



# Venture For America at 10:

Measuring our Impact and Looking Toward the Future



## EXECUTIVE SUMMARY

Venture For America exists to mobilize our nation's next generation of entrepreneurs and equip them with the skills and resources they need to create jobs. In our ten-year history, VFA has supported more than 1,500 Fellows in their entrepreneurial journeys; connected more than 700 early-stage companies with young, ambitious talent; and fostered meaningful relationships across 20 mid-sized American cities with emerging entrepreneurial ecosystems.

To reflect on how far we have come and to imagine where we will go in our next 10 years, we engaged with research teams at four universities to assess our impact in three broad categories:

- Impact on our Fellows and their trajectories in entrepreneurship
- Impact on our Company Partners who have hired from our high-caliber Fellow network
- Impact on the entrepreneurial ecosystems where our Fellows work and live

The research teams employed a range of both quantitative and qualitative methods including surveys, data analysis from our Match\* platform and other internal sources, and over one hundred interviews with Fellows, Alumni, and key stakeholders. The primary findings from these research studies are synthesized in this report. We are eager to share these findings so we can celebrate our achievements, learn from our shortcomings, and plan for even greater impact in the years ahead. We hope you will join us as we continue to execute on our vision.

## FELLOW HIGHLIGHTS

The VFA Fellowship is life-changing and life-defining. As a result of their Fellowship experience, VFA Fellows gain a **sense of community** in their new cities and access to an impressive **network** of like-minded individuals across the country. The **prestige** of the Fellowship opens the door for Fellows to develop important connections in their cities. Fellows also see tremendous value in **building relationships** with each other — relationships that are strengthened through VFA's ongoing curated programming, such as our four-week intensive Training Camp and frequent in-city programs. Fellows share that VFA helps them build the confidence to pursue an otherwise daunting path, and cite the **resources and knowledge** provided by the Fellowship as significant factors when choosing to start their own initiatives.<sup>1</sup>

*For more on Fellow impact, see Section 1*

VFA Fellows are four times more likely to engage in new startup activity than their peers who were similarly interested in entrepreneurship.<sup>ii</sup>

That said, VFA instills entrepreneurial mindsets in all Fellows, not just those who go on to become founders, and they use this mindset to affect both economic and social change in their ecosystems.

## COMPANY PARTNER HIGHLIGHTS

Hiring is one of the most consequential decisions a firm can make; for early-stage companies without formal HR departments or procedures in place, finding talent poses an especially difficult challenge. Companies that have hired VFA Fellows repeatedly express enthusiasm for VFA's Match\* process as one that **simplifies and speeds up** the otherwise burdensome task of identifying promising candidates for their positions. Moreover, our partners note the **exceptional qualifications** of VFA candidates, and share that the ambitious, **go-getter attitudes** of Fellows have not only helped them achieve important milestones, but also establish positive norms in their work **culture**. For a number of our Company Partners, VFA Fellows have quickly 'risen through the ranks' to become leaders at the company, sometimes joining the executive team and managing high priority client relationships. Many Company Partners credit Fellows for leading the charge on **promoting diverse and inclusive environments** within their workplaces. The vast majority of companies that have hired Fellows are **highly likely to recommend** the program to other startups in their network.<sup>iii</sup>

*For more on Company Partner impact, see Section 2*

## CITY ECOSYSTEMS HIGHLIGHTS

Every year, a cohort of new Fellows moves to our VFA cities, joining an already robust network of VFA Fellows and Alumni in the area. Apart from being eager to perform well at their new jobs, Fellows are deeply conscientious about their **civic and community engagement**. Fellows are **curious to learn** about the history, geography, and political dynamics of their new environments, and often find themselves engaging in **volunteerism and local activism**. Fellows increasingly see these activities as closely intertwined with their entrepreneurial intentions, as they are often hoping to align their ventures with local needs and maximize social impact. Fellows' engagement, along with the **efforts of Community Directors** who work year-round to build meaningful connections locally, ultimately means that the VFA networks in each city encompass a **rich array of relationships** across professional and organizational boundaries. VFA is eagerly supported by city leadership and development entities, who view the program as a key pillar of their **talent recruitment and retention** strategies, and who appreciate Fellows for becoming **strong ambassadors** of their cities. Ecosystems benefit from the **influx of motivated, impact-oriented cohorts** who build connections across companies, organizations, and communities. The presence of VFA Fellows helps change the narrative about what is possible in a local entrepreneurship community.<sup>iv</sup>

*For more on Ecosystem impact, see Section 3*



## Section 1:

# Impact on our Fellows

“

*I definitely made connections with people who are like-minded, have similar interests and similar values, and to me, having that network of people who share your values is what helps me dive deeper into the things that I care about now.”*

*-interview with anonymous Fellow*

“

*I think VFA made me more entrepreneurial in general...I think there's a VFA mindset that has rubbed off on me. I've started little things here and there...I think VFA encourages you to take risks and plan things and organize things and create things, and that has definitely rubbed off on me.”*

*-interview with anonymous Fellow<sup>vi</sup>*



# Impact on our Fellows

To better understand how VFA has impacted the entrepreneurial journeys of our Fellows, we collaborated with three research teams that employed a diverse range of methods. First, the study led by Professor Travis Howell at UC-Irvine's Paul Merage School of Business analyzed data from various surveys VFA performed in the years 2011-2019, including Fellowship surveys, Alumni surveys, and Training Camp surveys. Howell's team supplemented these surveys with 30 new Fellow and Alumni interviews to understand the key outcomes of the VFA program for Fellows. A second study led by Professor Justin Webb and Rosalyn Sandoval at UNC Charlotte's Belk College of Business utilized a combination of LinkedIn data and survey data to understand the relationships between Fellow's entrepreneurial intentions and their entrepreneurial outcomes, illuminating demographic trends among prospective Fellow Founders. Third, though mainly focused on Company Partner data (see Section 2), the study led by Professor J. Daniel Kim and Mike Pergler at the University of Pennsylvania's Wharton School of Business also provided insights into Fellows' experiences by diving into data from our VFA Match\* platform. Taken together, these three studies resulted in an abundance of findings. Here, we will summarize some of the most illuminating ones across four main areas:

- 1) Fellows' experiences with the VFA network,
- 2) Fellows' experiences at their companies,
- 3) The experiences of our Fellow Founders (Fellows who launch their own business ventures), and
- 4) VFA's selection process for new Fellows.

