



JANUARY VENTURES

2022 EARLY STAGE FOUNDER SENTIMENT REPORT



In our fourth consecutive year surveying early stage startup founders, we encountered a much different landscape influenced by current economic conditions and the rocky 2022 macro environment.

A sample set of 450 founders across the US vs. Europe let us in on the challenges and opportunities of 2022's startup environment. 61% of respondents were from the US and 32% of respondents were from Europe.

Between August and October 2022, we surveyed early stage startup founders – those who've raised pre-seed funding (48%), those who raised seed funding (32%) and those who haven't yet raised funding (16%).

The sample set consisted of founders from both the US (61%) and Europe (32%), in which 48% of founders identified as women and 54% identified as BIPOC.

This is one of the largest and widest-ranging surveys of early stage founders across the US and Europe, and it reveals their specific needs at this unique moment in time.

Between August and October 2022, we surveyed early stage startup founders – here's the breakdown of who participated.



48%

raised pre-seed
funding



32%

raised seed funding



16%

haven't yet raised funding



48%

were women



54%

were BIPOC

Here are the most notable findings that drew our attention as we examined the results of our 2022 Founder Survey. We hope publishing this data and sharing it with the broader tech and venture community yields a collective conversation on how we can work together to drive change and best support the next generation of founders and innovators.

01. BIG TECH COMPANIES ARE LAYING OFF. SO FAR, EARLY STAGE STARTUPS AREN'T.

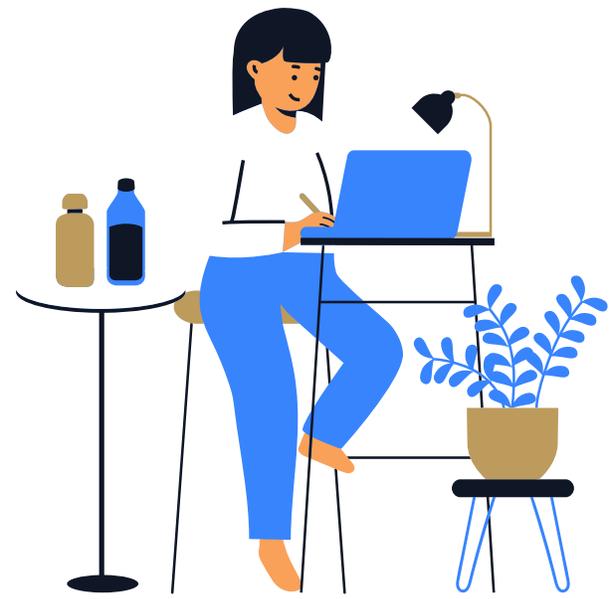
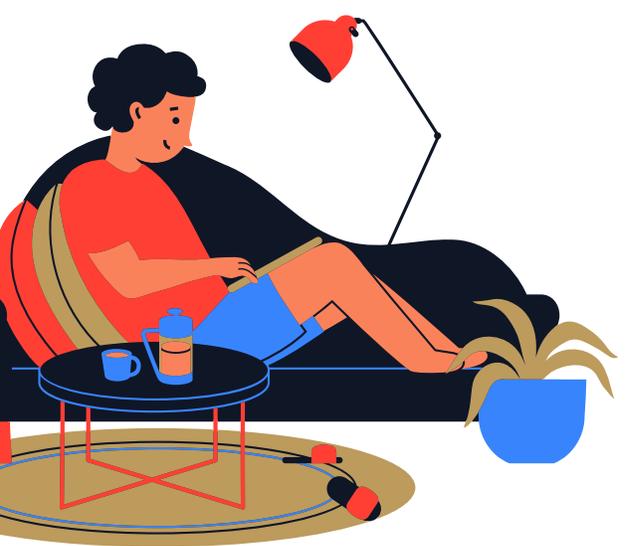
Tech startups are facing challenging times right now. In November 2022 alone, more than 20,000 tech workers at big companies like Amazon, Meta and Stripe were laid off. In contrast, only 6% of pre-seed and seed stage startups have reduced headcount and just 12% plan to decrease their hiring plans.

