. 54 No. 1, pp. 341-365.
- Lukkarinen, A., Teich, J.E., Wallenius, H. and Wallenius, J. (2016), "Success drivers of online equity crowdfunding campaigns", *Decision Support Systems*, Vol. 87, pp. 26-38.

- McGuire, E. (2020), "Can equity crowdfunding close the gender gap in startup finance?", available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3233809
- Mascia, M.D. and Rossi, S.P.S. (2017), "Is there a gender effect on the cost of bank financing?", *Journal of Financial Stability*, Vol. 31, pp. 136-153.
- Mejia, J., Urrea, G. and Pedraza-Martinez, A.J. (2019), "Operational transparency on crowdfunding platforms: effect on donations for emergency response", *Production and Operations Management*, Vol. 28 No. 7, pp. 1773-1791.
- Mollick, E. (2014), "The dynamics of crowdfunding: an exploratory study", *Journal of Business Venturing*, Vol. 29 No. 1, pp. 1-16.
- Murphy, P.J., Kickul, J., Barbosa, S.D. and Titus, L. (2007), "Expert capital and perceived legitimacy: female-run entrepreneurial venture signaling and performance", *The International Journal of Entrepreneurship and Innovation*, Vol. 8 No. 2, pp. 127-138.
- Orser, B.J. and Foster, M.K. (1994), "Lending practices and Canadian women in microbased businesses", *Women in Management Review*, Vol. 9 No. 5, pp. 11-19.
- Piva, E. and Rossi-Lamastra, C. (2018), "Human capital signals and entrepreneurs' success in equity crowdfunding", *Small Business Economics*, Vol. 51 No. 3, pp. 667-686.
- Poczter, S. and Shapsis, M. (2018), "Gender disparity in angel financing", *Small Business Economics*, Vol. 51 No. 1, pp. 31-55.
- Ralcheva, A. and Roosenboom, P. (2016), "On the road to success in equity crowdfunding", available at SSRN: <https://ssrn.com/abstract=2727742>
- Stefani, M.L. and Vacca, V. (2015), "Small firms' credit access in the euro area: does gender matter?", *CESifo Economic Studies*, Vol. 61 No. 1, pp. 165-201.
- Talbot, M. (2010), *Language and Gender*, 2nd ed., Polity Press, Cambridge, UK.
- Terjesen, S.A. and Lloyd, A. (2015), "The 2015 female entrepreneurship index", *Kelley School of Business Research Paper*, pp. 15-51.
- Terjesen, S. and Amorós, J.E. (2010), "Female entrepreneurship in Latin America and the Caribbean: characteristics, drivers and relationship to economic development", *The European Journal of Development Research*, Vol. 22 No. 3, pp. 313-330.
- Vismara, S. (2016), "Equity retention and social network theory in equity crowdfunding", *Small Business Economics*, Vol. 46 No. 4, pp. 579-590.
- Vismara, S. (2018), "Information cascades among investors in equity crowdfunding", *Entrepreneurship Theory and Practice*, Vol. 42 No. 3, pp. 467-497.
- Vismara, S., Benaróio, D. and Carne, F. (2017), "Gender in entrepreneurial finance: matching investors and entrepreneurs in equity crowdfunding", in Link, A.N. (Ed.), *Gender and Entrepreneurial Activity*, Edward Elgar, Cheltenham.
- Vogel, R., Puhan, T.X., Shehu, E., Kliger, D. and Beese, H. (2014), "Funding decisions and entrepreneurial team diversity: a field study", *Journal of Economic Behavior and Organization*, Vol. 107, pp. 595-613.
- Wang, W., Mahmood, A., Sismeiro, C. and Vulkan, N. (2019), "The evolution of equity crowdfunding: insights from co-investments of angels and the crowd", *Research Policy*, Vol. 48 No. 8, pp. 1-11.
- Wu, Z. and Chua, J.H. (2012), "Second-order gender effects: the case of U.S. small business borrowing cost", *Entrepreneurship Theory and Practice*, Vol. 36 No. 3, pp. 443-463.
- Zhao, Y., Xie, X. and Yang, L. (2020), "Female entrepreneurs and equity crowdfunding: the consequential roles of lead investors and venture stages", *International Entrepreneurship and Management Journal*, pp. 1-29.
- Zheng, H., Li, D., Wu, J. and Xu, Y. (2014), "The role of multidimensional social capital in crowdfunding: a comparative study in China and US", *Information and Management*, Vol. 51 No. 4, pp. 488-496.

