



DELL WE CITIES 2017

Austin, TX Case Study

July 2017



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Overview & Overall Scores

Austin, TX



Austin, Texas

Overall Score: 43.0 out of 100 / Overall Rank: 15 out of 50

The Austin metro area — which includes Travis, Williamson, Hays, Caldwell and Bastrop counties — has a population of 2.1 million residents. The 3.3 percent unemployment rate is one of the lowest among the nation's major metro areas. While growth slowed in 2016, economic gains were still widespread with the professional/business services, wholesale trade, and finance sectors leading the way.

Meanwhile, the real estate market in Austin remains red-hot and inventories of homes for sale remain near historical lows. As a result, new homes will need to be built to meet the rapidly rising demand. This will support continued employment gains in the construction sector. Also, the professional/business services and information services sectors are supported by Austin's thriving high-tech sector, which includes Dell's corporate headquarters.



Austin Rankings

MARKET No. 16



Policy	4
Access	41
Cost	29
Size	38

TALENT No. 23



Access to Qualified Personnel	26
Women's Skill & Experience	23

CAPITAL No. 24



Capital Base	39
Gender Proportion	24
Number/Value	14

CULTURE No. 39



Policy	43
Attitudes & Experiences	20
Access to Mentors/ Role Models	35

TECH No. 1



Policy	2
Cost	7
Connected	2

Notable Policies & Practices

Austin, TX



Policies and Practices Impacting Women Entrepreneurs in Austin

- **Business Climate:** Austin's corporate franchise tax, ranging from 0.33 percent to 0.75 percent, replaces a state corporate income tax and decreases costs of doing business in the state. The State of Texas also does not impose a personal income tax, making the state more attractive for workers and pass-through entity forms of business.
- **Economic Growth:** Austin has experienced growth above the national average and is expected to grow real gross metro product by an average 3.5 percent per year over the next 5 years (as compared to 2.3 percent average annual growth for the U.S. as a whole). The metro is quickly becoming one of the country's top high-tech hubs.
- **Local Talent:** Austin's highly educated workforce and increase in population will promote economic growth over the medium and long-term. The seven colleges and universities in the metro area, including the highly respected University of Texas, will continue to be a stabilizing force in the economy. Austin's vibrant music, arts and creative scene also attract talented and innovative people.
- **Networks for Women Entrepreneurs:** Austin has many active organizations supporting women entrepreneurs. For example, companies and organizations like Feminist Hack, Girl Develop It, recruitHer and Women at Austin are all working to support and encourage women who start their own tech companies.

Areas to Improve

Austin, TX



Areas to Improve in Austin

Austin's notable growth speaks volumes about its attractiveness, not just for entrepreneurs but also for their employees. However, like all cities, Austin has room for improvement in the following areas.

- **Transportation Infrastructure:** Austin's limited transportation infrastructure is often cited as a key impediment for business development. Rapid growth over the years has led to a great amount of congestion around the city core. For instance, the Austin-Bergstrom International Airport offers limited airline service with few direct flights to other major metros and traffic congestion impedes both commuters and commerce.
- **Housing costs:** Austin's housing market remains affordable by national standards, especially when compared to high-cost areas along the West Coast and the Northeast. However, Austin is one of the least affordable markets in Texas due to its incredible growth in recent decades. This will not be a major detriment to growth in the short-term, but as Austin continues to expand, affordability will become more of a concern over the longer-term.
- **Paid parental leave:** Unlike in many other global cities (and even other states such as California and New York), women entrepreneurs in Austin are not guaranteed paid maternity leave. However, the City of Austin's 2013 adoption of a [policy providing municipal employees with 6 weeks of paid parental leave](#) and some companies' paid parental leave policies (such as those of [Able Lending](#), [Accruent](#) and [RetailMeNot](#)) are a step in the right direction toward providing women with a source of capital, even during the early days of parenthood.

Markets

Austin, TX



Markets

While Austin is one of the smallest metros in terms of Gross Metro Product (GMP), ranking No. 43 out of the 50 cities in the 2017 WE Cities index, it ranks No. 13 for its forecasted average annual GMP growth through 2021. Indeed, Austin's growth over the past few years has outpaced many other metro areas and will continue to significantly outperform the country.