6% OF PRE-SEED AND SEED STAGE FOUNDERS SAY THEY HAVE REDUCED HEADCOUNT

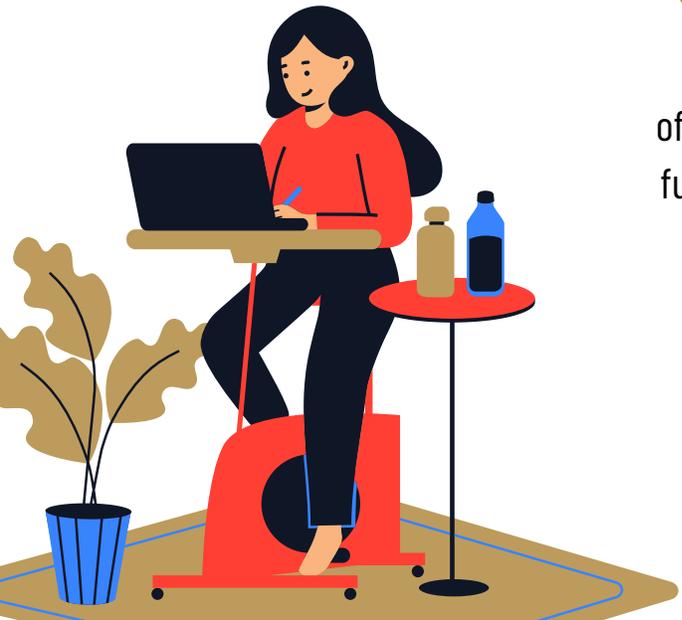


02. 85% OF EARLY STAGE STARTUPS HAVE REMAINED FULLY OR MOSTLY VIRTUAL. BIG TECH HAS GONE BACK TO THE OFFICE.

The trend of big tech companies returning to physical offices has impacted early stage startups less, which continue to largely operate in a virtual setting. In our 2020 survey, 83% of startups expected to be fully or mostly virtual, and this trend has held steady in the years since, with 85% continuing to be fully or mostly virtual.



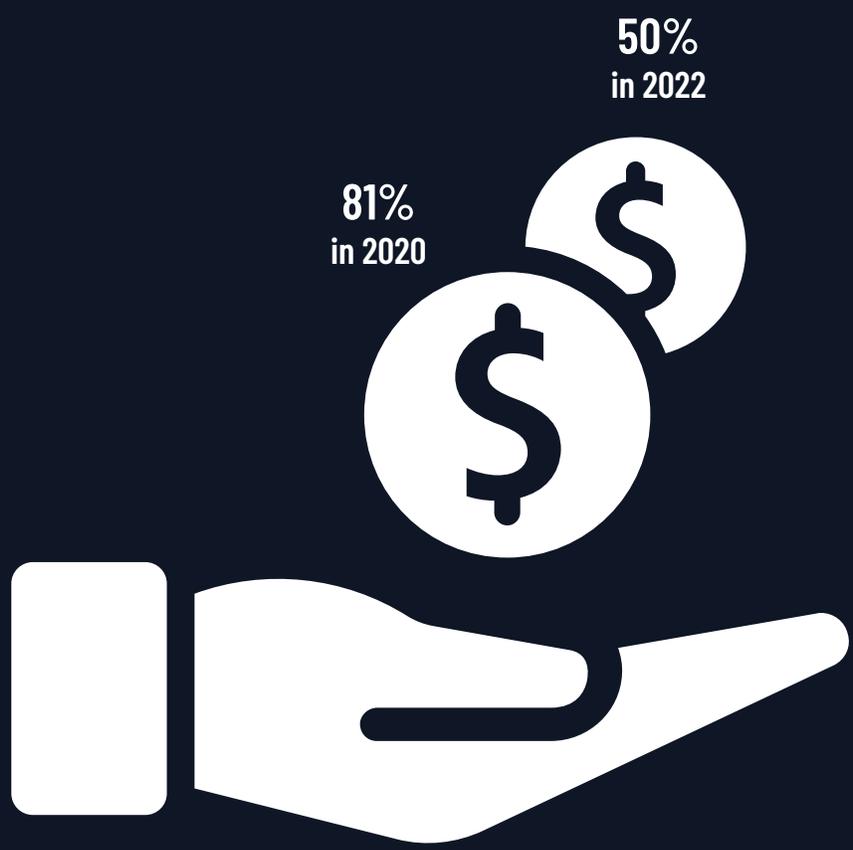
of startups teams are fully or mostly virtual



