

Recalibrated Risk: How Dobbs Reshaped Early-Stage FemTech Venture Capital

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Abstract

This study examines how the 2022 Supreme Court decision in *Dobbs v. Jackson Women's Health Organization* reshaped early-stage (Seed and Series A) venture capital investment dynamics in the U.S. FemTech sector. Rather than estimating a causal treatment effect using proprietary deal-level datasets, the study employs a theory-driven policy shock case study design that synthesizes aggregated industry funding analyses, regulatory documentation, and peer-reviewed venture capital scholarship. The observation window spans 2018–2024, capturing both the expansionary venture cycle culminating in 2021 and the contractionary environment that followed.

The findings indicate that Dobbs did not produce categorical capital withdrawal from women's health innovation. Instead, it coincided with structural recalibration in early-stage investment architecture. Post-2022 funding patterns reveal moderated deal counts, increased capital concentration, narrowing stage composition gaps relative to broader healthcare markets, and heightened reliance on syndicated financing. These shifts are consistent with theoretical expectations that regulatory salience increases perceived risk, raises implicit discount rates, and intensifies prevention-oriented evaluation in politically exposed sectors. Although macroeconomic tightening contributed to overall venture contraction, comparative funding patterns suggest sector-specific recalibration beyond uniform market decline. The study contributes to innovation finance scholarship by demonstrating that regulatory shocks reshape not only capital volume but the institutional framing and structural deployment of early-stage venture investment, particularly within gendered and legitimacy-contested markets.

Introduction:

FemTech has historically received significantly less venture capital investment compared to other health technology sectors. Scholars have proposed several explanations for this disparity, including structural biases within venture capital networks, homophily in investor decision-making, and the historical underrepresentation of women within investment leadership (Gompers and Wang; Kanze et al.). Homophily—the tendency for individuals to favor people and ideas that resemble their own experiences—can shape how investors perceive both founders and markets, often privileging technologies that reflect familiar needs and business models. Because venture capital firms have historically been dominated by male investors, innovations addressing women's health needs have often been undervalued or treated as niche opportunities rather than mainstream healthcare markets. In today's policy landscape, these dynamics are especially important to examine. Broader political debates surrounding equity,

diversity, and inclusion initiatives have intensified, and policies affecting gender and reproductive health are increasingly contested. As regulatory environments shift, understanding how policy changes influence investment decisions in gender-based health technologies becomes critical for evaluating both innovation trajectories and capital allocation patterns.

How did the 2022 Dobbs decision reshape early-stage (Seed and Series A) U.S. FemTech venture capital funding dynamics between 2018 and 2024?

This question sits at the intersection of regulatory change and innovation finance. In June 2022, the Supreme Court's ruling in *Dobbs v. Jackson Women's Health Organization* eliminated federal constitutional protection for abortion access and returned authority to individual states. Although the ruling directly concerned abortion jurisprudence, its implications extended into the broader reproductive health ecosystem, including digital health platforms, fertility technologies, and other women's health startups operating across state lines. For early-stage venture investors—whose valuations rely on assumptions of scalable, predictable growth—fragmented legal environments introduce heightened uncertainty.

The timing of Dobbs is analytically significant. Between 2018 and 2021, U.S. health tech venture capital expanded rapidly, culminating in more than \$80 billion in total healthcare investment in 2021. Women's health innovation participated in this expansion, reaching \$629 million across 39 deals in 2021. Yet despite this growth, women's health consistently represented only a small share of total healthcare venture capital, reflecting structural underallocation in a gendered market category. The combination of expansionary momentum and persistent marginality makes early-stage FemTech a revealing sector through which to examine the impact of regulatory shocks.

Venture capital theory predicts that increases in regulatory uncertainty elevate perceived risk, raise discount rates applied to projected earnings, and intensify prevention-oriented evaluation at early funding stages. Institutional theory further suggests that markets lacking fully stabilized legitimacy are particularly sensitive to shifts in regulatory salience. If Dobbs altered investor perceptions of scalability, compliance exposure, or legal volatility in reproductive technologies, structural changes should appear in early-stage funding architecture—through deal counts, stage composition, capital concentration, and syndication patterns—even if aggregate capital did not collapse.

This study employs a theory-driven policy shock case study design to evaluate whether observable changes in early-stage U.S. FemTech funding dynamics align with these theoretical expectations. By comparing funding patterns from 2018–2021 (pre-Dobbs) with those from 2022–2024 (post-Dobbs), and by situating these trends within broader macroeconomic contraction in venture markets, the analysis distinguishes sector-specific recalibration from general capital tightening.

The evidence indicates that Dobbs did not eliminate early-stage capital for women's health innovation. Rather, it reshaped the structure of capital deployment. Funding moderated, deal counts declined from their 2021 peak, capital became more concentrated, and stage composition converged toward broader healthcare norms. These shifts reflect recalibrated risk thresholds and heightened selectivity in a politically salient domain.

