Spanish startups to double their workforce by 2023 after financing grows by over 20%

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- **IESE's Entrepreneurship and Innovation Center (EIC) and CaixaBank estimate the Spanish entrepreneurial ecosystem will generate 15,000 jobs.**
- **The founding teams of Iberian startups are gaining more and more experience, but only 26% of such teams include a woman.**

Startups in Spain and Portugal have earned investor confidence, despite the complex global situation. In 2022, they raised a total of €585 million, 22% more than in 2021 and the second-best figure in the history of the regional entrepreneurial ecosystem. This is reflected in the

4th edition of an annual study on startups in Spain and Portugal prepared by IESE's Entrepreneurship and Innovation Center (EIC), with the support of CaixaBank. The study analyzed 1,135 startups in the Iberian peninsula, the majority of them Spanish (87%).

Startup financing is growing

Each startup raised an average of €516,000, indicating plenty of liquidity. In the latest funding rounds alone (up to December 2022), the sector raised €199 million, 17% more than in 2021.

Geographically, most financing occurs in Spain's two largest business regions — Madrid and Catalonia — which between them received 53% of the total investment, the equivalent of €311 million. These regions are home to a variety of sectors, with startups for tourism, healthcare and social impact attracting the most investment.

One notable aspect of the startups analyzed is their "strong focus on finding ecological solutions committed to improving the environment, thus setting the tone for a greener and more sustainable future," says EIC Director M. Julia Prats.

The study also identifies the main sources of financing. More than half of the entrepreneurs (57%) prefer to use their own resources to finance their projects, while venture capital (14%) and business angels (12%) are becoming increasingly important.

Entrepreneurship is maturing

Backed by solid financing, startups have grown. This trend is expected to continue. The average startup currently has seven employees on staff but expects to double in size in 2023. If this forecast proves true, the startups analyzed will generate 15,000 jobs.

With growth comes maturity. Entrepreneurs are, on average, over 40 years old, an age when they bring experience as well as ideas. Most entrepreneurs (73%) have more than five years of professional experience and over half (57%) have more than 11 years. Only 33% are first-time entrepreneurs.

Female entrepreneurs still underrepresented

There are still very few women in the entrepreneurial ecosystem. At 26%, the percentage of female founders has held steady, and startups with a majority of women in the founding team has grown slightly to 16% (from 14%). Only 11% of startups are founded exclusively by women, a sign that equality remains elusive, for the moment, on the startup scene.

About the research

The analysis of a new generation of startups in Spain and Portugal (*Análisis de una nueva generación de start-ups en España y Portugal*, in Spanish) is prepared by IESE's Entrepreneurship and Innovation Center (EIC) with CaixaBank. It examines the evolution and prospects of 987 Spanish and 148 Portuguese startups via an online questionnaire completed between October and December 2022. All of them participated in the 16th edition of the EmprendeXXI Awards, given by CaixaBank (through DayOne) and the Spanish Ministry of Industry, Trade & Tourism (through ENISA).

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