- **Job growth is expected to average a very strong 2.5 percent through 2022** (compared with 1.0 percent for the country). During this period, personal income is also expected to climb 6.6 percent on average annually, making Austin one of the top growing metros in the United States.
- One interviewee for this study, also talked about how the industry diversity in Austin provides a lot of cross pollination for innovation, for example, between engineering and medical.
- A fast growing market combined with a business-friendly tax environment, **Austin is a leading performer (No. 16) in the Markets category overall.** This ranking is helped by its lower cost. One interviewee likened it to a runway, explaining that Austin affords entrepreneurs time to explore their business, whereas in San Francisco and New York City, they would run out of money, making it harder for companies to take off.
- **Austin also does particularly well, ranking No. 4, for policies that help level the playing field for women entrepreneurs** trying to access market opportunities. For example, the Austin city government has procurement goals for women-owned businesses and Austin companies such as Austin Industries, Baker Botts, and Dell, have established supplier diversity programs to increase inclusiveness in their supply chains.



Markets in Austin

- [Austin accelerators](#) are helping women scale their businesses and gain access to markets. For example, the accelerator Avinde was started by two female partners and has a portfolio dedicated to companies founded by women.
- Meanwhile, Dreamit (based in Philadelphia, but run in New York City, Baltimore, and Austin as well) is the [first top-tier accelerator to tackle the specific challenges that female entrepreneurs face](#) and explicitly supports female entrepreneurs. Dreamit has been featured on ABC's Shark Tank and was a finalist in TechCrunch Disrupt.
- Last Fall, the pre-accelerator DivInc was launched as a program to “bring diversity in tech to the forefront and help ethnically diverse founders and women entrepreneurs.” DivInc offers an intense 12-week program focused on “product development, planning to scale and crafting the perfect pitch.” As one of our interviewees put it, “Now there is an accelerator on every corner.”
- Despite Austin’s vibrant entrepreneurial spirit and fast growing economy, **there is room for improvement**. Through our interviews with local women entrepreneurs, we learned that although local women are supporting each other by suggesting names of women to serve on corporate boards, they **are still under-represented on boards in Austin (ranking No. 29 out of the 50 WE Cities)**.

Talent

Austin, TX



Austin's red-hot, high-tech sector remains one of the metro's main strengths.

- Austin is among the top largest U.S. metros for educational attainment: 41.5 percent of adults have at least a bachelor's degree, compared to 30.1 percent nationally. There are over 50 colleges and universities and 400,000 enrolled students within a 100-mile radius of the city.
- **The University of Texas at Austin** supplies the metro with thousands of new graduates every year and serves as a **major competitive advantage**. The university also **ranked No. 30 in the *US News and World Report's* 2017 list of the [1000 Best Global Universities](#)**.
- UT Austin's McCombs School of Business has a [globally respected MBA program](#), in which 37 percent of the Class of 2018 is female. Although Austin ranks No. 17 among globally top ranked business schools, **men hold over twice as many MBA's than women (ranking Austin No. 33) and the female faculty ratio (26 percent) in Austin's business schools ranks it No. 26 out our 50 WE Cities**.
- We heard from women entrepreneurs in Austin that men have been great mentors for them. This may be one reason **Austin ranks in the top 10 (No. 8) for the ratio of women to men with executive experience**.
- While there is still a ways to go (the ratio is over 3 men for every 1 women executive), Austin is one of the leaders in this area. Getting valuable executive experience also can help women be better investors. As one interviewee said, "In Austin this [investing in large deals] is new and emerging for women investors and women investors need to learn how to be investors."

Talent in Austin

- In the 2017 WE Cities Index, **Austin ranks No. 23 when it comes to the percent of residents with a tertiary education or above**: 55 percent of the female population has a tertiary education or above.
- Organizations like Girlstart are helping to improve female levels of educational attainment, by helping “high need” girls in the fourth or fifth grades to “enroll in advanced STEM classes and attain the Advanced Academic Performance level on the STAAR test at a higher rate than girls who are not enrolled in the program.”
- After participating in a [Girlstart’s after-school program](#), 97 percent of the female program participants, of which more than 50 percent are potential first-generation college students, say they want to go to college. In fact, Austin ranks in the top half for the percent of women enrolled in top universities.
- Not surprisingly, **Austin ranks No. 13 for the percent of the workforce who are IT professionals**, which is a critical skill for businesses to have these days both operationally and administratively. Austin also has a high number of professionals with the accounting, finance, legal and marketing skills required to address critical business needs.
- Despite many human capital strengths, Austin could do more to help women entrepreneurs and women executives to learn fundamental skills for operating a business, from finance training to marketing to business management.