By demonstrating how regulatory shocks influence early-stage venture architecture—particularly within gendered and legitimacy-contested markets—this study contributes to innovation finance scholarship and expands understanding of how law and capital interact in emerging technology sectors.

LITERATURE REVIEW:

FemTech, technology for women's health such as fertility apps, wearables, and reproductive care, has enormous growth potential, with projections suggesting the market could reach \$100 billion by 2030. Yet, venture capital investment remains disproportionately low compared to other health tech sectors. Researchers have explored multiple reasons for this disparity. Some highlight gender and racial bias in how FemTech is judged, others note privacy and data security concerns, and still others emphasize the massive economic gains that could follow from increased investment. Historically, white men have dominated decision-making in venture capital and healthcare innovation, which may have contributed to this imbalance; their limited lived experience with women's health needs can unconsciously shape funding priorities, leading to undervaluation of FemTech's potential.

I. FemTech as “Niche” and the Double Burden

Tsingou (2025) argues that FemTech companies face a “double burden” because they must prove not only that they'll make money but also that they're socially valuable. *Jones (2025)* supports this by showing that FemTech startups are often given lower valuations than similar healthtech startups, even when the financials are the same. Both agree that investors treat women's health differently from other health categories. Investors may not consciously dismiss women's health, but by treating it as “specialized” rather than central, they indirectly reinforce the idea that women's needs are optional. Calling FemTech niche feels less like an objective market assessment and more like a reflection of who is sitting at the investment table. If investors themselves experienced these health issues, they might view FemTech less as a side category and more as a mainstream necessity.

II. Bias in Venture Capital Decision-Making

Jones (2025) also argues that this funding gap reflects gender bias, since most venture capitalists are men who may not personally identify with women's health needs. This echoes *Kanze et al. (2018)*, who found that women founders are often asked more “prevention-focused” questions about risks, while men are asked “promotion-focused” questions about opportunities.

Jones (2025) found that FemTech founders in particular face unusual questions about “taboos” or “ethics” that non-FemTech startups don’t get asked. This reveals how important it is to diversify who gets to be an investor. If investment committees reflected the diversity of people using these products, the types of questions and funding outcomes might look very different.

3. Privacy Risks and Regulatory Concerns

Some researchers, however, suggest that underfunding isn’t only about bias—it’s also about privacy risks. The *BMJ* (2025) points out that many FemTech apps collect extremely sensitive reproductive data. After the U.S. Supreme Court’s *Dobbs* decision, concerns grew that menstrual or fertility data could be misused legally. The *Federal Trade Commission* (2024) reports that many women are now hesitant to use period-tracking apps at all. These studies suggest that investors may avoid FemTech not just because of bias, but because they see real legal and reputational risks. However, the focus should be more about improving privacy protections because then investors would have fewer reasons to hesitate. To me, avoiding investment because of risks seems like a short-term excuse that ignores long-term solutions.

4. The Economic Case for Investing in Women’s Health

Several researchers show that FemTech investment benefits not just companies but entire economies. *Essue et al.* (2025) argue that every \$1 invested in women’s health returns \$2–\$3 in productivity and healthcare savings. The *World Economic Forum* (2024) and *McKinsey Health Institute* (2024) both estimate that closing the women’s health gap could add \$1 trillion to the global economy every year by 2040. These massive numbers happen because better women’s health leads directly to higher workforce participation and lower healthcare costs. When women have access to tools that help them manage fertility, pregnancy, or menopause, they miss fewer workdays and stay in the workforce longer.

5. Roe v. Wade Framework

For nearly five decades, the legal environment for reproductive health technologies in the United States operated under the constitutional framework established by *Roe v. Wade* (1973), which recognized abortion as a federally protected right and limited the ability of states to impose severe restrictions on access. While *Roe* primarily addressed abortion law rather than digital health technologies, it created a relatively stable regulatory baseline for the broader reproductive health ecosystem. This stability allowed companies developing fertility platforms, pregnancy care tools, and menstrual health applications to operate within a largely predictable legal environment across states. For venture capital investors, regulatory predictability is an important factor in evaluating early-stage startups, particularly in sectors where business models rely on nationwide digital adoption and scalable healthcare services. Under *Roe*, reproductive health technologies were generally evaluated through the same market-based criteria applied to other health tech sectors—such as user growth, revenue potential, and clinical effectiveness—rather than through heightened legal risk considerations. As a result, the *Roe*

framework indirectly supported the emergence of early FemTech innovation by providing a consistent national regulatory context. The reversal of *Roe* through the 2022 *Dobbs v. Jackson Women's Health Organization* decision therefore represented not simply a legal shift in abortion policy but a structural change in the regulatory environment surrounding reproductive health technologies more broadly, introducing uncertainty that could influence investor perceptions of risk in the FemTech sector.