- Ziegler, T. Johanson, D. King, M. Zhang, B. Mammadova, L. Ferri, F. Trappe, R. Suresh, K. Hao, R. Ryll, L. and Yerolemou, N. (2019), "Reaching new heights: the 3rd Americas alternative finance industry report", Cambridge Centre for Alternative Finance, 99 December 2018, available at: www.smefinanceforum.org/post/publication-the-3rd-annual-americas-alternative-finance-industry-report
- Ziegler, T. Reedy, E.J. Le, A. Zhang, B. Kroszner, R.S. and Garvey, K. (2017), "2017 the Americas alternative finance industry report, hitting stride", Cambridge Centre for Alternative Finance at (University of Cambridge, Judge Business School), Polsky Center for Entrepreneurship and Innovation (University of Chicago), and The University of Chicago Booth School of Business in association with major industry associations and with support from the CME Group Foundation and Inter-American Development Bank (IDB), available at: www.jbs.cam.ac.uk/fileadmin/user_upload/research/centres/alternativefinance/downloads/2017-05-americas-alternative-finance-industry-report.pdf

Further reading

- Agier, I. and Szafarz, A. (2013), "Microfinance and gender: is there a glass ceiling on loan size?", *World Development*, Vol. 42, pp. 165-181.
- Allison, T.H., Davis, B.C., Short, J.C. and Webb, J.W. (2015), "Crowdfunding in a prosocial microlending environment: examining the role of intrinsic versus extrinsic cues", *Entrepreneurship Theory and Practice*, Vol. 39 No. 1, pp. 53-73.
- Barasinska, N. and Schäfer, D. (2014), "Is crowdfunding different? Evidence on the relation between gender and funding success from a German peer-to-peer lending platform", *German Economic Review*, Vol. 15 No. 4, pp. 436-452.
- Belleflamme, P., Lambert, T. and Schwienbacher, A. (2013), "Individual crowdfunding practices", *Venture Capital*, Vol. 15 No. 4, pp. 313-333.
- Belleflamme, P., Lambert, T. and Schwienbacher, A. (2014), "Crowdfunding: tapping the right crowd", *Journal of Business Venturing*, Vol. 29 No. 5, pp. 585-609.
- Block, J., Hornuf, L. and Moritz, A. (2018b), "Which updates during an equity crowdfunding campaign increase crowd participation?", *Small Business Economics*, Vol. 50 No. 1, pp. 3-27.
- Bouncken, R.B., Komorek, M. and Kraus, S. (2015), "Crowdfunding: the current state of research", *The International Business and Economics Research Journal (Online)*, Vol. 14 No. 3, pp. 407-416.
- Cholakova, M. and Clarysse, B. (2015), "Does the possibility to make equity investments in crowdfunding projects crowd out reward-based investments?", *Entrepreneurship Theory and Practice*, Vol. 39 No. 1, pp. 145-172.
- Coakley, J. Lazos, A. and Liñares-Zegarra, J.M. (2018), "Follow-on equity crowdfunding", available at SSRN 3223575.
- Cordova, A., Dolci, J. and Gianfrate, G. (2015), "The determinants of crowdfunding success: evidence from technology projects", *Procedia – Social and Behavioral Sciences*, Vol. 181, pp. 115-124.
- Courtney, C., Dutta, S. and Li, Y. (2017), "Resolving information asymmetry: signaling, endorsement, and crowdfunding success", *Entrepreneurship Theory and Practice*, Vol. 41 No. 2, pp. 265-290.
- Cumming, D.J. Hornuf, L. Karami, M. and Schweizer, D. (2016), "Disentangling crowdfunding from fraud funding", Max Planck Institute for Innovation and Competition Research Paper No. 16-09, available at: SSRN: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2828919
- Cumming, D. and Johan, S. (2013), "Demand-driven securities regulation: evidence from crowdfunding", *Venture Capital*, Vol. 15 No. 4, pp. 361-379.
- Di Pietro, F., Prencipe, A. and Majchrzak, A. (2018), "Crowd equity investors: an underutilized asset for open innovation in startups", *California Management Review*, Vol. 60 No. 2, pp. 43-70.

