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HEALTHTECH OR FEMTECH: ARE THERE VENTURE CAPITALIST PREFERENCES?

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Abstract

In most countries public sector workers are paid more than their private sector peers with similar characteristics. This results in the re-distribution of income to the public sector employees as their wage premiums are paid out of taxes on private sector workers. For that reason, we call such premiums "horizontal rents," as opposed to "top rents" earned by those at the top of income distribution. The paper discusses the concept of horizontal rents and presents the theoretical model of horizontal rents developed in the framework of the game theory approach. The main players in the model are the politician and the trade-union representative acting on behalf of public sector workers. The model evaluates linkages between various parameters and the rent premium paid to the public sector workers. The model outcomes indicate that an increase in the share of state spending in the GDP brings about an increase in horizontal rent while an increase in the share of people employed in public sector results in decrease in per person horizontal rent, all else equal. These effects capture the long-term dynamics between variables. The implication of these result is that the horizontal rent load will likely rise with the increase in the share of public-sector employment.

Keywords

Rent, Public Finance, Public-Private Wage Gap, Elections

Introduction

The healthtech sector is increasing and female entrepreneurs are steadily entering this space and engaging in the start-up process. Historically, technology firms have been assisted with venture capital (VC) support. Securing financing at the start-up stage of operations is salient since it enables the firm to scale and grow. With requisite financial support, many of these firms evolve into extraordinarily successful commercial enterprises.

Studies indicate the presence of a gender gap with respect to securing VC support. As female entrepreneurs increase their participation in the healthtech sector, investigating whether venture capitalists (VCs) have a preference when assessing the viability of these firms is salient. This study explores VCs preferences when assessing the viability of female founded healthtech firms. Examining VC perceptions of healthtech firm female founders and the impact of these perceptions on the decision to fund is investigated. Whether VCs differ in their perceptions of female founders and their healthtech firms is also examined.

Entrepreneurship

New firm creation, or entrepreneurship, is significant since it yields beneficial effects. It is often the engine of economic growth for a state, region, or country. Entrepreneurial endeavors pave the way for new employment opportunities as jobs often emerge. Wealth creation is another outcome associated with entrepreneurship since entrepreneurs are keen on taking advantage of favorable market opportunities.

Women are engaging in entrepreneurship in greater numbers, and they comprise approximately 40% of entrepreneurs in the US (Wells Fargo, 2024). In 2023, female entrepreneurs had the greatest presence in the healthtech, education, consumer, and medical devices sectors. Specifically, they occupied 22%, 18%, 18%, and 15%, of these sectors respectively (Dowd, 2024). When examining the presence of women-led firms in the

technology (tech) sector, the percentage plummets as female founded firms comprise approximately 2% of tech startups.

Venture Capital Fundraising

VC funding is crucial for entrepreneurs as it is often the primary source of financial support. VC fundraising, however, fluctuates. In 2023, VC firms in the US raised approximately $93 billion which is a decrease from $209 billion in 2022. While overall fundraising activity is fluid, there is tremendous variance among the benefactors of this activity. Upon close examination of female founders, their firms received approximately 2% of the $93 billion available VC funding in 2023 while male and female founded firms received 20% of funding (PitchBook, 2023). These outcomes are similar to 2022 activity where female founders captured approximately 2% of VC deals while firms with at least one female founder garnered 16% of VC deals (PitchBook, 2023). In terms of deal counts in 2023, female founders captured 867 deals while firms with at least one female founder garnered 3200 deals (PitchBook, 2023).

Health Care and Healthtech

The health care sector is expanding and subsequently creating entrepreneurial opportunities (Stewart, 2022). Projections indicate that health care will have robust growth over the next few years (Kemble, Perez, Sartori, et al., 2022). One area of proliferation includes healthtech which is the convergence of healthcare and technology. The tremendous growth in this area is due, in part, to the onset of COVID-19 and its aftermath. The demand for innovative therapies, vaccines, telehealth, and individualized tools are driving demand.