## FELLOWS AND THE VFA NETWORK

The VFA network is, according to our Fellows, the biggest asset of our program. Fellows have developed meaningful friendships, work relationships, and even co-founder arrangements from within their cohorts, or across the Fellow and Alumni network more broadly. Fellows lean on the VFA network to brainstorm solutions to challenges they find at work, source important connections for their companies, and discuss the latest technologies and innovations in their markets. They use communication platforms like Slack and GroupMe to stay in touch with each other. VFA's Fellow affinity groups, VFA RISE, provide Fellows with shared identities a safe space to discuss their experiences and concerns.

The VFA network provides Fellows with an in-built sense of community, which can be difficult to find for recent college graduates who are moving to new cities. The sense of community contributes to Fellows' happiness; this directly impacts their performance as employees and as citizens. The research shows, unsurprisingly, that Fellows who are happy with their social lives have the highest rates of satisfaction with the program.<sup>vii</sup>

## FELLOW FOUNDERS

Helping our Fellows launch their own initiatives is a cornerstone of our program. **VFA Fellows are four times more likely to become founders than others who applied to the VFA Fellowship and were not admitted.**<sup>viii</sup>

\*Now called Connect, our new online community and private job portal.

There are 138 Fellow-Founded Companies in operation as of today. Collectively, they have raised more than \$250 million in capital, and 32 of them have hired a VFA Fellow themselves.<sup>ix</sup>

Many Fellows come into the VFA Fellowship with the intention to one day launch companies of their own, VFA helps make their dreams a reality through our programming and resources. This includes seed funding, frequent opportunities to ideate and validate side projects, and access to a robust network of mentors and investors. VFA itself has provided more than \$2.3 million in funding to Fellow-Founded Companies since 2012. These come in the form of grants as small as \$100 or investments as large as \$75,000.<sup>x</sup>

A hallmark of our program is the VFA Accelerator, a four-month long program that provides five to seven Fellow Founders annually the space, accountability, and training to go full-time on their businesses. VFA provides each Accelerator cohort with monthly business stipends, housing, and workspace in the Accelerator city, and intensive mentorship from a network of experts. Our programming year culminates in a Demo Day pitch competition, where teams have presented to an audience of investors and supporters for the chance to win prizes in the form of non-dilutive seed funding. Fellow Founders are also more likely than non-founders to remain in their VFA cities one year post-Fellowship.<sup>xi</sup> While not all Fellow-Founded Companies choose to locate their operations in VFA cities, several notably successful VFA Accelerator or Demo Day participants have done just that, such as:

**Balto** ..... **St. Louis** ..... Real-time guidance for contact centers

**DIOP** ..... **Detroit** ..... African Diaspora inspired streetwear

**FloatMe** ..... **San Antonio & Cleveland** ..... Helps millions get ahead of their finances with overdraft alerts, access to emergency cash, and smarter savings

**Gather** ..... **Cleveland** ..... Helps high-growth teams build and executive their People Operations programs by replacing manual coordination with smart, automated communication through Slack integration

**Stix** ..... **Philadelphia** ..... Discreetly delivered fertility, pregnancy, UTI, and yeast infection products



All Fellows are more likely to start companies than those who applied for but didn't join the Fellowship. However, this is not true for all Fellows to the same degree. Fellows and Alumni who are men are five times more likely to start a company than others in the control sample, while women Fellows and Alumni are 3.5 times more likely than the control group. Similarly, Black Fellows/Alumni are two times more likely and Hispanic Fellows/Alumni are 1.5 times more likely, whereas white Fellows/Alumni are 4.5 times more likely and Asian Fellows/Alumni four times more likely to start companies than those in our comparison set.<sup>xii</sup> Furthermore, Fellows and Alumni who are men, and white Fellows and Alumni report a higher degree of confidence in their ability to be entrepreneurs than other groups within the Fellowship. Fellows involved in VFA RISE groups exhibit a stronger propensity for social entrepreneurship, and Black and Asian Fellows report stronger intentions to become entrepreneurs when they have mentors who are also Black or Asian.<sup>xiii</sup>

One of our top strategic priorities is to address gaps in startup activity among Fellows, starting with access to capital. While some entrepreneurs rely on a "Friends and Family" round of funding, many potential founders do not have access to the network-based funding that keeps early stage companies in business. Access to venture capital is also limited. In 2020, U.S.-based women founders have received only 2.3% of VC investments,<sup>xiv</sup> and in the first half of 2021 Black founders received only 1.2%.<sup>xv</sup>

VFA has actively stepped in to provide this capital to many of our Founders, furthering our goal of being an on-ramp to entrepreneurship. Of the more than \$2.3 million in funding VFA has distributed to our Fellow Founders,



