

EMBROKER



118 Must-Know

Startup Statistics for 2022

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

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

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

Fundz

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

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

Statista

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

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

TechCrunch

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

Ewing Marion Kauffman Foundation

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

TechCrunch

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

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

CBInsights

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

Fortunly

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

Score

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

FreshBooks

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

ShareAmerica

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

Startup Success Rates

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

Zippia

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

Zippia

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

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

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

Statista

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

Fundera

Startup Failure Rates

About 90% of startups fail.

Failory

20% of startups fail within the first year.

Failory

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

Failory

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

SBA

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

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

CBInsights

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

CBInsights

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

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

CBInsights

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

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

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

SBA 2017

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

SBA 2017t

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

BusinessInsider

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

Harvard Business Review

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

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

Fundera

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

SBA

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

Small Business Trends

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

CBInsights

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

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

Fundera

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

Chamber of Commerce

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

Pitchbook

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

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

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

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

NSBA

A Look at Startup Teams

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

SBEcouncil

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

BigFoot Capital

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

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

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

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

23% of startups mentioned team issues leading to failure.

Entrepreneur

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

Wall Street Journal

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

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

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

CBInsights

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

TechCrunch

About 80% of financial institutions implemented a fintech partnership.

McKinsey Panorama Report

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

Coindesk

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

Blockworks

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

Coindesk

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

McKinsey Panorama Report

Statistics for Construction Startups

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

Failory

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

BigRentz

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

Crunchbase

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

Crunchbase

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

ConstructionDive

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

Small Business Trends

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

Tradesmen International

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

Tradesmen International

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

Accenture

Statistics for Technology Startups

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

Forbes

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

NetShop

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

Review42

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

CompTIA

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

ITIF

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

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

Inc.

Statistics for Real Estate Startups

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

Crunchbase

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

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

Crunchbase

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

Newswires

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

inman

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

Statista

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

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

Statista

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

Statista

Future of Startups

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

The Wall Street Journal

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

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

Entrepreneur

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

StartupBasics

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

StartupBasics

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

Entrepreneur

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

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

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

Tony Hsieh, CEO of Zappos

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

Iron Paper

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

Marc Benioff, CEO of Salesforce

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

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

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