Given the anticipated industry growth, healthtech VC investments are increasing. Femtech, or tech ventures aimed at women's health and wellbeing, is a source of this expansion. This gain is due in part to the proliferation of apps, products, wearables, diagnostics, and software that have been developed (Colban & Akers, 2020). These items have been designed to assist women with health related concerns and challenges and to increase their knowledge base about their bodies. In 2018, US funding in this sector was approximately $650 million (Colban & Akers, 2020). Frost and Sullivan (2020) report that the global femtech market was valued at $18.75 billion in 2019 and by 2022 it was worth $51 billion worldwide (Stewart, 2022). VC funding of femtech digital health firms in the US, however, was a paltry 3% of the available $162 billion of VC funds in 2020 (Gao, 2022; Pitchbook, 2023). Limited funding of femtech digital health firms is due, in part, to the dearth of medical research aimed at and inclusive of women.

Medical Research and Women

Controversy has historically surrounded the presence of women as subjects in medical research. In the 1970's women of childbearing age were officially excluded from research due to missteps associated with prescribing a drug during pregnancy in the 1950's causing birth defects (Javaid, 2021; Slawson, 2019). While the ban was protective in nature, it had severe consequences. Informative data addressing women's health concerns and experiences was no longer collected. Subsequently, there has been limited data informing the knowledge, prevention, and treatment of women's health conditions.

The lack of women's inclusion in medical research has facilitated a paradigm where women's health concerns are identified and addressed by using the male model creating a blind spot with respect to identifying and understanding conditions that impact women. The nature of heart disease provides an example of this challenge. Javaid (2021) references a report indicating that more than 45% of women were unaware that heart disease is the number one killer of women. Moreover, the primary symptom of a heart attack is believed to be chest pain. For women, however, nausea, dizziness, and vomiting are the initial indicators. These differential symptoms clearly indicate the significance of including women in research studies in order to discern how their bodies function.

To combat the lack of women's inclusion in health research the National Institutes of Health (NIH) was required to include women in research in 1996. While taking a step in the right direction, progress has been at a snail's pace. Between 2010 and 2017 women only represented approximately 38% of subjects in heart disease trials and this is despite being over 50% of the population, as well as a substantial number of those with heart disease (Javaid, 2021).

The federal government is also attempting to correct the imbalance associated with the limited data on women's health. The White House has launched The Initiative on Women's Health Research (NIH, 2024). The Initiative will focus on prioritizing investments in women's health research by increasing funding for studies on women's health. The Initiative will also facilitate innovation and discovery which will create opportunities to develop, commercialize, and scale products and platforms designed to improve women's health outcomes. Similarly, there will be support for innovators and early stage firms engaged in research and development of technologies aimed at women's health.

The above mentioned initiatives are designed to reduce and eradicate the long entrenched social inequities and biases that women have endured as it relates to identifying and serving their health needs. Another approach entails incorporating digital services and products into the ecosystem in attempts to lessen the divide in addressing women's health. The evolution of women's digital health platforms (WDHP) and innovative femtech technologies including wearables, apps, and devices are leading the way in this effort.

Technology Development and Gender

Historically, the technology industry has been dominated by males (Blanding, 2018; Culturintel, 2018). Subsequently, the creation, development, and design of tools, apps, and products reflect this perspective. Moreover, the design, engineering, and technological capabilities of tools, apps, and products are based on their vision, needs, preferences, and creativity (Ferguson, Koning, & Samila, 2021). Additionally, VC investments in these technologies have the ability to influence the development and evolution of these technologies which are inclined to focus on male needs. Male investors may also be less inclined to support the development of WDHP since there is the belief that men better understand and are more inclined to use technology (Bidmon & Terlatter, 2015). Given this milieu, there is a tremendous need for a female perspective which is inclined to capture and advance the creation, design, and delivery of technologies addressing women's health related needs.

Studies indicate that women seek and value health information that is consistent with their stage in life as well as their health histories (George et al., 2018). It is therefore equally important to acknowledge that technologies must also be adaptive to demographic and lifestyle elements that impact their health (Cancer Research UK, 2019; Germain & Yong, 2020). Subsequently, tech focused entrepreneurial endeavors aimed at addressing women's health concerns appear to be ripe given these dynamics.

Venture Capital Industry and Venture Capital Funding

VC investing is among the most male dominated professions in the US (Bureau of Labor Statistics, 2018). Subsequently, there is a gender gap in the VC industry. Women comprise approximately 21% of investment professional roles including Associate to Partner Roles (NVCA, 2016). Moreover, approximately 71% of VC firms are without a single female investing partner (NVCA & Deloitte, 2019).