**26.6%**

has been directed to  
**women-led  
companies,**

**35%**

has gone to companies with  
**non-white  
Founders,**  
including

**14.8%**

to  
**Black  
Founders.**

We are proud of the gains that all potential Founders make in the Fellowship, and we aim to continue to narrow the gap so that all Fellows realize the same ability to act on their entrepreneurial dreams as a result of the Fellowship. We believe that our community is a reservoir of future women and minority startup founders, and that VFA can play a critical role in promoting diversity in entrepreneurship by using our network to help women and minority Fellows gain access to financial and social capital and mentorship necessary for successful entrepreneurship.<sup>xvi</sup>

The impact study found that Fellow Founders have statistically higher satisfaction with VFA than non-founders.<sup>xvii</sup> This is likely because they are able to leverage more of the resources and opportunities VFA offers, and we are

working to expand those offerings. We are taking immediate steps to increase access to mentorship for women Fellows and Fellows of Color both on and off the job. We are launching the Greater Than 3 initiative, a workshop series targeted specifically at our women-identifying Fellows. Furthermore, in response to data from Webb and Sandoval that reveals that under-represented minorities have greater entrepreneurial intentions when they have a mentor of the same race, our team is working to build more partnerships with minority-led companies. We are currently raising funds to provide scholarships for women and minority founders to offset the costs of hiring Fellows; 5.5% of the 2021 cohort are earning salaries that are partially subsidized or fully funded by these efforts. Programs such as these help us increase the number of social impact companies and companies founded by women and People of Color in the company partner network.

- **FELLOW SALARIES BY CITY**  
**2015-2019**

**Highest Average:**

Kansas City, Cincinnati, Pittsburgh

**Lowest Average:**

Denver, New Orleans, Birmingham

- **FELLOW SALARIES BY JOB**  
**2015-2019**

**Highest Average:**

Software Engineer, Design, Product Management

**Lowest Average:**

Business Development, Sales/Marketing, Human Resources<sup>xxiv</sup>

(potential commissions not included)

## FELLOWS AND VFA COMPANY PARTNERS

For recent college graduates, finding an unconventional career opportunity at a newly-launched company can be difficult and even risky. Once accepted, VFA introduces Fellows to a network of curated companies located in our programming cities. Beginning in April and through the summer, Fellows participate in VFA's Match\* process, a two-way communication platform between Fellows and potential employers (mainly startups), and receive support from VFA Team Members as they make connections and conduct interviews with companies. VFA's cohorts have grown significantly over time, from our smallest cohort of 40 in 2012 to our largest cohort of 212 in 2020. In both the 2020 and 2021 hiring cycles, more than 500 opportunities were posted on Match\*.<sup>xviii</sup> Fellows appreciate the volume of positions that they are able to explore on our Match\* platform and many Fellows claim that they would have never found the company they work at if it were not for VFA.<sup>xix</sup>

Employment outcomes for Fellows have steadily improved over the years. According to Kim and Pergler's analysis of Match\* data, average starting salaries for Fellows increased 21.17% from 2015 to 2019, and total compensation increased by 23.78%. In 2019, 15.74% of offers contained 401k matching plans, and 36.25% of offers contained equity awards.<sup>xx</sup> Howell's study shows that Fellows are more satisfied with their experience overall when they have higher salaries, and receive equity and promotions.<sup>xxi</sup> Furthermore, Fellows who receive favorable ratings from the Company Partners do significantly better post-Fellowship in terms of salary, finding employment, and other factors. Thus, especially for Fellows who perform well in their jobs, there is evidence that career prospects post-Fellowship are excellent, even if moving to a larger company afterwards.<sup>xxii</sup>

\*Now called Connect, our new online community and private job portal.



However, the studies reveal that the experiences of Fellows at their Company Partners vary considerably, with respect to compensation, promotion opportunities, and work cultures. These differences, which Fellows sometimes view as inconsistencies in their programmatic experience of VFA,<sup>xxiii</sup> stem from differences in the range of sectors and funding backgrounds amongst Company Partners. Company Partners are also located in cities with differing costs of living, and compensation varies depending on the type of role Fellows hold.

We recognize, however, that VFA can do more to ensure better alignment of expectations between Fellows and Company Partners. Beginning with the Class of 2020, VFA has made important changes to the VFA Fellowship onboarding and Match\* process to create a more consistent experience for Fellows. We have developed a robust onboarding curriculum and, in 2022, we will further adapt it based on best practices and Fellows' needs. We have also increased the size of VFA's Company Partnerships team, which will enable us to provide more individual support to Fellows. This change will also provide our Community Directors with additional capacity to devote to Company Partners in order to ensure that they are fully prepared for the expectations that come along with hiring, employing, and mentoring a Fellow.

We are also aware that, as with any job market, race and gender matter, and Fellows' experiences vary based on their identities. In 2020, we removed Fellows' photos from the Match\* platform. In 2021, we dedicated space in the company profile page of Match\* for potential hiring partners to describe their organization's approach to diversity, equity, and inclusion. **We have taken steps to significantly increase the number of hiring partners in our cities that are founded and led by a Person of Color and/or a woman.**

Among companies that hired a 2021 Fellow, nearly 70% are led by a woman and/or person of Color, up from 38.5% in 2019.<sup>xxv</sup> By diversifying our hiring partner network, we are expanding access to VFA talent in our cities and we are ensuring that our Fellows have access to mentors and role models who share their experience.