03. IN 2020, EARLY STAGE STARTUPS TOOK RAPID ACTION TO CUT COSTS. THIS TIME AROUND, THEY HAVEN'T.

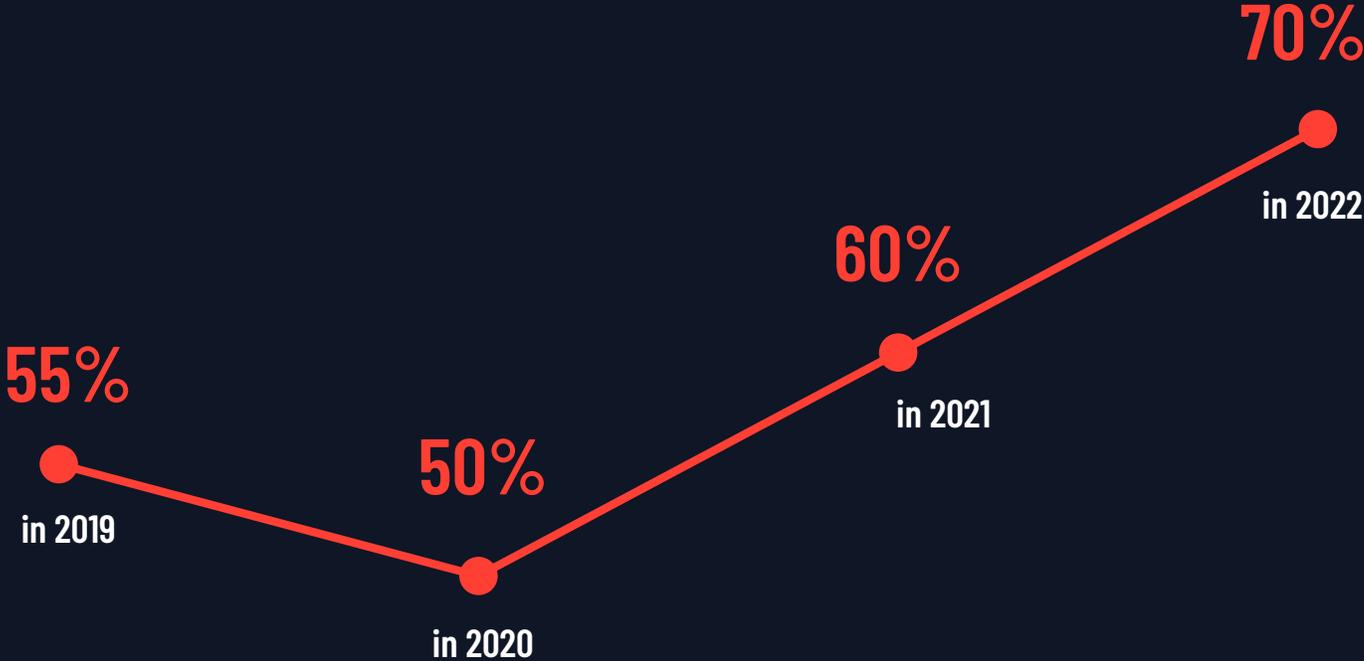
In 2022, only 15% of startups expect the macro conditions to cause revenue to decline. 48% expect no impact or revenue to increase. As a result, only 50% are taking swift action to cut costs, which is in sharp contrast to 2020 where 81% of founders acted quickly. Are early stage startups more insulated from macro conditions or are they not moving quickly enough to cut costs?