There is also a tremendous gender gap in VC funding. Male founders are inclined to receive substantially more financial support than female founders (Bigelow, Lundmark, Parks & Wuebker, 2014). Additionally, all male founder teams are four times more likely to receive funding as compared to startups with one woman on the founding team (Brush et al, 2017; PitchBook, 2023).

Studies suggest that the gap in VC funding can be attributed to structural issues and investor biases. The overrepresentation of men in the industry is a fundamental element contributing to bias. This condition creates homophily where there is great comfort associated with working among those who are similar demographically. It is primary sources of likeness including gender, race, and educational background that create familiarity and ease in professional interactions often at the peril of those dissimilar from the prevailing characteristics (Gompers & Wang, 2017; Kerby, 2018). Additionally, networks are essential for VCs. Given the dynamics of the industry, homophily is likely present when examining their networks. In fact, studies indicate that overwhelmingly, VCs are males, and firm founders receiving support are males as well (Chilazi et al., 2018).

The divide in VC funding may also be attributed to attitudes held by investors. Studies report that female entrepreneurs are adversely affected by the negative dispositions and subsequent discriminatory behaviors demonstrated by some investors (Balachandra, Briggs, Eddleston, & Brush, 2017; Culturintel, 2018a). It is reported that the outcome for these women is often reduced funding for their firms. Funding may also be impacted by predispositions toward both the entrepreneur and the business concept (Brooks et al., 2014). Tinkler and colleagues (2015) report that founder gender impacts VC evaluations when the individual is the target of evaluation versus the firm. The study also suggests that the gender funding gap may be linked to unfavorable perceptions of women as business leaders and technical experts. Despite these challenges, VC support is essential to growing and scaling a firm for all entrepreneurs.

VCs, Founder Funding, and Firm Dynamics

Through financial support, VCs provide opportunities for entrepreneurs to create innovative technologies, products, and services. As expressed earlier, male founders received significantly greater VC funding as compared to female founders (PitchBook, 2023). One explanation for the imbalance is the limited number of women in the VC industry. Studies indicate, however, that correcting the inequality can increase the financial performance of VC firms. Gompers and Kovvali (2018) report that on average firms that increase their female partners by 10% typically yield a 1.5% increase in fund returns. Moreover, these firms also experience an average of 9.7% more profitable exits. Blanding (2018) found that VC funds with a female partner had returns of around 16-17% while the median return was around 14-15%. Moreover, 31% of VC investments with a female partner have a profitable exit, whereas 28% of VC investments without a female partner have a profitable exit (Blanding, 2018).

Research also indicates that VC firms with diverse portfolios are good investments. Brush, Greene, Balachandra, and Davis (2014) report that firms are more inclined to receive later-stage funding if they have a female executive. Additionally, female co-founded startups generate 10% more in cumulative revenue over five years which was approximately $730,000 versus $662,000. Moreover, the female co-founded startups returned approximately 78 cents per dollar invested while the male-founded startups yielded 31 cents (Abouzahr, Taplett, Krentz, & Harthorne, 2018). This is particularly noteworthy as female founders often launch and grow firms that are aimed at addressing unmet needs in the marketplace. As such, providing support for these firms is essential since this may positively impact the VC firm's bottom line.

In addition to the financial benefits associated with supporting female founders and women in the industry, VCs can be at the forefront of ushering in new and innovative technologies which serve to grow the innovation economy. Additionally, they can increase the war chest of funds available for future investments. VCs are able to create a technological footprint for the future by influencing, and in many cases, choosing the concepts, founders, and firms that will impact society with novel inventions, products, and services. This is particularly salient as greater attention is focused on increasing awareness about women's health conditions, challenges, and well-being.

Female Founders and the Gendered Lens

Female founded firms tend to be assessed through a gendered lens where VCs perceive these founders as having limited technical knowledge, being less capable in executing the business concept, and posing a greater risk (Bigelow et al., 2014). This situation may be exacerbated when the female founded firm operates in a feminine industry. Studies indicate that VCs and entrepreneurs believe the lack of familiarity with female focused products, services, and consumers contributes to the limited investments in these firms (Abouzahr et al., 2018). Similarly, Balachandra, Welter, and Greene (2013) report that concepts geared to female versus male markets are less inclined to garner VC support.