We have also carefully examined the starting pay Fellows receive from their VFA Match\* companies since 2015 as well as the compensation they report in our Alumni survey. Since 2014, VFA has required company partners to offer Fellows no less than \$38,000 in annual salary as well as access to health insurance benefits. Between 2015 and 2020, Fellow's average salary increased 27.7% from \$39,079 to \$49,891.<sup>xxvi</sup> We do find small differences in the compensation received by women Fellows and Black Fellows and Alumni compared to men and to white Fellows and Alumni, but they are not statistically significant. However, the analysis does show meaningful differences depending on whether or not a Fellow majored in a technical subject or held a technical role. (For example, Fellows in software engineering roles have higher starting salaries than Fellows in marketing roles).<sup>xxvii</sup> We recognize that not every Fellow who joins VFA has had the same access to technical education, internship opportunities, or other experiences that lead to being considered for technical roles or achieving

higher starting salaries. To help mitigate these disparities, we will continue to coach Fellows to communicate the tangible impact they have made in all of their work, education, and extracurricular efforts so that all VFA Fellows materially benefit from their association with VFA and are able to leverage their Fellowship into future professional growth and startup business opportunities.

## **SELECTION OF NEW FELLOWS**

The first Venture For America cohort in 2012 consisted of 40 Fellows, more than three quarters of whom identified as male and/or white. The cohort had been chosen from approximately 300 applications. By contrast, of the 212 VFA Fellows in the Class of 2020 who attended Training Camp, 53% of whom identified as a racial or ethnic minority and only 46% of whom were men. The VFA Class of 2020 came from 122 different schools and were chosen from among 3,095 applicants, translating to an acceptance rate of just under 9%.

VFA's selection criteria and process have evolved significantly over the last ten years, and we have improved our recruitment efforts by targeting a wider range of universities, including Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), and a growing number of colleges and universities in and near VFA cities. We have become more intentional about our selection panels, ensuring that our interviewers are diverse by race and gender to better reflect our diverse candidate pool.

Findings from one study illuminate the benefits of shifts in our recruitment and selection practices. Women Fellows have reported becoming more closely involved with their local communities, and Black Fellows have been the most likely to launch their own companies.<sup>xxiii</sup> Historically, Fellows from high-status universities have been less likely to remain in their VFA cities upon completion of the Fellowship, and Fellows with high college GPAs have been less likely to become founders or work on side projects. This data pushes us to think critically about which aspiring young entrepreneurs are best served by VFA and affirms that our mission to create opportunity and build capacity in VFA cities is best achieved by building diverse Fellowship cohorts.



## Section 2:

# Impact on our Company Partners

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*There is a dramatically higher degree of confidence in the newly hired person if they are coming through the VFA program...their blind ambition is what makes them so powerful...their raw intelligence is off the charts...their ability to bust through vague and ambiguous tasks is such a relief to leaders of startups.”*

*-Gordon Daily, CEO Boxcast (hired 7 Fellows in Cleveland)<sup>xxix</sup>*

“

*I've been in really competitive talent environments my whole life and I've gotta put the VFA [Fellows] right up there with any that I've worked with, not just in the United States but in a number of countries around the world...Fellows are our Future Center, our innovation center, and when something needs to be done, they're the fire brigade. They are the ones going into the breach.”*

*-Bernard Sucher, CEO Tikun Olam USA (hired 3 Fellows in Miami)<sup>xxx</sup>*



# Impact on our Company Partners

The employment relationship between Fellows and Company Partners is core to the VFA Fellowship. VFA believes that working at a startup or scaling business provides an opportunity for learning and professional growth that cannot be achieved in the classroom or in the more structured environment of a large, established corporation. We seek Company Partners who understand that our Fellows are eager to learn and that they may have their own founder ambitions. In return, Company Partners gain access to a pre-vetted pool of high-capacity entry level talent that is eager to add value to a fast-moving team.

The value proposition of VFA for startups is significant, as access to talent is of primary concern for startup founders<sup>xxxii</sup>, and it is generally understood that founding and early teams greatly influence the success of a new startup.<sup>xxxiii</sup> Hiring can be especially tricky for startups in the cities where VFA operates. These are cities in which the demand for college-educated, entry level, start-up ready talent outstrips supply. VFA helps alleviate those strains for our Company Partners, many of whom are small firms without formal recruitment departments or the name recognition to attract ambitious, young talent.

Since VFA's inception, **more than 800 companies have hired a VFA Fellow**. Our Company Partners encompass a wide range of sectors, including technology, education, and health & wellness. And while we work with more than just startups,\* 62% of active VFA Company Partners have under 50 employees; 56% of them have under 30 employees.<sup>xxxiii</sup> These companies see VFA as a great resource for finding pre-screened hires who are excited about the possibility of working in agile teams amidst the fast-paced, ambiguous world of entrepreneurship.

To complement this research, our internal team conducted 20 interviews with Company Partners.<sup>xxxiv</sup> The research revealed important considerations in two main areas:

- 1) perspectives on **Fellows' performance** and
- 2) experiences with the **VFA hiring process** (Match\*\*).

We summarize the key takeaways below.

## FELLOWS' PERFORMANCE AS EMPLOYEES

Overwhelmingly, Company Partners report high rates of satisfaction with the value Fellows contribute to their companies. Fellows are seen as "culture builders," "team workers," and "pace setters." They are unafraid of tackling complex challenges and eagerly take initiative. Fellows often go above and beyond their job descriptions, and quickly learn new competencies that they feel can be beneficial to the business. They usually can be trusted with high levels of responsibility, and numerous Fellows have moved into management roles one or two years into their

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\*VFA Fellows also work at startup ecosystem-adjacent nonprofits and local government agencies, as well as at larger scaling companies with more than 50 employees and in the innovation or startup units of large corporations in VFA cities.

\*\*Now called Connect, our new online community and private job portal.

employment. Though all Fellows are certainly not the same, Company Partners have found consistently strong candidates through the VFA pool, and have been impressed by the level of competence exhibited by Fellows at such an early stage in their careers. Moreover, the training that VFA provides prior to the Fellow's employment translates into less onboarding time, and Company Partners appreciate that Fellows can hit the ground running on day one at the company.

