

Where Are All the Women in FinTech?



Sixteen women in the world are the [sole founders](#) of over 1,000 of the best-funded fintech companies. That's a shockingly low number, especially considering that 42% of all entrepreneurs are women. This gap extends to leadership across the fintech space, with women numbering just 6% of CEOs and 4% of CIO/CTOs. Even beyond the executive level, women make up [just 30%](#) of the fintech workforce.

As a combination of two traditionally male-dominated fields—finance and technology—fintech's gender disparity isn't a total surprise, but these statistics should be of monumental concern to business leaders in the sector.

Barriers to Women in FinTech

Obstacles to women in fintech start at the top and trickle down. For women-founded fintech startups, the [data shows](#) that average funding falls significantly short of what male founders are able to raise—by as much as 50%. Even when men and women are pitching the same ideas, studies reveal that investors of all genders tend to be subconsciously biased, turning down women more often than men. Low funding leads to fewer women-led startups getting off the ground, which unsurprisingly results in lower female representation in fintech’s founder community.

Low representation at the top creates a less appealing path for other women to get involved in fintech. From entry-level all the way up to executive roles, women are less likely to explore these opportunities—and when they do, they are often met with higher expectations and hidden biases that bar their growth.

Of course, there are other barriers that impact all women, regardless of industry or function. In particular, the responsibilities that come with household labor and childcare are shouldered disproportionately by women. This isn’t a new challenge, but [COVID aggravated it](#), with one in four women (compared to one in eight men) citing childcare as a reason for unemployment during the pandemic. More than half of all women are mostly or entirely responsible for all household work. Throwing a full-time job on top of it, particularly one in high-stress, fast-paced environments, is a quick recipe for burnout.

Benefits to Having Women in FinTech Leadership Roles

Ensuring women are well-represented in leadership roles in *any* industry is always beneficial. Gender [diversity](#) has been shown to spark better problem-solving, superior performance and innovation, better alignment with a diverse customer base, and higher retention and attraction rates. This is true of diversity in general.

The fintech space could benefit from more women at the leadership level, because women in general have not typically been in the spotlight as a target audience for financial products and services. They are an underserved customer segment, and there’s a massive unmet need. Female founders and executives have the personal experience and understanding to generate and align new ideas and solutions in this field.

There is a world of tech-driven financial services and products that is yet undiscovered because of the lack of women leaders in the space. More solutions are hitting the market—Ellevest and Tala, for example—but the possibilities are endless. Ensuring greater representation would lead to a larger customer base as well as an explosion of new ideas.

Examples of Women Paving the Way in FinTech

There's reason to be optimistic about the future of women in fintech. In 2010, less than 6% of [fintech founding teams](#) included women—in 2019, that number jumped to 20% and jumped again to 30% in 2020.

[Jennifer Fitzgerald](#) is just one of those co-founders. She is the CEO at Policygenius, a market leader in the InsurTech space. As an EY Entrepreneur of the Year, Fitzgerald recognized a gap in the marketplace and took the opportunity to fill it. Since co-founding Policygenius in 2014, the company has grown massively. Her success is an inspiration for other women in both fintech and insurtech.

[Susanne Chishti](#) is another inspiring female leader in fintech. She is the CEO of FINTECH Circle, a leading European investment network, having built her career in fintech before “fintech” was even an official term. She is committed to encouraging other female investors, founders, and leaders and was [recently interviewed](#) for a show called #BreakTheBIAS.

As the Chief Commercial Officer of Affirm, Inc., [Silvija Martincevic](#) was yet another woman who paved the way in fintech. The digital financial lender boasts an executive team that is 50% female and is deeply invested in diversity, in part due to her contributions. The company is committed to helping people make the purchases they need without being threatened by the possibility of greater debt.

Fintech founders, leaders, *and* consumers have traditionally been male-driven, but with women starting to take more leading roles, the fintech sector is beginning to grow a more diverse customer base. Co-founder Lily Lui of the startup [Piñata](#) launched the company in mid-2020 with the goal of solving the credit discrimination gap for the millions of Americans who rent homes and, as a result, lack a credit score. It's a customer base that might not otherwise be a key audience in the fintech field.

These women are not the only ones leading the fintech space, but they are a minority. The more female executives and founders who help lead the industry, the more women will be attracted to enter it in the first place.

What Leaders Can Do to Encourage More Women

According to [Deloitte](#), there are three stakeholders in the fintech ecosystem who can join forces to make a difference

for women in the industry: investors, founders, and financial institutions. For example, when financial institutions seek to partner with fintech companies, they can intentionally choose partners who are founded and/or led by women. Investors can also be more conscious of implicit bias to ensure a more equitable environment for female founders. Finally, women founders themselves can act as beacons for other women who may be reluctant to enter the space or unsure about how to build their fintech careers.

Additionally, building networking communities for women in fintech is essential. Fintech startups and established financial institutions alike can help cultivate these groups, nurturing opportunities for women to meet other leaders, investors, and founders. Mentorship is critical, and networks can go a long way in providing the resources, insights, and connections women need to grow their careers in the fintech space.

Simply hiring more women is a simple but effective way to boost representation. Research from [Deloitte](#) revealed that for every woman hired into the C-suite, there was a threefold boost in the number of women in senior leadership. Recruiting female workers at all levels of a company is critical, not only for representation but also for building the next generation of women leaders in fintech.

Finally, leaders of all genders must be sure to address the common challenge of women in the workplace—the burden of household labor and childcare. Women want their careers and family lives to coexist, and this is only possible with flexible work environments, generous parent leave policies, and strategic initiatives for emotional and mental wellbeing.

Ending the gender disparity in fintech must be a top priority of leaders in the space. How have you seen this play out in your experience of the industry?