The disparity in female founded tech firms has also been attributed to factors including personality attributes associated with being a woman and being an entrepreneur (Ahl, 2006). The belief is that the demands of each role are incongruent and as such, women may be less inclined to be perceived as competent to occupy a more traditionally male-dominated role such as entrepreneur (Heilman, 2001). In fact, studies indicate that women experience greater skepticism when considering their ability to oversee an entrepreneurial firm (Heilman & Chen, 2005; Lyness & Heilman, 2006). Thebaud (2015) suggests that gender status beliefs or biases are shared cultural beliefs advocating that men are more competent and capable in important abilities in society. Consequently, these beliefs or biases may influence the evaluation of women's ventures and subsequently impede their funding opportunities.

To shed additional light, studies have examined the gender imbalance in technological entrepreneurship. Findings indicate that technological entrepreneurship is stereotypically masculine in Western society (Wajcman, 2010). Cultural beliefs about entrepreneurship embody masculine characteristics that are deemed essential for success (Thebaud, 2010). Prevailing thought suggests that traditionally masculine characteristics of competitiveness, risk-taking, decisiveness, and a win at all cost attitude are paramount and more suited to men (Buttner & Rosen, 1988). As such, entrepreneurial activities of women are not fully embraced (Balachandra, Briggs, Eddleston, & Brush, 2017). Given these dynamics, investors may more closely scrutinize female founders and their firms, and they may hesitate to support these firms.

Gender and Investor Evaluation

Investment decisions are primarily based on the background and experience of the entrepreneur and the firm's business model. Studies indicate, however, that investor evaluation of male and female founder firms is influenced by gender stereotypes. New ventures pitched by entrepreneurs with stereotypical behaviors associated with femininity are subject to bias (Balachandra, 2017). It has also been proposed that the valuation of female founder firms may be lower due to unconscious bias (Bartley, 2017). These findings suggest that gender bias seems to inform how female entrepreneurs, and their firms are evaluated when engaging in the venture capital funding process.

This is troubling as entrepreneurial success is contingent on the ability to demonstrate confidence, and garner support, and investment capital from others. Likewise, the ability to secure funding is rooted in a successful pitch whereby the entrepreneur provides a persuasive overview of the business plan. During the pitch, VCs evaluate the feasibility and appeal of the venture as well as the experience, dynamism, and skill set of the entrepreneur (Chen, Yao, & Kotha, 2009). It is during this time that VCs also contemplate investment decisions.

Status Based Theory

Status based theory advocates that cognitive bias is the source of differential outcomes for men and women and as such, it undergirds the study. Holding the dominant cultural perspective that men are better equipped for entrepreneurship as compared to women illustrates the thought process (Thebaud, 2015). Equating entrepreneurship with traditionally masculine behaviors such as aggressiveness, competitiveness, decisiveness, and risk taking while also finding these behaviors more acceptable for men explicates the perspective (Buttner & Rosen,1988). Given this framework, women may be disadvantaged as lenders and investors disbelieve that women possess requisite behaviors for entrepreneurship (Buttner & Moore, 1997; Carter & Cannon, 1992). Subsequently, cultural stereotypes are reinforced.

Status based theory can also influence standards in an evaluation process. When status beliefs are present, women's activities are assessed more severely as compared to men (Foschi, 1996). When women perform well, it is often times perceived as an anomaly and inconsistent with commonly held cultural expectations (Foschi, 1996).

Given the prevalence of gender based cultural stereotypes about technological entrepreneurship and traditional firm start-ups, are these stereotypes present in healthtech and emerging femtech firms? Moreover, do these dynamics influence firm appeal, and investor decisions?

Methodology

Entrepreneurial pitch competitions have grown in popularity. It is during these events that entrepreneurs have an opportunity to share the particulars associated with a venture concept with potential investors. The overall aim of the competition is to provide a forum where entrepreneurs can potentially secure resources and investors can assist in the growth and development of a promising new venture. In general, the entrepreneur pitches the business concept for five to eight minutes and the investor evaluates both the entrepreneur and the concept. Video pitches from pitch competitions are used in the study.

The pitches were evaluated by 22 representatives from the venture capital community. There were 13 males and 9 females. Each venture capitalist reviewed four pitches.

Firms from the healthtech sector were chosen for the study. More specifically, two firms representing traditional healthtech ventures, and two firms representing female-focused or femtech ventures were selected. The traditional firms included an activity/sleep tracker, and a diagnostics/wellness tracker. The femtech firms addressed fertility solutions, and a pregnancy tracker. After viewing pitches, the investors evaluated the entrepreneur and the firm on several measures. Investors also indicated their likelihood of investing in the venture.