The vast majority of Company Partners interviewed share that they would not be where they are without their Fellows, and that they are highly likely to recommend the program to other startup founders in their network.<sup>xxxv</sup>

Long-term Company Partners note that in recent years, Fellows tend to be more social-impact minded, and are interested in connecting the dots between the company's work and its contributions to society. By and large, Company Partners see this as a positive change; they consider Fellows to be mission-aligned and committed to the values of the company. Similarly, Company Partners have noticed the value Fellows place on diversity, equity, and inclusion. In many instances, Fellows have taken the lead on diversity initiatives within their company, working with leadership to develop equitable practices and design more inclusive work environments. This reflection from Company Partners echoes the findings of from our ecosystem study, which also notes that Fellows are often key advocates at their companies for diversity, equity, and inclusion work.<sup>xxxvi</sup>

While Fellows add significant value to the companies where they work, CEOs of Company Partners note that there are challenges associated with managing VFA Fellows. These challenges often result from the same qualities that make VFA Fellows such high value employees: their ambition, consistent desire for new challenges, and confidence. For instance, some CEOs we spoke with wonder whether aspiring founders make good employees, while others see all Fellows — regardless of their individual plans for becoming Founders in the short-term — as equally entrepreneurial-minded, which ultimately adds positive value to their business for the time that Fellows are there. Fellows are eager to grow within the company, but this can sometimes translate into mistimed requests for promotions or raises. Fellows may also be interested in learning many parts of the business rather than becoming expert at one thing. This tendency to become broad generalists is attractive to early-stage startups but poses a management challenge in larger and scaling startups where employees are more likely to specialize in a particular area.<sup>xxxvii</sup>

Since many of our Fellows are approaching conversations with their managers about professional growth, promotion, and raises for the first time, VFA can help companies and Fellows set expectations and provide coaching to Fellows. For instance, the negotiation training that we offer one year into the Fellowship can be expanded or moved earlier in the Fellowship lifecycle, more resources can be included in our online Fellow resource repository, and VFA Team Members can provide one-on-one support to Fellows who are concerned about their growth trajectories. VFA is also considering how we can better support Company Partners directly in the unique management challenges that arise from hiring Fellows, and we intend to expand our resources for Company Partners in the coming year.

## VFA MATCH\*

Each year between April and August, Fellows and companies participate in the two-sided marketplace, facilitated by VFA's Match\* platform. In recent years, approximately 500 Companies post to VFA Match\* a company profile that includes their mission, culture, leadership demographics, and the job opportunities for which they are open to hiring Fellows. The entire cohort of Fellows (most recently between 160-210 annually) post their resume and biography and indicate the types of roles that are most interesting to them. Community Directors and our Company Partnerships team curate the companies posted to VFA Match\*, ensuring that they meet our criteria for inclusion in the partner network, and they assist companies in identifying strong candidates among the Fellows for their open roles. Our goal is to place as many Fellows in jobs as possible before the early July start of Training Camp and to see all Fellows in jobs by September 1.

VFA Match\* is a complex process and it brings with it particular challenges. Kim and Pergler's study on VFA Match\* statistics reveals that the majority of companies who express interest in VFA do not ultimately hire through our program. In fact, between 2015-2019, only 36% of companies who posted an opportunity on Match\* successfully hired a Fellow. For companies that have conducted at least one interview with a Fellow, this percentage is 45%. In their research, Kim and Pergler suggest the presence of a "hiring funnel" for Company Partners, illustrating the reduced number of Company Partners participating in each step of the hiring process.<sup>xxxviii</sup>

There are a number of reasons a company may enter the Match\* process and ultimately not hire. For instance, the timing of Match\* is fairly rigid, with an April through August hiring cycle for Fellows who start their jobs in August. This timing doesn't work for all companies. Companies may also find that their needs change during the Match\* season due to changes in their company (such as changes in funding or a need to focus on more senior hires), so not every company that fails to hire in Match\* is a disappointed company. However, this data suggests that the demand for VFA Fellows in our cities exceeds our current ability to provide them.

VFA can also do more to support our Company Partners through the Match\* process. One potential strategy is to encourage Company Partners to proactively reach out to candidates whose profiles seem particularly well-suited to their opportunities. We have taken steps to reduce the information asymmetry that is so often inherent to the job search and hiring process by requiring companies to describe their hiring process and the compensation range they intend to offer when advertising roles on Match\*. However, VFA can do more to ensure that the companies and Fellows have compatible expectations of the employment experience, which may ease management challenges and improve retention.<sup>xxxix</sup> As we begin a new strategic planning process, we will explore ways to bring more value to our company partners and improve the Match\* experience for both companies and Fellows, potentially with altered timelines, adjusted processes, or new technologies.

\*Now called Connect, our new online community and private job portal.

### Section 3:

# Impact on our Ecosystems

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*The positivity that they [VFA Fellows] bring to the city itself is incredible. Because you have these, like young energy...high energy, humans that are working in...companies that are close to each other, and [within] walking proximity of each other, and VFA keeps them all connected. And then I feel that the lessons learned between the different companies [from the Fellows] also helped the different companies connect with one another. Passion is not something they lack. So it just drives positivity, and also the passion for the actual cities that they work in...I think they're amazing connectors. And it's just this continuous added value to both the environment that they live in, work and play as well as the businesses in itself.”*

*-interview with anonymous city stakeholder<sup>xl</sup>*

“

*I view VFA as bringing in a highly talented person with self agency and a lot of bandwidth into startups in the region that may not otherwise have been able to find that level of talent, to put them in a kind of position where they could grow with or faster than the company [and] to assume more bandwidth and responsibility. And I view that as a kind of human capital strategy that we needed. In [city name redacted], it just wasn't intellectually capable people, it was people that were risk takers and innovators.”*