Capital

Austin, TX



Capital

For women entrepreneurs, access to capital depends on three main things: (1) the total pool of investment funding available, (2) women-owned businesses' ability to garner their fair share of the available funds, and (3) women's ability to build their capital base.

Although Austin is the No. 3 smallest of the 50 metro areas in terms of population, it attracts Venture Capital (VC) that defies its small size.

- Women entrepreneurs in Austin seem to do better than average when it comes to attracting VC funding. **Austin ranks No. 14 in the value of VC funding** — given to businesses where at least 25 percent of its executives are female — and **No. 16 in terms of the percentage given to women led businesses**. This may be because it has several Austin-based VC firms with at least one female partner.
- One example is [True Wealth Ventures](#), an Austin venture capital firm set up by Sara Brand and Kerry Rupp to invest in women-led startups with a focus on health or sustainability products or technologies.
- Another example of a VC firm with at least one female partner is [Next Coast Ventures](#), whose team includes Zeynep Young, the founder and CEO of Double Line Partners (an ed-tech data company) and previous portfolio manager with the Michael & Susan Dell Foundation. When we interviewed Sara Brand, she said she decided to start her VC firm and focus on women because she saw a “huge opportunity — there was a lack of VC capital in Austin and Texas in general compared to the innovation and entrepreneurship in Austin.”



Capital in Austin

- Research shows that VC firms with female leaders tend to have more diverse portfolios. And VCs like True Wealth Ventures are driven beyond building capital. They also aim to help provide women with positive role models of successful women business owners and/or investors.
- Sara Brand and Kerry Rupp bring high net worth women into the investing pool by helping wealthy women see how high impact investing in companies focused on human and environmental health can go beyond philanthropy to help achieve some of their social objectives. Another interviewee saw that there is a lot of oil wealth in Texas that could be put to work to grow start-ups. **Austin ranks No. 48 in Population, but No. 27 in the Population of High Net Worth Individuals**, which means there a pool of potential investors with which women entrepreneurs can connect.
- However, venture capital is only one source of financing for women-owned businesses and one that is notoriously challenging for women to get: Techcrunch reports that “between 2010 and 2015, 10 percent of venture dollars globally funded startups reported to at least one female founder.”
- As other funding channels, such as angel investing and crowdfunding, step in to fill the void, Austin’s crowdfunding platforms play a significant role, **ranking No. 5 in total projects on crowdfunding sites and No. 7 in the amount raised on crowdfunding sites**. Katy Jeremko, founder of Austin-based Gigabot, is proof of this: Katy says her company would not exist without Kickstarter which helped her initially to raise \$250,474 from 270 backers and subsequently grow the company, which provides accessible methods to empower remote communities to solve problems through 3D printing. Crowdfunding allowed her to grow her company to employ nearly 20 employees and have a presence on five continents.

Culture

Austin, TX



Culture

All of our interviewees commented on how inclusive and welcoming Austin is for women entrepreneurs in particular. However, this is a more recent phenomenon: Despite Austin's "keep Austin weird" culture that supports diversity and creative thinking, women entrepreneurs were vastly under-represented in the city's business ecosystem until 2013.

- In 2013, several of Austin's most experienced female entrepreneurs and executives came together and decided they wanted to do something proactive to bolster women's ratios in Austin businesses. Thus, [Women@Austin](#) was born "to make Austin the most accessible, nurturing place for women-led businesses in the country."
- Women@Austin create a mission-driven community dedicated to accelerating high-growth female entrepreneurship through 1) mentoring, 2) access to role models, and 3) the process and networks crucial for funding."
- Today, **Austin ranks in the middle (No. 26) for the number of organizations specifically for women entrepreneurs or businesswomen:** in addition to Women@Austin, the city has networks such as [Women's Business Center BIGAustin](#) (Business Invest in Growth Austin), the [Global Women Entrepreneur Network](#) (GWEN), and a local chapter of the national [Women Presidents' Organization](#).



