

Abstract

Despite evidence that female entrepreneurs receive less equity capital than male founders, the mechanism through which gendered disparities arise across the fundraising process remains incompletely understood. The present research examines an upstream decision point in fundraising, by asking: What are the underlying rationales for female entrepreneurs to set lower funding goals? The study adopts a qualitative research design based on 10 semi-structured interviews with entrepreneurs engaged in early-stage equity fundraising and analyzes the data using an inductive Gioia methodology. The findings identify three interconnected rationales that can lead to more conservative funding goals. Firstly, founders set funding goals as defensible claims that must remain plausible under investor scrutiny. Several female founders explicitly calibrate the ask to reduce vulnerability to criticism and credibility loss. Secondly, goals are aligned with perceived feasibility corridors shaped by investor ticket sizes, program thresholds, market conditions, and calculation-dilution trade-offs. Thirdly, fundraising is organized as a staged pathway in which founders optimize the initial ask for near-term milestones and proof prints, postponing larger rounds until stronger evidence and improved bargaining power is expected. These rationales also apply to male founders, yet female entrepreneurs more consistently foreground evaluative and legitimacy concerns, conceptualizing staging as deliberate proof-building and interaction management. By conceptualizing funding-goal-setting as a distinct pre-negotiation mechanism, the study extends research on gender and entrepreneurial finance beyond outcome differences and highlights how gendered evaluation environments may shape capital demand before formal bargaining begins.