PERCENTAGE OF EARLY STAGE STARTUPS THAT ARE CUTTING COSTS



04. MORE THAN EVER, FEMALE FOUNDERS BELIEVE THEIR GENDER IS HOLDING THEM BACK.

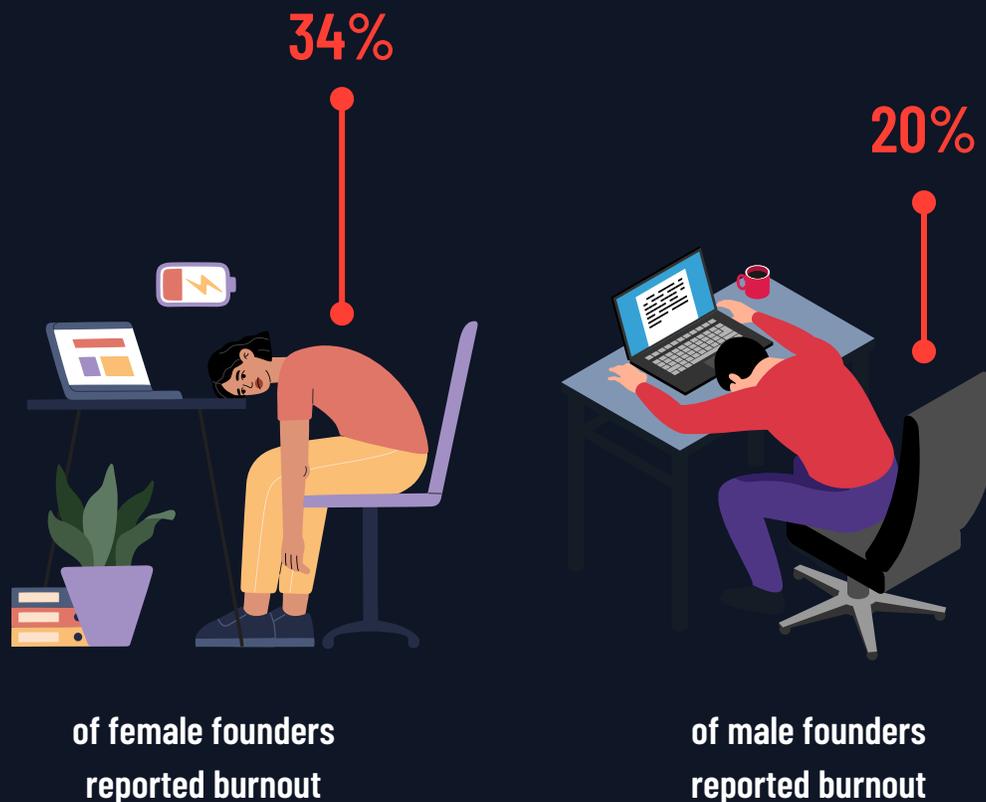
PERCENTAGE OF FEMALE FOUNDERS THAT BELIEVE THEIR GENDER HAS HELD THEM BACK



05. POST PANDEMIC, FEMALE FOUNDERS ARE FEELING PARTICULARLY BURNT OUT.

Female founders are still struggling to find the sense of community they need. This is in part due to the pandemic taking its toll, with female founders feeling particularly burnt out and sentiment at a low. 34% of female founders reported burnout in 2022, compared to 20% of male founders. More than ever, female founders are seeking genuine connections with others who share their struggles and successes.

PERCENTAGE OF BURNOUT AMONG FEMALE AND MALE FOUNDERS



06. IN THE EYES OF ENTREPRENEURS, INVESTORS ARE SLOWING DOWN INVESTMENTS, BACKING PEOPLE THEY KNOW AND FOCUSING ON THEIR PORTFOLIOS.

INVESTOR ACTIVITY REPORTED BY EARLY STAGE FOUNDERS



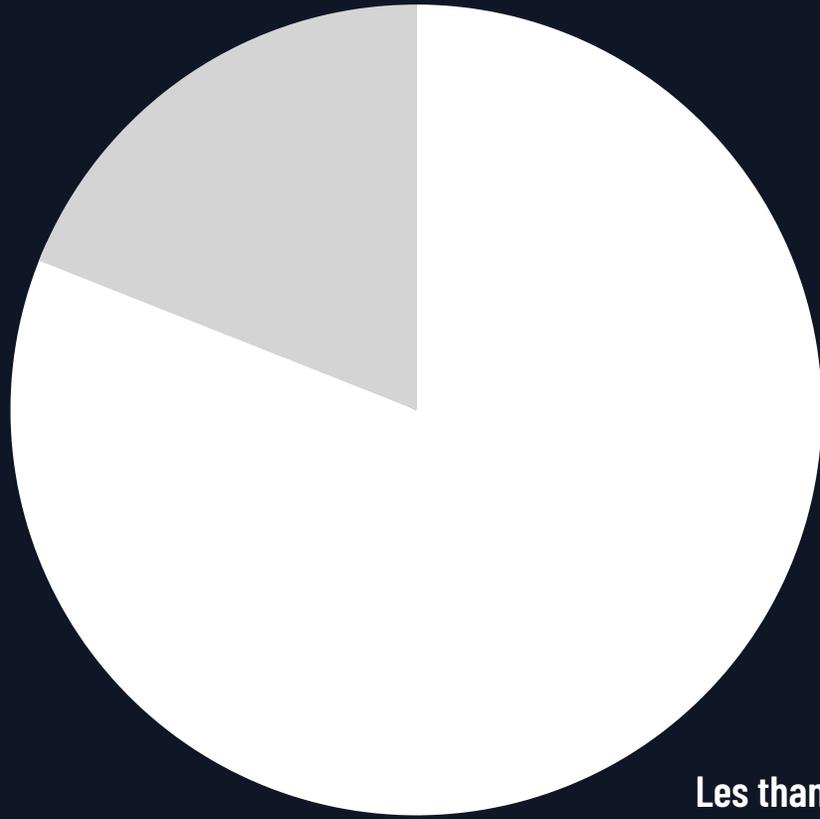
Note: respondents could select multiple choices.

07. EARLY STAGE STARTUPS DON'T HAVE THE LUXURY TO WAIT OUT THIS MARKET CYCLE. MAJORITY HAVE LESS THAN 12 MONTHS OF RUNWAY.

Pressure is on for most startups, as raising funding becomes increasingly difficult during the current bear market. 81% of early stage startups stated they only have less than 12 months of runway left.

PERCENTAGE OF RUNWAY HELD BY EARLY STAGE STARTUPS

More than 12 months of runway
19%



Less than 12 months of runway
81%



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Questions?

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