The entrepreneurs are evaluated on their leadership capability and competence. A modification of the scale developed by Tinkler, Ku, Whittington, and Davies (2015) is used. Capability is assessed by scales including: powerful/powerless, high status/low status, leader/follower, confidence in the entrepreneur's ability to manage the venture's team, and ability to penetrate the market. Competence is assessed by scales including: competent/incompetent, knowledgeable/unknowledgeable, capable/incapable. All items are assessed on a five point Likert scale.

The appeal of the ventures is assessed with a modification of the scale developed by Galbraith, McKinney, DeNoble, and Ehrlich (2014). The three constructs include: technical merit, commercial potential, and ability to execute the business plan. These items are assessed with a five point Likert scale. The respondents also indicate their likelihood of investing in the venture. The five point Likert scale has very unlikely/very likely as anchors.

As a result of discourse associated with gender based cultural stereotypes and behaviors, perceptions of entrepreneur capability and competence are investigated. Following are the subsequent hypotheses.

H1: Investors will differ in their perceptions of entrepreneur capability
H2: Investors will differ in their perception of entrepreneur competence

Given the variation in the healthtech firms being pitched (traditional versus femtech), investors may differ in their perceptions of healthtech firms. The following hypothesis is offered.

H3: Investors will differ in their perceptions of the appeal of healthtech firms

With respect to the nature and scope of the various healthtech firms being pitched, investors may be inclined to differ in their investment choice. As such, the following hypothesis is advanced.

H4: Investors will differ in their likelihood to invest in the healthtech firms

The healthtech sector is evolving and growth in both traditional healthtech and femtech ventures is occurring. Thoughts and beliefs about entrepreneurs and their firms are often rooted in gender based cultural

stereotypes. Since there is a distinction between healthtech and femtech, investors will likely differ in their perceptions of firm appeal. Investors will also differ in their likelihood to invest in these firms. The following hypotheses reflect this perspective.

H5: Perceptions of healthtech firm appeal will differ based on investor gender
H6: Likelihood to invest in healthtech firms will differ based on investor gender

Results

The ANOVA results indicate that four of the six hypotheses are supported at the .01 level of significance and the results are depicted in table one.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
FATechMrt	Between Groups	25.909	3	8.636	7.755	.000
	Within Groups	93.545	84	1.114		
	Total	119.455	87			
FAComPot	Between Groups	40.489	3	13.496	13.106	.000
	Within Groups	86.500	84	1.030		
	Total	126.989	87			
FAExecP	Between Groups	70.818	3	23.606	18.101	.000
	Within Groups	109.545	84	1.304		
	Total	180.364	87			

Table 1

The first hypothesis states that investors will differ in their perceptions of entrepreneur capability. VCs did not differ in their perceptions of entrepreneur capability.

Hypothesis two states that investors will differ in their perceptions of entrepreneur competence. VCs did not differ in their perceptions of entrepreneur competence.

Hypothesis three states that investors will differ in their perceptions of the appeal of healthtech firms. VCs perceptions of healthtech appeal was significant for each construct: FATechMrt F=7.75, p<.01; FAComPot F=13.10, p<.01; FAExecP F=18.10, p<.01. Mean differences indicate that firms one and two, the traditional healthtech firms had the greatest appeal with respect to technical merit, commercial potential, and executing the business plan. The variable means are reflected in table two.

FirmType		FATechMrt	FAComPot	FAExecP
1.00	Mean	4.2273	4.5000	4.1364
	N	22	22	22
	Std. Deviation	.75162	.59761	.94089
2.00	Mean	4.2727	4.3182	3.9091
	N	22	22	22
	Std. Deviation	.55048	.56790	1.06499
3.00	Mean	3.4091	3.1818	2.0909
	N	22	22	22
	Std. Deviation	1.33306	1.25874	1.06499
4.00	Mean	3.0000	2.9545	2.4091
	N	22	22	22
	Std. Deviation	1.34519	1.36198	1.43623
Total	Mean	3.7273	3.7386	3.1364
	N	88	88	88
	Std. Deviation	1.17177	1.20816	1.43984

Table 2

Hypothesis four states that investors will differ in their likelihood to invest in healthtech firms. VCs were dissimilar in the likelihood to invest in healthtech firms; F=5.62, p<.01. Mean differences reveal that investors are more inclined to invest in traditional healthtech versus femtech firms. The variable means are reflected in table three.

