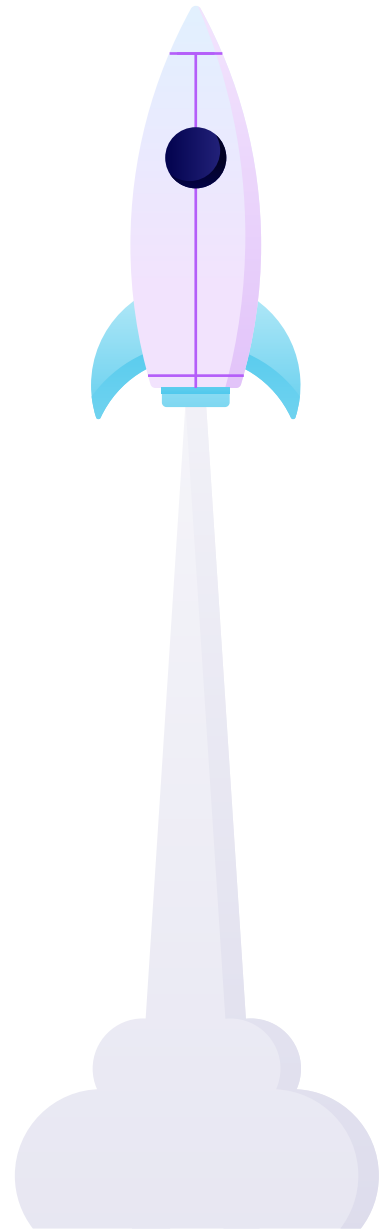


## 118 Must-Know Startup Statistics for 2022

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Whether you're looking to build a startup or you just want to dive into the data, these informative statistics on **success, failure, funding and more** will give you a solid foundation to start from.



## Startup Statistics and Trends

The **average time between funding rounds** from Seed to Series A is 22 months; Series A to B is 24 months; and Series B to Series C is 27 months.

*Carta*

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Startups received an average of **\$22.2 million during the Series A** funding round in 2021, which is 30% more than the 2020 average.

*Fundz*

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The average funding amount for a **Series C round in 2020 was \$59 million.**

*Fundz*

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Once you get to a Series B or C round, **you'll probably work for 15 to 20 months** before bringing in new capital.

*Forbes*

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In 2020, startups **created over 3 million jobs** in the U.S. alone.

*Statista*

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In 2020, there were **31.7 million small businesses** operating in the U.S.  
*SBA*

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Companies raise **nearly three rounds** before they get to Series A funding.

*TechCrunch*

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**95% of entrepreneurs** have at least a bachelor's degree.

*Ewing Marion Kauffman Foundation*

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The average Series A in 2010 was **\$4.9 million**. By 2017, it reached **\$12.1 million**.

*TechCrunch*

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Only **2 in 5 startups are profitable**, and other startups will either break even (**1 in 3**) or continue to lose money (**1 in 3**).

*Small Business Trends*

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As of February 2022, there are more than **1000 unicorn startups**.

*CBInsights*

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More than **69% of U.S. entrepreneurs** started their business at home.

*Fortunly*

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The ratio of men entrepreneurs to women entrepreneurs in 2019 is **10:7**.

*Score*

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**66% of small businesses** will outsource services to other small businesses.

*FreshBooks*

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It only takes only **four days to start a business** in the United States.

*ShareAmerica*

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The **time of year you pitch, the depth of your data, and the value of your pitch deck** are a few of the strongest factors affecting the amount of funding a business receives.

*Forbes*

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## Startup Success Rates

Founders of a previously successful business have a **30% chance of success** with their next venture.

*Zippia*

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Founders who have failed previously have a **20% chance of success** while first time first time founders have an **18% chance of success**.

*Zippia*

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**82% of successful business owners** admit they have the right qualifications and backed up experience to run a company, even with limited cash flow.

*Small Business Trends*

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Healthcare IT is the biggest startup market, **valued at \$74.2 billion in 2020**, and is expected to grow at a compound annual growth rate of 10.7% through 2028.

*Grand View Research*

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The main challenge to the success of a startup is **struggling to find a market need**.

*Statista*

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Paying attention to your customers is important since **14% of startups fail** due to not regarding customers' needs.

*Fundera*

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## **Startup Failure Rates**

**About 90%** of startups fail.

*Failory*

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**20% of startups fail** within the first year.

*Failory*

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Failure is most common for startups during years two through five, with **80% falling into this category**.

*Failory*

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Across all industries, startup failure rates seem to be close to the same.

*SBA*

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The number one reason why startups fail is due to **running out of money or failing to raise capital** – this is found in **38% of cases**.

*CBInsights*

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The second largest reason why startups fail **(35% of cases)** is due to **lack of market need**.

*CBInsights*

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Other notable cases of failure are **beat out by competition (20%)** and **having a flawed business model (19%)**.