*-interview with anonymous city stakeholder<sup>xli</sup>*

# Impact on our Ecosystems

VFA currently operates across 13 cities in the United States: **Baltimore, Birmingham, Charlotte, Cleveland, Detroit, Kansas City, Miami, New Orleans, Philadelphia, Pittsburgh, San Antonio, St. Louis and Tulsa.**

Cities where we were previously active — and where VFA Alumni continue to work and live — include Atlanta, Cincinnati, Columbus, Denver, Las Vegas, Nashville, and Providence. In cities that have been part of our network from our earliest years, such as Philadelphia, Detroit, Baltimore, and Cleveland, the number of 2012-2020 Fellows who have started their careers with their first Match\* job exceeds 100: 169 in Philadelphia, 170 in Detroit, 150 in Baltimore, and 107 in Cleveland.<sup>xlii</sup>

For recent college graduates who are interested in entrepreneurship and looking to relocate, the more obvious places to conduct their job search may be New York City, Silicon Valley, or Boston.

VFA disrupts this trend by highlighting opportunities in emerging entrepreneurial ecosystems across our city network. In doing so, we aim to reduce geographical disparities and contribute to development, growth, and job creation in each of the cities where we are engaged.

As we evaluate 10 years of impact, we were interested in learning about our impact not only on our immediate participants — Fellows and Company Partners — but also on the city ecosystems where our Fellows work and live. One of the research studies led by Professor Banu Ozkazanc-Pan at Brown University focused specifically on assessing this impact, conducting in-depth interviews in three different VFA cities: Detroit, Baltimore, and Birmingham. Some key findings from that research are outlined below.

## HOW FELLOWS SEE THEMSELVES IN THEIR CITIES

Ozkazanc-Pan's study finds that regardless of educational background or industry of employment, VFA Fellows are incredibly passionate about their work and the communities in which they live. Both in and outside of their jobs, they act as relationship builders, developing shared understandings between disparate communities and organizations in efforts to cultivate community and create change. Within weeks of relocating to their new homes, Fellows seek opportunities for engagement beyond their professional lives, such as volunteering, activism, or joining groups related to their hobbies. Fellows share information about these opportunities amongst each other and sometimes pursue activities collectively with others in their cohort.<sup>xliii</sup>

Fellows are quite conscientious about their roles and responsibilities as new citizens in a city, and are eager to learn about the unique history, geography, local politics, demographics, and development initiatives of their new environments.<sup>xliiv</sup> The VFA network provides many resources to this end. Community Directors and City

\*Now called Connect, our new online community and private job portal.



Leadership Councils prepare city guides, welcome events, and neighborhood tours for incoming cohorts, often working with organizations across the city to provide effective, thoughtful programming. While the bulk of Training Camp focuses on equipping Fellows with soft and hard skills they can utilize at their jobs, they are also given opportunities to reflect on their impact as soon-to-be residents of a new city. VFA Team Members, current Fellows, and VFA Alumni all provide support to incoming Fellows as they orient themselves to life in a new city. As Ozkazanc-Pan's study indicates, developing more robust programming that supports Fellows in conceptualizing their impact from both a local and national lens, as individuals and as a group, throughout their VFA experience would surely have promising returns.<sup>xlv</sup>

For many Fellows, issues of structural inequality and race are important frameworks through which they engage in various actions related to the Fellowship experience. Though each city's histories and present realities differ, the majority of VFA cities have significantly higher rates of poverty, segregation, and racial inequality compared to national averages. Accordingly, Fellows often consider their own personal impact as closely related to these inequalities, and sometimes feel uncomfortable with their level of economic privilege in often majority-minority environments. Diversity, equity, and inclusion is frequently cited as a framework through which Fellows assess their own actions, and they become strong advocates for inclusion and equity both in their companies and cities at large, just as they do in their companies.<sup>xlvi</sup>

Over time and most markedly between the 2015 and 2016 cohorts, there has been a shift in how Fellows conceptualize the mission of VFA and their own entrepreneurial intentions. Whereas earlier Fellows considered entrepreneurship to be a structured approach to achieving economic impact (e.g., contributing to a city's growth in terms of jobs, gross regional product, etc.), more recently Fellows see entrepreneurship as closely intertwined with social impact.

Entrepreneurial endeavors are now not only associated with launching for-profit startup ventures, but also with launching nonprofits, cooperatives, micro-enterprises, media initiatives, and political campaigns. Fellows are considering ways in which the entrepreneurial approach can be normalized for a variety of activities aimed at economic, social, and cultural objectives.<sup>xlvii</sup>

This observation echoes the findings of Webb and Sandoval, who noted that VFA RISE Group participation correlates with interest in social impact entrepreneurship.<sup>xlviii</sup> This is an important insight for our organization as we reflect on our mission and future impact trajectory in our upcoming strategic planning process.

In light of shifts in how Fellows consider their own individual impact, Ozkazanc-Pan's study describes how they take on multiple roles within the city's ecosystem through various types of entrepreneurial engagement. Whether it be working with city leaders on development initiatives and local economic policy; serving in advisory capacities to nonprofits; participating in local arts, food, cultural, and creative communities; or launching their own businesses that create jobs; Fellows act "with intention and purpose to engage in work beyond their Fellowship to better the city."<sup>xlix</sup> Ozkazanc-Pan observed that Fellows tend to be "humble and questioning" in expressing their individual impacts in this regard; however, as a collective, VFA Fellows are seen as transformative forces in their communities by ecosystem stakeholders.

Fellows act “with intention and purpose to engage in work beyond their Fellowship to better the city.”<sup>xlix</sup> Ozkazanc-Pan observed that Fellows tend to be “humble and questioning” in expressing their individual impacts in this regard; however, as a collective, VFA Fellows are seen as transformative forces in their communities by ecosystem stakeholders.