- **The Greater Austin Chamber of Commerce’s Board of Directors is comprised of more than one-third women.** But there is still room for improvement when it comes to putting women in leadership positions at business organizations: it scores in the bottom third (No. 35 out of 50). Also, Austin has not had a woman as Mayor since Carole Keeton served from 1977-1983 as the first and, so far, only female mayor. Additionally, **Austin ranks No. 37 for women’s representation in government.**
- As one interviewee pointed out, “Lack of confidence holds many women back so women need to help each other.” Networking with other successful women would help build this confidence. Austin has a vibrant culture that values inclusiveness, but **women’s access to mentors and role models can be further strengthened. It still ranks No. 27 out of 50 for having role models that are internationally known.** This may also be why Austin ranks in the bottom half for the number of news and other media stories about successful women entrepreneurs or business women.
- **The good news,** as one interviewee said, is that Austin is consciously trying to make women more visible. But another interviewee pointed out that there are not yet enough role models at every stage of the scaling process and women entrepreneurs that are trying to scale their business are often engaged with others that are at different stage or do not have a goal of scaling. Thus, as Austin’s entrepreneurial community grows, **focusing on segmenting networking events might help create even better opportunities for women.**

Technology

Austin, TX



Technology in Austin

There is no question that Austin is known for technology – both tech entrepreneurs and tech companies.

- The city has a thriving network of technology businesses aided by such organizations as the [Austin Technology Council](#) and the [Austin Technology Incubator](#). While these are not specific for women entrepreneurs, they do help spread knowledge and talent related to technology.
- More important for women entrepreneurs is their ability to get necessary training on technology that will enable them to run their businesses efficiently (regardless of whether they run a *technology* business). In this regard, **Austin ties for No.1 in offering technology training for women through organizations** such as [Austin Girls in Tech](#), [Austin Free-Net's Techno-Women program](#), the [Austin chapter of Girl Develop It](#) (the Austin branch of a “national nonprofit organization dedicated to providing affordable and accessible technology classes for women in a judgement-free environment”), and the [Ladies that UX](#) Meetup group.
- Demonstrating its strength in this area, **Austin ranks No. 1 in our Technology pillar**. In the sub-categories under Technology, **it is No. 2 in Policy, No. 7 on Costs, and No. 12 in Connectedness among our 50 cities**. Through the [Open Compute Project](#), Austin companies (as well as companies around the world) can donate money and intellectual property and other in-kind resources to help rethink “hardware, making it more efficient, flexible, and scalable ... to achieve greater choice, customization, and cost savings.”

Technology in Austin

- **Austin is also one of the few cities that collects data and reports on how men and women use technology.** In 2015, the city published results of a city-wide survey of technology use called “[Digital Inclusion in Austin.](#)”
- **The fact that Austin is focusing on how minority groups are (or are not) using the internet, mobile technology, and other media is laudable.** However, the study’s findings that older, less well educated, and *female* populations are among those *not* using the internet as frequently provides an area for Austin to invest and improve (as well as many of our WE Cities).

Austin Women Entrepreneurs

Austin, TX



JAN RYAN

Partner, Capital Factory



Capital Factory is a tech incubator that provides a working space for entrepreneurs to learn, work and accelerate their companies.

Background: Jan is a serial entrepreneur, GM of Strategy Advisory firm 3Hills Group, and partner at Capital Factory. She has been passionate about building great businesses for over 25 years, resulting in four successful acquisitions and one IPO, primarily in web-based and emerging technologies. She earned a BBA degree from Baylor University with distinction, and has served on various Boards, Advisory Boards of start-up companies and philanthropic organizations.

Recent coverage:

- Why 4 Austin Serial Entrepreneurs Keep Coming Back for More – [Built In Austin](#)
- Experiences of Women in Austin Tech is Varied – [Austin Business Journal](#)
- A-List of Austin Entrepreneurs Launch \$100K Startup Competition – [Austin Inno](#)
- Apply Now to Pitch at Capital Factory's Funding Day for a Chance at a \$100,000 Investment – [Silicon Hill News](#)

SARA BRAND

Founding General Partner,
True Wealth Ventures



[True Wealth Ventures](#) is a venture capital firm with a focus on startups with women founders and executives in the sustainable consumer goods and health and wellness industries.