- Drover, W., Wood, M. and Zacharakis, A. (2017), "Attributes of angel and crowdfunded investments as determinants of VC screening decisions", *Entrepreneurship Theory and Practice*, Vol. 41 No. 3, pp. 323-347.
- Gerber, E.M., Hui, J.S. and Kuo, P.-Y. (2012), "Crowdfunding: why people are motivated to post and fund projects on crowdfunding platforms", *Proceedings of the International Workshop on Design, Influence, and Social Technologies: Techniques, Impacts and Ethics*, Vol. 2 No. 11, ACM, New York, NY.
- Günther, C., Johan, S. and Schweizer, D. (2018), "Is the crowd sensitive to distance? How investment decisions differ by investor type", *Small Business Economics*, Vol. 50 No. 2, pp. 289-305.
- Haeussler, C., Patzelt, H. and Zahra, S.A. (2012), "Strategic alliances and product development in high technology new firms: the moderating effect of technological capabilities", *Journal of Business Venturing*, Vol. 27 No. 2, pp. 217-233.
- Hornuf, L. and Schwenbacher, A. (2018), "Market mechanisms and funding dynamics in equity crowdfunding", *Journal of Corporate Finance*, Vol. 50, pp. 556-574.
- Hornuf, L., Schmitt, M. and Stenzhorn, E. (2018), "Equity crowdfunding in Germany and the UK: follow-up funding and firm failure", *Max Planck Institute for Innovation and Competition Research Paper*, pp. 09-17.
- Hu, M., Li, X. and Shi, M. (2015), "Product and pricing decisions in crowdfunding", *Marketing Science*, Vol. 34 No. 3, pp. 331-345.
- Kromidha, E. and Robson, P. (2016), "Social identity and signaling success factors in online crowdfunding", *Entrepreneurship and Regional Development*, Vol. 28 Nos 9/10, pp. 605-629.
- Kunz, M.M., Englisch, O., Beck, J. and Bretschneider, U. (2016), "sometimes you win, sometimes you learn – success factors in reward-based crowdfunding", *Proceedings of the Multikonferenz Wirtschaftsinformatik (MKWI)*, Ilmenau.
- Kuppuswamy, V. and Bayus, B.L. (2017), "A review of crowdfunding research and findings", in Golder, P. and Mitra, D. (Eds), *Handbook of New Product Development Research*, Edward Elgar, Northampton, MA.
- Macht, T. and Weatherston, J. (2014), "The benefits of online crowdfunding for fund-seeking business ventures", *Strategic Change*, Vol. 23 Nos 1/2, pp. 1-14.
- Marom, D., Robb, A.M. and Sade, O. (2016), "Gender dynamics in crowdfunding (kickstarter): evidence on entrepreneurs, investors, deals, and taste based discrimination", available at SSRN: <http://dx.doi.org/10.2139/ssrn.2442954>
- Mohammadi, A. and Shafi, K. (2018), "Gender differences in the contribution patterns of equity-crowdfunding investors", *Small Business Economics*, Vol. 50 No. 2, pp. 275-287.
- Moritz, A. and Block, J.H. (2016), "Crowdfunding: a literature review and research directions", in Brüntje, D. and Gajda, O. (Eds), *Crowdfunding in Europe: State of the Art in Theory and Practice*, Springer, Cham, pp. 25-53.
- Ordanini, A., Miceli, L., Pizzetti, M. and Parasuraman, A. (2011), "Crowd-funding: transforming customers into investors through innovative service platforms", *Journal of Service Management*, Vol. 22 No. 4, pp. 443-470.
- Polzin, F., Toxopeus, H. and Stam, E. (2018), "The wisdom of the crowd in funding: information heterogeneity and social networks of crowdfunders", *Small Business Economics*, Vol. 50 No. 2, pp. 251-273.
- Pope, D.G. and Sydnor, J.R. (2011), "What's in a picture?: evidence of discrimination from prosper.com", *Journal of Human Resources*, Vol. 46 No. 1, pp. 53-92.
- Short, J.C., Ketchen, D.J. Jr, McKenny, A.F., Allison, T.H. and Ireland, R.D. (2017), "Research on Crowdfunding: reviewing the very recent past and celebrating the present", *Entrepreneurship Theory and Practice*, Vol. 41 No. 2, pp. 149-160.

-
- Signori, A. and Vismara, S. (2018), "Does success bring success? The post-offering lives of equity-crowdfunded firms", *Journal of Corporate Finance*, Vol. 50, pp. 575-591.
- Stanko, M.A. and Henard, D.H. (2017), "Toward a better understanding of crowdfunding, openness and the consequences for innovation", *Research Policy*, Vol. 46 No. 4, pp. 784-798.
- Stemler, A.R. (2013), "The JOBS act and crowdfunding: harnessing the power – and money – of the masses", *Business Horizons*, Vol. 56 No. 3, pp. 271-275.
- Walthoff-Borm, X., Vanacker, T.R. and Collewaert, V. (2018), "Equity crowdfunding, shareholder structures, and firm performance", *Corporate Governance: An International Review*, Vol. 26 No. 5, pp. 314-330.
- World Bank (2012), "The effect of women's economic power in Latin America and the Caribbean", World Bank Group, Washington, DC, available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/11867/9780821397701.pdf>
- World Bank (2013), "Crowdfunding's potential for the developing world, InfoDev, finance and private sector development department", World Bank Group, Washington, DC, available at: www.infodev.org/infodevfiles/wb_crowdfundingreport-v12.pdf
- World Bank (2018), "Operational guide to women's entrepreneurship programs: an overview", World Bank Group, Washington, DC, available at: <http://documents.worldbank.org/curated/en/629041543523635439/Operational-Guide-to-Womens-Entrepreneurship-Programs-An-Overview>

Corresponding author

Antonella Francesca Cicchiello can be contacted at: antonella.cicchiello@unicatt.it

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com