

URL: <https://ecorner.stanford.edu/clips/fixing-the-venture-capital-industry/>

Everyone in venture capital is responsible for working to change the way the industry disadvantages people of color and women, says Charles Hudson, founder and managing partner of Precursor Ventures. He observes that many people in venture capital don't have social or professional connections with people from underrepresented groups. Firms may have good intentions, he says, but outcomes speak for themselves.



Transcript

- I think it's kind of an unfair burden to put on 00:00:07,020 the very small number of people of color and women who are in these positions to put all of the burden of like changing the numbers and fixing everything on this very narrow set of people.. It's everybody's job.. It's not my job, it's everybody's job.. And I think there's a set of, there's a lot of issues here.. And I think the big one though, and it's not something I talk about a lot, is a lot of venture capital comes down to vibes, basically.. It's like, do you like the person who's sitting across the table from you? Do you feel a connection? Do you feel some, 'cause remember I'm giving them money and very little control, like once I give them the money, the founders can do whatever they want.. And I'm just struck by how many people I meet who don't have a black social friend, don't have a black neighbor, don't have a black coworker, never had a black boss.. And when you add on gender and get to intersectional issues, it gets even more complicated.. And I think for some people in venture, like Black people and Latino people, they're like basically foreign.. Like they have no social or professional interactions with them, and I have to believe on some level that, that makes people feel distant and strange to you because you don't have any social or professional network or interactivity with them..

I gotta believe that that has an impact on just the way you approach that meeting and think about the person sitting across the table from me.. - And so it's sort of a subversive racism in some ways.. 00:01:27,510 It's not, so well if, and I don't wanna put words into your mouth, but it sounds like there is this pervasive thing that nobody in good conscious would would say, but that it may be affecting behavior.. - Yeah.. 00:01:42,840 Look, if I look at your website, and I looked at people on your investing team, and the people in your portfolio, I don't know that I would feel welcome, the signal wouldn't be welcome, and none of those firms I've talked to you, they're like, we're not trying to do this.. This is not our intent is not to produce this outcome.. I'm like, well, intents are nice, but outcomes are outcomes...