

## Q2 2022 Venture Capital Funding Data Shows a Steep Drop, But Still Exceeds Pre-Pandemic Levels

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CB Insights has released the preview of their [State of Venture Q2'22 Report](#), finding a 23% drop in venture capital funding to startups on a global level in the second quarter of this year, with \$108.5B raised across 7,651 deals. They note this was the second largest quarterly percentage drop as well as the largest quarterly percentage drop in deals in the past ten years.

However, despite this significant drop, second quarter funding still came in as the 6<sup>th</sup> highest on record. This highlights the fact that there is a great deal of funding available for startups. Although it might not be at the record levels we saw in 2021, it continues to surpass the levels we were seeing in any quarter of 2018, 2019 or 2020, which were record years before 2021's historic boom.

There is also good news for US startups, as they accounted for nearly half of the second quarter funding (\$52.92B). CB Insights also notes that some of the largest rounds of this quarter went to US-based startups.

Some of the highlighted venture capital data from this report preview includes:

- Mega-rounds (\$100M+) reached \$50.5B, accounting for 47% of total global funding last quarter.
- M&A deals trended down for the first time in 8 quarters, dropping to 2,502 — a 6-quarter low.
- For the first time since Q4'20, fintech startups accounted for less than a fifth of all funding.
- Global unicorn births slowed to 85, bringing the total unicorn count to 1,170 — a modest 6.8% QoQ increase.

While inflation continues to be a primary concern, creating new inventory challenges, and compounding the existing supply chain challenges companies have been facing since the start of the pandemic.

The data continues to show significant increases in remote hiring, with 62% of year-to-date startup

hiring happening out of state. With the easing of pandemic restrictions and reopening of offices, the continued acceleration of remote hiring seems to indicate that the trend of remote work is flowing and not ebbing anytime soon.

So while the data belies some drops in funding and deals from historic bootimes in 2021 and new challenges facing startups, the silver lining is that we are still enjoying historically high levels of funding available at or exceeding levels seen in pre-pandemic times.

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