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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

May 25, 2018

Bobby Franklin
President and Chief Executive Officer
National Venture Capital Association
25 Massachusetts Avenue NW
Suite 730
Washington, DC 20001

Dear Mr. Franklin:

I write to your association with deep concern regarding harassment in the workplace. In recent months, stories of sexual harassment have dominated the headlines and sparked a national conversation about change, power dynamics, and equality in the workplace and beyond. Workers across the country are speaking out about their experiences, and their stories have made clear that we all have a great deal of work to do to address this pervasive, systemic, and longstanding issue. Last year we saw headlines about leaders in venture capital who were called to account for their actions.¹ I hope and expect that you have begun taking steps to address concerns about misconduct in your industry and to ensure that your members' workplaces are free from harassment.

As exemplified in the string of high profile cases last year, the industry's gender disparity likely exacerbates the issue of sexual harassment. In the U.S. today, women represent less than 10 percent of investment partners at venture capital firms and female entrepreneurs only received two percent of venture capital dollars in 2017.² What's more, the working relationship between investor and entrepreneur creates a power imbalance unique to the venture capital industry. These industry risk factors foster an environment ripe for harassment. According to a survey released last year by venture capital firm First Round Capital, more than 50 percent of 869 startup founders surveyed indicated that they had experienced or knew someone who had experienced sexual harassment in the workplace. More than three quarters of female founders surveyed had been sexually harassed at work.³

Although high profile cases in venture capital have helped raise awareness of the crisis of sexual harassment, these accounts likely underestimate its magnitude throughout the industry. The prevailing gender imbalance in venture capital may only compound the issue that women often do not report harassment out of fear of retaliation that may negatively impact their earnings, their ability to keep their job, or their funding for their companies. The EEOC estimates that 85 percent of all workers who are subjected to harassment never file a formal legal charge, and 70 percent of all workers never file a

¹ Kaite Bener, *Women in Tech Speak Frankly on Culture of Harassment*, The New York Times (Jun. 30, 2017), <https://www.nytimes.com/2017/06/30/technology/women-entrepreneurs-speak-out-sexual-harassment.html>.

² Valentina Zarya, *Female Founders Got 2% of Venture Capital Dollars in 2017*, Fortune (Jan. 31, 2018), <http://fortune.com/2018/01/31/female-founders-venture-capital-2017/>.

³ Queenie Wong, *Sexual harassment: Survey reveals how widespread the problem is at startups*, Silicon Valley.com (Dec. 7, 2017), <https://www.siliconvalley.com/2017/12/06/sexual-harassment-survey-reveals-how-widespread-the-problem-is-at-startups/>

complaint internally.⁴ It has long been clear that the magnitude of the problem in your industry should not be ignored, and I am hoping that the recent focus on this issue will provide the needed push to make real progress.

As the Ranking Member of the U.S. Senate Committee with jurisdiction over issues of workplace harassment, I am extremely concerned about this issue and am seeking an update on efforts to prevent and address harassment in workplaces across the country. As part of that effort, I am interested in the ongoing discussions, plans, and actions within The National Venture Capital Association (NVCA) aimed at protecting employees and establishing an equal and harassment-free workplace. I request a briefing with my staff within the next three weeks to discuss recent efforts you have undertaken to assess and address workplace harassment in your industry.

I also request the following information:

1. Any polling, surveys, or research NVCA has conducted in order to understand the scope of the problem within the industry;
2. Any research or actions NVCA has undertaken to assess and address risk factors specific to the industry;
3. Any surveys NVCA has conducted to solicit feedback from employees about how to best address harassment in the industry and the results of the surveys;
4. Any steps NVCA has taken to ensure its associated employers are fully and properly educating their employees about workplace harassment policies and rights;
5. Any best practices NVCA has identified among its associated employers to accurately assess and address workplace harassment; and
6. Any suggestions you may have about how to strengthen and improve legal protections and processes in the workplace.

Studies have shown that workplaces that tolerate harassment have more of it, while workplaces that intentionally act to address issues of harassment have less.⁵ Employers and employees in your industry are undoubtedly looking to you for leadership in how to tackle this persistent problem with the urgency it requires. I appreciate you taking this matter seriously, and I look forward to our continued discussions. If you have any questions regarding this letter please contact Carly Rush or Laura Aguilar at 202-224-0767 with my Health, Education, Labor, and Pensions Committee Staff.

Sincerely,



Patty Murray
United States Senator
Ranking Member, Senate Committee on
Health, Education, Labor, and Pensions

cc: The Honorable Lamar Alexander, United States Senator,
Chairman, Senate Committee on Health, Education, Labor, and Pensions

⁴ Chai R. Feldblum & Victoria A. Lipnic, *Select Task Force on the Study of Harassment in the Workplace: Report of the Co-Chairs*, U.S. Equal Employment Opportunity Commission 16 (June 2016), https://www.eeoc.gov/eeoc/task_force/harassment/upload/report.pdf.

⁵ Id. at 32.