## HOW CITY STAKEHOLDERS SEE THE VALUE OF VFA

VFA’s value is felt by the entrepreneurial ecosystem in each city, not only by startups who hire Fellows, but from the broader community that celebrates the benefits of having young, ambitious talent committed to achieving impact both inside and outside of work. Though VFA operates as one node within the entrepreneurial ecosystem, it occupies a unique space that sits at the intersection of community-building, innovation, economic development, education, and social impact. Through relationships that Fellows build across companies, industries, and neighborhoods - relationships that are amplified by the close-knit ties among the cohorts and Alumni themselves — VFA enriches the entrepreneurial fabric of cities by fostering collaboration, dynamism, and bigger-picture thinking. Our Fellows are a driving force for positive change both at their companies and in their communities, as noted by the stakeholders interviewed in Ozkazanc-Pan’s study!

Civic leaders and economic development entities in VFA cities view VFA as an important pillar of their talent recruitment strategy. For example, in Baltimore, partners cite VFA alongside initiatives like Urban T-Shirt and Teach For America, two other organizations that establish pipelines of young talent eager to affect change in their cities. VFA’s focus on entrepreneurially-minded individuals is seen as especially attractive, as city leaders wish to bring in not just future intellectuals and public servants, but also future innovators and risk-takers.<sup>li</sup>

In interviews, stakeholders noted that many Fellows do not live in the city long-term; however, they see longer term positive outcomes from Fellows’ residency in the city, whatever the duration. A Detroit stakeholder highlighted an instance where a Fellow who relocated to California after their Fellowship continued to be a notable asset for Detroit’s entrepreneurial ecosystem by making connections between startups and investors across geographies. This example of ‘ambassadorship’ is echoed by others as a significant feature of VFA; many stakeholders note that Fellows who leave the city retain their local relationships and continue to be fierce advocates for their VFA cities even when they relocate.<sup>lii</sup>

To summarize, while the bulk of VFA’s operations center around developing the entrepreneurial skill set of our Fellows to make them effective at their jobs during the two-year Fellowship, it is clear that our impact extends well beyond VFA Training Camp and a Fellow’s workplace. The way Fellows engage in their communities – thoughtfully, with humility, and oriented towards impact – means that VFA has a position in the city ecosystems where Fellows are present.<sup>liii</sup> Quoting from Ozkazanc-Pan’s study, VFA is viewed by stakeholders as “a blended-ecosystem actor that acts as an intermediary entrepreneur support organization, educational program, and community-builder in the distinct entrepreneurial ecosystem of each of the fourteen cities in which it operates.”<sup>liiii</sup> As an organization founded upon the perspective that entrepreneurship and creativity are positive forces in society, we are assured to learn that VFA is considered a catalyst for meaningful change by the ecosystems that we serve.





**Section 4:**

# Looking Ahead



# Looking Ahead

We are grateful to all those who shaped our journey since 2011, and we look forward to building upon the foundations we laid over the last 10 years. With a diverse and fiercely committed team (more than 80% of whom live and work in VFA communities); a host of incredible and engaged supporters; and an inspiring cadre of purposeful Fellows and Alumni; the future of VFA is filled with remarkable promise. We hope you will join us as we shape it.

VFA is moving forward to craft a new strategic plan that will carry us into our next decade. We are asking ourselves hard questions:

- 1) How can we maximize our impact on all of our stakeholders: Fellows, Company Partners, and communities?
- 2) How can VFA make the greatest contribution toward a more equitable and inclusive entrepreneurship experience for all founders?
- 3) How can VFA leverage our unique position as a key ecosystem actor in 13 similar U.S. cities to strengthen connections and create opportunities that increase our impact?
- 4) What are our most important goals for the next three to five years and how will we measure our progress on an ongoing basis?

VFA's mission is rooted in the observation that young adults are becoming entrepreneurs at much lower rates than in the past, and we have proven that the VFA Fellowship helps young would-be founders take that leap. Further, the impact of VFA's first 10 years hasn't yet been fully realized. Members of our first and smallest cohort of Fellows are just reaching their 10-year college reunions, and the average age of VFA Fellows and Alumni remains under 30. Our next 10 years will see us become more successful at mobilizing young entrepreneurs, and we expect to see rates of entrepreneurship grow among our Alumni as they continue to build on the foundation of resources and experiences that VFA provides as they begin their careers. They will do so with the support of the ever-growing VFA network behind them, a network that is rooted in the American cities that need their efforts most.

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- J. Daniel Kim, Assistant Professor of Management, and Mike Pergler, Ph.D. candidate, at the University of Pennsylvania's Wharton School of Business Professor
- Banu Ozkazanc-Pan, Professor of Practice, School of Engineering and Academic Director, IB Brown, at Brown University's Nelson Center for Entrepreneurship

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Finally, Venture For America's impact is made possible by the generosity of all of our financial supporters, both present and past, who share our vision and have supported our mission. Thank you for joining us on this journey.

## WORKS CITED

All reports and data cited are in possession of Venture For America. If you would like to know more about the research process or to receive more detail about the impact studies, please contact Elizabeth Brake, Chief Operating Officer, by emailing [elizabeth@ventureforamerica.org](mailto:elizabeth@ventureforamerica.org) or [info@ventureforamerica.org](mailto:info@ventureforamerica.org).