Report			
LikeInv			
FirmType	Mean	N	Std. Deviation
1.00	4.0455	22	1.09010
2.00	3.7273	22	1.07711
3.00	2.7727	22	1.79767
4.00	2.4545	22	1.84461
Total	3.2500	88	1.61352

Table 3

Hypothesis five states that the perception of healthtech firm appeal will differ based on investor gender. Healthtech firm appeal was significant for two of the three constructs: FATechMrt F=17.68, p<.01; FAComPot F = 12.33, p<.01. Mean differences indicate that female investors perceived the healthtech firms had greater appeal with respect to technical merit and commercial potential. The variable means are reflected in table four.

Report				
Gender		FATechMrt	FAComPot	FAExecP
1.00	Mean	3.3269	3.3846	2.9423
	N	52	52	52
	Std. Deviation	1.21625	1.33069	1.52641
2.00	Mean	4.3056	4.2500	3.4167
	N	36	36	36
	Std. Deviation	.82183	.76997	1.27335
Total	Mean	3.7273	3.7386	3.1364
	N	88	88	88
	Std. Deviation	1.17177	1.20816	1.43984

Table 4

Hypothesis six states that the likelihood to invest in healthtech firms will differ based on investor gender. Investors differing in their likelihood to invest is significant: LikeInv F=19.75, p <.01. Mean differences indicate that female investors are more inclined to invest in healthtech firms. The variable means are reflected in table five.

Report			
LikeInv			
Gender	Mean	N	Std. Deviation
1.00	2.6731	52	1.65353
2.00	4.0833	36	1.13074
Total	3.2500	88	1.61352

Table 5

Discussion

This study explores VCs perceptions of healthtech and femtech female firm founders and the impact of these perceptions on the decision to fund. Whether VCs have a preference when assessing the viability of healthtech and femtech firms is examined. If VCs differ in their perceptions and decision to fund is also explored.

The first two hypotheses for the study were not statistically significant as VCs did not differ in their perceptions of entrepreneur capability or competence. These findings suggests that the VCs were similar in their notions regarding the proficiency of the founders. This result is somewhat promising as it suggests that entrepreneur aptness is not in question for these VCs.

The remaining hypotheses were all significant at the .01 level. Upon close examination of the third hypothesis which states that the VCs would differ in their perceptions of the appeal of healthtech firms, the means reveal that traditional healthtech firms (activity/sleep tracker, and the diagnostics/wellness tracker) had the greatest appeal for all three constructs. Overall, the technical merit, commercial potential, and ability to execute the business plan for the firm was perceived as more viable for the traditional healthtech firms. The commercial

potential of the activity/sleep tracker had the greatest appeal while the ability to execute the business plan for the diagnostics/wellness tracker had the least appeal.

The fourth hypothesis states that VCs will differ in their likelihood to invest in healthtech firms. The means indicate that VCs do indeed differ and are more inclined to invest in the traditional healthtech firms versus the femtech firms. In concert with the findings of the third hypothesis, VCs are more inclined to invest in the traditional healthtech activity/sleep tracker followed by the traditional healthtech diagnostics/wellness tracker. The femtech fertility solutions tracker and pregnancy tracker were less likely investments.

VCs perceptions of healthtech firm appeal will differ based on gender is the fifth hypothesis. The means reveal that female VCs found the healthtech firms had greater technical merit, commercial potential, and ability to execute the business plan, as compared to their male counterparts.

VCs likelihood to invest in healthtech firms will differ based on VC gender is the sixth hypothesis. The means indicate that female VCs are more inclined to invest in healthtech firms.

The results of the study indicate that VC plays a vital role in technological entrepreneurship. While firm founders are often focused on developing, growing, scaling the business, and securing requisite resources, they must also be cognizant of the potential impact of VCs perceptions. While it is widely believed that VCs tend to hold the perspective that viable firms showcase novel ideas that have business models worthy of investment, the findings of this study indicate that this may not always be the case. Overall, the traditional healthtech firms were found to have greater appeal for the VCs. Moreover, female VCs are more inclined to invest in traditional healthtech firms. The findings are insightful as traditional healthtech firms are perceived as viable investments for female VCs.

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