*CBInsights*

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Other major reasons for startup failures (at least 10% or above) are from **regulatory/legal issues, pricing/cost issues, choosing the wrong team, or product mistiming**.

*CBInsights*

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In 2021, **38% of startups failed** because of cash flow problems.

*CBInsights*

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In 2020, small businesses with 20 to 49 employees experienced the largest decline out of any size group due to the **COVID-19 pandemic, with a decline of 21.5 percent.**

*SBA 2020*

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## **Startup Funding + Investor Facts**

Individual venture capital firms receive more than **1,000 proposals a year** and are mostly interested in businesses that require an investment of **at least \$250,000.**

*Money Crashers*

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**33% of startup capital for employer firms** is less than \$10,000.

*SBA 2017*

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**12% of startup capital for employer firms** is \$250,000 or more.

*SBA 2017t*

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In 2021, Global VC funding almost doubled from 2020 to well **over \$600 billion.**

*BusinessInsider*

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**Women-led startups received just 2.3%** of VC funding in 2020

*Harvard Business Review*

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Valued at **\$200 billion, ANT Group**, a Hangzhou-based finance and technology company, was the top valued unicorn startup worldwide as of January 2022.

*Statista*

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**One in four businesses**, surveyed by the NSBA, were **not able to receive the funding they required**, limiting the growth of their business.

*Fundera*

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Business loans, credit cards, and lines of credit account for about **44% of financing for new firms.**

*SBA*

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**1 in 3** begin their small business with **less than \$5,000.**

*Small Business Trends*

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About **1% of startups evolve into a unicorn startup** like Uber, Airbnb, Slack, Stripe, and Docker.

*CBInsights*

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## Startup Costs Statistics

One of the most **expensive startup costs is payroll**, which averages anywhere from **\$200,000 to \$450,000** in the first year for five employees, depending on location.

*Smart Asset*

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Equipment costs for startups can range anywhere from **\$10,000 to \$125,000**.

*Fundera*

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The most popular financing method for startups costs in 2022 is **"Love Money" from family and friends**.

*Chamber of Commerce*

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Large unicorn startups, such as Airbnb and Uber, have taken a **billion dollars or more in debt** in order to become more successful.

*Pitchbook*

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With costs being so large and detrimental to a startup's survival, the median salary for self-employed individuals was **\$34,751 in 2019**.

*Investopedia*

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The most expensive small businesses and startups to launch are **restaurants, medical offices, and manufacturing companies**, needing **more than \$100,000** to get started.

*Small Business Trends*

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Startups in **accounting, online retail, construction, and landscaping** were most likely to get started with **under \$5,000** in startup costs, shown in recent research.

*Small Business Trends*

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One of the biggest challenges to the survival of small businesses and startups is **the cost of health insurance**.

*NSBA*

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## A Look at Startup Teams

**Over 99% of U.S. businesses** are considered small (less than 500 employees).

*SBEcouncil*

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On average, it takes **31 days to hire someone** for a startup.

*BigFoot Capital*

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Startup teams that reported **high levels of previous experience but average to low levels of passion and collective vision** were overall weaker.

*Harvard Business Review*

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Startup owners can spend around **40% of their working hours** on tasks that do not generate income such as hiring, HR tasks, and payroll.

*Entrepreneur*

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Two founders increase the odds of a startup's success with **30% more investment, three times the customer growth rate, and a higher likelihood the startup will not scale too fast.**

*Small Business Trends*

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Experience alone does not make a team successful — soft skills such as “**entrepreneurial passion**” and “**shared strategic vision**” are required as well.

*Harvard Business Review*

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**23% of startups** mentioned team issues leading to failure.

*Entrepreneur*

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**64% of startups** with valuations between \$500 million and \$1 billion had a finance chief.

*Wall Street Journal*

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## Statistics for FinTech Startups

Worldwide, there are **more than 26,346 fintech startups and 10,755 in the U.S.** This makes the U.S. the most popular place for fintech startups as of August 2021.

*Statista*

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Research has shown that successful fintech startups will focus on **data-driven iteration and continuous user testing**, rather than using new technology.

*McKinsey Panorama Report*

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The fintech market includes 39 venture capital backed unicorns **worth a combined \$147.37 billion.**

*CBInsights*

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In 2021, global FinTech funding jumped to a new record of **\$131.5 billion across 4,969 deals.**

*TechCrunch*

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**About 80% of financial institutions** implemented a fintech partnership.

*McKinsey Panorama Report*

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In 2021, **blockchain firms** saw record levels of global VC funding at **\$25 billion**.

*Coindesk*

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Venture capitals invested **\$33 billion in cryptocurrency and blockchain** startups in 2021.

*Blockworks*

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In 2018, the average investment into cryptocurrency and blockchain has **increased by over \$1 million**.

*Coindesk*

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The largest challenge that fintech startups face is **the cost of customer acquisition**.