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- <sup>i</sup>Travis Howell, "Impact Report," provided to Venture For America on February 12, 2021, 3.
- <sup>ii</sup>Justin Webb and Rosalyn Sandoval, "VFA Research Summary," provided to Venture For America on February 16, 2021, p. 1. This study compared entrepreneurial activity by VFA Fellows against a control group of candidates for the VFA Fellowship who were not accepted into the program, using LinkedIn profile data.
- <sup>iii</sup>Interviews conducted by VFA.
- <sup>iv</sup>Banu Ozkazanc-Pan, "Venture For America Fellow Impact in Detroit, Baltimore and Birmingham," provided to Venture For America on February 14, 2021.
- <sup>v</sup>Howell, "Impact Report," 5.
- <sup>vi</sup>Howell, "Impact Report," 8.
- <sup>vii</sup>Howell, "Impact Report," 9.
- <sup>viii</sup>Webb & Sandoval, 1.
- <sup>ix</sup>Venture For America's internal statistics.
- <sup>x</sup>Venture For America's internal statistics.
- <sup>xi</sup>Howell, "Impact Report," 9.
- <sup>xii</sup>Webb & Sandoval, 1.
- <sup>xiii</sup>Webb & Sandoval, 2-3.
- <sup>xiv</sup>Ashley Bittner & Brigitte Lau, "[Women-Led Startups Received Just 2.3% of VC Funding in 2020](#)," Harvard Business Review, February 25, 2021.
- <sup>xv</sup>Marlize van Romburgh & Gené Teare, "[Funding to Black Startup Founders Quadrupled In the Past Year, But Remains Elusive](#)," Cruchbase News, July 13, 2021.
- <sup>xvi</sup>On the barriers to entrepreneurship for women and People of Color, see [Frontiers of Entrepreneurship: 2020 Trends Report](#), Kenan Institute of Private Enterprise, UNC Kenan-Flagler Business School Entrepreneurship Center.
- <sup>xvii</sup>Howell, "Impact Report," 9.
- <sup>xviii</sup>Venture For America's internal statistics.
- <sup>xix</sup>Howell, "Impact Report," 5.
- <sup>xx</sup>J. Daniel Kim, Mike Pergler, Alexa Grabelle, & Louis Hoffman, "VFA-Wharton Project Update: Preliminary Empirical Insights," provided to Venture For America on August 27, 2020, slides 5, 6, 10. (Hereafter Kim et al.)
- <sup>xxi</sup>Howell, "Impact Report," 9.
- <sup>xxii</sup>Howell, "Impact Report," 3.
- <sup>xxiii</sup>Ozkazanc-Pan, 17.
- <sup>xxiv</sup>Kim et al., slides 7-8.
- <sup>xxv</sup>Venture For America's internal statistics.
- <sup>xxvi</sup>For 2015-2019 salaries see Kim, et al.; For 2020 and 2021 salaries, see Venture For America's internal statistics.
- <sup>xxvii</sup>Travis Howell, "Regressions for Gender and Race" transmitted to Venture For America on February 19, 2021; J. Daniel Kim & Mike Pergler, "Race and Gender Regression on Offer Letters," provided to Venture for America on March 16, 2021.
- <sup>xxviii</sup>Howell "Impact Report," 9.
- <sup>xxix</sup>Gordon Daly, interview by Elizabeth Brake, April 7, 2021.
- <sup>xxx</sup>Bernard Sucher, interview by Elizabeth Brake, March 13, 2021.
- <sup>xxxi</sup>See for example [State of Startups surveys by First Round Capital](#), which highlight the particular concerns related to hiring by startup CEOs.

- <sup>xxxii</sup>On the importance of early team building, see Noam Wasserman, *The Founder's Dilemma: Anticipating and Avoiding the Pitfalls that Can Sink a Startup* (Princeton University Press, 2013).
- <sup>xxxiii</sup>Venture For America's internal statistics.
- <sup>xxxiv</sup>Venture For America conducted 20 interviews with leaders at our Company Partners. Interviews were all conducted by Elizabeth Brake, Ph.D. Interview recordings and notes maintained by Venture For America.
- <sup>xxxv</sup>Interviews conducted by VFA.
- <sup>xxxvi</sup>Ozkazanc-Pan, 7.
- <sup>xxxvii</sup>Interviews by VFA.
- <sup>xxxviii</sup>Kim et al., slide 17.
- <sup>xxxix</sup>J. Daniel Kim & Michael Pergler, "Chasing Talent: Startup Hiring Through Firm-Driven Search," work in progress, provided to Venture For America on January 22, 2021. This research suggests that Fellows are more likely to leave their jobs voluntarily when they are proactively recruited by a company; however, though it is difficult to ascertain the cause for this relationship, there is evidence to suggest that proactive recruitment may lead to hiring Fellows who are not ideally fit to the employment positions.
- <sup>xl</sup>Ozkazanc-Pan, 14.
- <sup>xli</sup>Ozkazanc-Pan, 14.
- <sup>xlii</sup>Venture For America's internal statistics.
- <sup>xliiii</sup>Ozkazanc-Pan, 10-13.
- <sup>xliv</sup>Ozkazanc-Pan, 10-13.
- <sup>xlv</sup>Ozkazanc-Pan, 16.
- <sup>xlvi</sup>Ozkazanc-Pan, 16-19.
- <sup>xlvii</sup>Ozkazanc-Pan, 7.
- <sup>xlviii</sup>Webb & Sandoval, 2-3.
- <sup>xlix</sup>Ozkazanc-Pan, 9.
- <sup>l</sup>Ozkazanc-Pan, 13-15.
- <sup>li</sup>Ozkazanc-Pan, 14-15.
- <sup>lii</sup>Ozkazanc-Pan, 21.
- <sup>liii</sup>Ozkazanc-Pan, 1.
- <sup>liv</sup>Ozkazanc-Pan, 3. At the time this study was conducted, VFA was operating in 14 cities, which included Columbus and Cincinnati but not Tulsa.
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