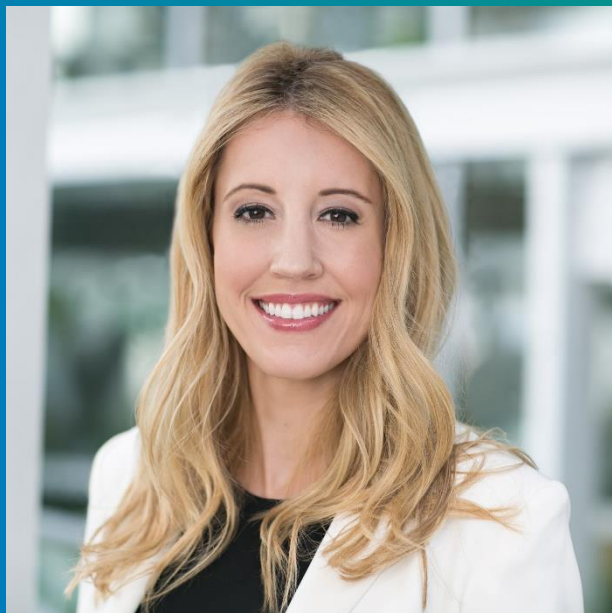
Background: Sara is the founding general partner at True Wealth Ventures. She is an active member of Austin's entrepreneurial ecosystem to support gender diversity in consumer health and sustainable consumer sectors. She holds a PhD and MS in Green Design and Manufacturing, a minor in Public Health and Energy, and a Management Technology Certification from UC Berkeley where she currently serves on the Mechanical Engineering Department's External Advisory Board.

Recent coverage:

- Austin VC firm with focus on women-led startups makes latest six-figure investment - [Austin Business Journal](#)
- Women-led venture capital firm has sights on local health tech startups - [bizjournals](#)
- True Wealth Ventures' \$20 Million Fund Invests in Women-run Startups - [Silicon Hill News](#)

JULIA CHEEK

CEO and Founder, EverlyWell



EverlyWell is a next-generation lab testing platform that provides at-home health tests, including cholesterol, metabolism, food sensitivity, testosterone, fertility, and other panels. The company combines custom technology and ecommerce logistics to bring testing direct to consumers, in the comfort of their home, and deliver easy to understand results with curated content.

Background: Julia Cheek is the CEO and Founder of Everlywell, the next-generation healthcare testing platform empowering consumers to order, self-collect, and understand lab tests. Based in Austin, TX, EverlyWell has raised \$5 million to date and is one of the fastest-growing consumer healthcare startups in recent history. Julia was named the number one female entrepreneur to watch by CIO magazine for 2017.

Recent coverage:

- Austin health diagnostics startup EverlyWell collects \$2 million for expansion – [512Tech](#)
- 9 promising at-home lab test startups for everything from fertility to STDs – [TechCrunch](#)
- For some, access to healthcare could start with at-home lab testing – [TechCrunch](#)

KAREN BANTUVERIS

Founder and CEO,
SignUp.com



[SignUp.com](#) is the easiest way to bring people together with simple coordination and scheduling solutions.

Background: Karen is the founder & CEO of SignUp.com (formerly [VolunteerSpot](#)). She has more than 15 years experience as an entrepreneur, management consultant and business innovation expert. Her business background, intersecting with leadership roles at PTA and Girl Scouts, gave her unique insight into fundamental problems coordinating volunteers within informal groups. She launched SignUp.com in 2009 to simplify the process of scheduling, signing up and reminding people who want to participate in activities in their schools, communities and workplace and it has quickly grown to over 12 million users nationwide. She holds a BA in Sociology and an MHA in Healthcare Administration from Tulane University.

Recent coverage:

- Austin's SignUp.com acquires Florida competitor with similar name – [Austin Business Journal](#)

INGRID VANDERVELDT

Chairman and CEO, EBW2020



EBW2020 is a community for women worldwide, with the goal of connecting women with financial resources and funding opportunities through education, community, and technology.

Background: Ingrid Vanderveldt (iV) is a tech entrepreneur, media personality, investor and philanthropist. She is the Founder and Chairman of Empowering a Billion Women by 2020 (EBW2020) and Vanderveldt Global Investments. She holds a Masters in Architecture from The Savannah College of Art and Design and an MBA in Entrepreneurship from The University of Texas at Austin.

Recent Coverage:

- This Woman 'Duded Up' To Get Funded - And Then She Turned Down \$2.5M – [Forbes](#)
- Empowering a Billion Women by 2020 Brings on Tina Tchen, Former Exec. Director of White House Council on Women and Girls Under President Obama, as Special Advisor – [PR Newswire](#)
- Going Against the Flow: Ingrid Vanderveldt, Empowering Billion Women by 2020 – [Huffington Post](#)