*McKinsey Panorama Report*

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## **Statistics for Construction Startups**

Construction had the **fourth highest failure rate (53%)** as of 2022.

*Failory*

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New construction tech startups secured over **\$1.3 billion in funding** in 2020.

*BigRentz*

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Investors contributed to **87 construction startup deals** last year.

*Crunchbase*

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One of the now monster startups, Katerra, brought in **\$865 million** in a Series D round.

*Crunchbase*

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The construction industry is among **the least digitized**.

*ConstructionDive*

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The likelihood that a new construction company will last more than five years is **36.4%**.

*Small Business Trends*

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**Residential housing construction** is growing faster than any construction segment, as new business is seen entering this sector.

*Tradesmen International*

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Electric utilities construction is approximated **to slide by 9%**.

*Tradesmen International*

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Good news for construction startups, AI technology is estimated to **boost profits by 71%** for this industry.

*Accenture*

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## **Statistics for Technology Startups**

The average age of tech startup founders is **29-31 years old**.

*Forbes*

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The United States has seen a **47% increase in tech startups** over the last decade.

*NetShop*

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The highest startup **failure rate at 63%** occurs in the **information industry**.

*Review42*

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The U.S. is the largest tech market in the world, coming in at **\$1.8 trillion in 2022.**

*CompTIA*

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As of 2017, tech startups **paid more than twice the national average wage** and almost three times the average startup wage.

*ITIF*

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There are **ten technology-based industries that define a techdrive startup** including: pharmaceutical manufacturers, medical device manufacturers, computer and electronic manufacturers, and semiconductor machinery manufacturers.

*ITIF*

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The **four fastest-growing tech industries** are blockchain, advanced manufacturing and robotics, AI and big data, and agtech and new food.

*Inc.*

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## Statistics for Real Estate Startups

Real estate startups have raised **\$1.9 billion in 2019**.

*Crunchbase*

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Residential real estate startups using artificial intelligence tools are bringing in the most investments, such as **OpenDoor (\$300 million), Knock (\$400 million), and Offerpad (\$565 million)**.

*Housingwire*

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Proptech (property technology) startups are on the rise, with **125 acquired in 2021**.

*Crunchbase*

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The **global coworking market size** is expected to reach **\$13.03 billion in 2025** at a compound annual growth rate of 12%.

*Newsires*

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A large number of small businesses and startups are beginning to support **real estate agents and other professionals** within the industry.

*inman*

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The top type of real estate asset that proptech startup CEOs have chosen to pay attention to is **commercial property**.

*Statista*

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**PropTech funding hit \$7.1 billion** in the first nine months of 2021 after seeing a 60% decline in 2020 due to Covid restrictions.

*FintechGlobal*

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The number of real estate tech deals worldwide has increased consistently each year, amounting to **454 deals as of 2018**.

*Statista*

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**About 31% of commercial real estate investors** plan on investing in proptech companies and **26%** plan on partnering with protech companies.

*Statista*

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## Future of Startups

Startup founders are **leaving the Silicon Valley “bubble”** and heading to the East coast.

*The Wall Street Journal*

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Since September 2021, **unicorn startups have grown 11%** from 842 to 936 unicorns. At this rate, the unicorn club is likely to break 1,000 by early 2022.

*CBInsights*

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To solve problems across various startup industries, **new technology will be implemented.**

*Entrepreneur*

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**Personalized marketing** will become important to the success of your startup.

*StartupBasics*

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Startup subscription boxes that are related to **food, beauty products, apparel, and lifestyle** will continue to be popular.

*StartupBasics*

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Within the next few years, we will see more entrepreneurs that have **recently graduated from college**.

*Entrepreneur*

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## The Experts' Opinions

Every thoughtful founder should do their best to **manage themselves first**. If you try to bring out the best in yourself, you'll realize that there's always an alternative approach to any situation.

*Dave Girouard, CEO of Upstart*

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When building your team, **look for your business's weak spots** to identify the skill sets required to satisfy your company's needs.

*Founder Institute*

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**"Chase the vision, not the money;** the money will end up following you."

*Tony Hsieh, CEO of Zappos*

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**92% of business owners believe that having a website** is the most effective digital marketing strategy.

*Iron Paper*

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“The secret to successful hiring is this: **look for the people who want to change the world.**”

*Marc Benioff, CEO of Salesforce*

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Forbes mentions the **criteria for a successful startup**, “They have a product that meets a need, they don’t ignore anything, they grow fast, and they recover from the hard-knock startup life”

*Forbes*

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Think about what would happen if tomorrow your board got together and fired you. What if they said, “**Thank you for playing. You're done. We are recruiting a new CEO.**”

*Dave Girouard, CEO of Upstart*

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The most valuable thing you can do as a founder is **recognize your downfalls beforehand and learn from other businesses’ failures.** Apply this knowledge to starting your own startup.

*Failory*

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