Research Design and Methodological Approach:

This study employs a theory-driven policy shock case study design to evaluate how the 2022 Supreme Court decision in *Dobbs v. Jackson Women's Health Organization* reshaped early-stage (Seed and Series A) U.S. FemTech venture capital funding dynamics between 2018 and 2024. The research does not attempt to estimate a causal treatment effect using proprietary deal-level datasets, as such data are not publicly accessible. Instead, it synthesizes aggregated quantitative findings from independent industry analyses and integrates them with regulatory documentation and peer-reviewed scholarship on venture capital decision-making. The objective is not to produce econometric precision but to identify whether observable structural shifts in funding patterns align with theoretical expectations under a regulatory shock framework.

The observation window spans January 2018 through December 2024. This period captures both the expansionary venture capital environment leading up to 2021 and the contractionary environment that followed, allowing for temporal comparison across pre- and post-*Dobbs* phases. The pre-*Dobbs* phase (2018–2021) provides a baseline of early-stage FemTech funding dynamics during a period of relative regulatory stability in reproductive health governance. The post-*Dobbs* phase (2022–2024) captures the period of heightened legal variability, regulatory salience, and political scrutiny surrounding reproductive health technologies.

Data are drawn from publicly available funding analyses published by Silicon Valley Bank (2023), Deloitte (2024), and PitchBook (2025), which report aggregated venture capital trends in women's health and digital health markets. These sources provide information on total capital deployed, deal activity, funding growth trajectories, and structural shifts in venture participation. Although these reports do not always disaggregate funding exclusively by stage, early-stage patterns are prioritized where explicitly referenced. The study also incorporates regulatory documentation from the Federal Trade Commission, including enforcement actions and rule updates affecting digital health applications, as well as empirical research examining consumer privacy concerns following *Dobbs* (Cao et al., 2024). Finally, peer-reviewed literature on venture capital evaluation, gendered funding asymmetries, and institutional risk perception is used to interpret structural shifts in capital allocation.

The analytical strategy proceeds by first establishing the funding dynamics of early-stage FemTech during the pre-*Dobbs* expansion period. It then examines whether the post-*Dobbs* period exhibits not merely quantitative contraction consistent with broader macroeconomic trends, but qualitative changes in funding architecture, investor behavior, and evaluative framing. These shifts are interpreted through established theoretical frameworks in venture capital research, including prevention-versus-promotion evaluation patterns, institutional homophily, and risk discounting under regulatory uncertainty. Alternative explanations, particularly macroeconomic contraction in venture markets between 2022 and 2023, are considered and evaluated. The central analytical question is whether *Dobbs* coincided with structural recalibration in early-stage FemTech investment dynamics beyond what would be expected from general venture capital tightening alone.

Pre-*Dobbs* Expansion: Early-Stage FemTech in the 2018–2021 Venture Cycle

Between 2018 and 2021, early-stage U.S. FemTech funding expanded within a broader surge in digital health venture capital, culminating in a clear peak in 2021. Deloitte’s analysis of PitchBook data reports that investments in health tech companies focused on women’s health reached \$629 million across 39 deals in 2021, marking the highest annual funding level in the observed period (Deloitte, 2024). This occurred within a broader healthcare venture market that drew over \$80 billion across 2,809 deals in 2021, reflecting unprecedented liquidity and investor appetite for technology-enabled healthcare platforms (Deloitte, 2024). At the category level, PitchBook’s 2025 FemTech snapshot notes that deal counts peaked at 284 femtech deals in 2021, reinforcing that women’s health innovation was fully embedded in the broader expansionary capital cycle (PitchBook, 2025). These figures establish 2021 as both a quantitative high point and a structural baseline for evaluating post-*Dobbs* shifts.

Importantly, the pre-*Dobbs* funding environment was not only expansionary in aggregate capital terms but also growth-oriented in evaluative framing. Although women’s health companies represented a relatively small share of total health venture capital—Deloitte reports that women’s health accounted for just 2% of venture funding allocated to the overall health sector in 2023, underscoring persistent underallocation (Deloitte, 2024)—the trajectory leading into 2021 reflected increasing mainstream validation rather than marginalization. Investor narratives during this period emphasized unmet demand, platform scalability, and subscription-compatible digital health models, particularly in fertility, pregnancy, and menopause care. Regulatory conditions at the federal level remained stable prior to mid-2022, with nationwide constitutional protection for abortion access creating a consistent legal baseline for reproductive health technologies. While privacy concerns around digital health data were present—highlighted by the FTC’s finalized order against Flo Health in 2021—these issues had not yet become central risk anchors in early-stage due diligence (Federal Trade Commission, 2021). As a result, early-stage valuations during the pre-*Dobbs* period depended primarily on

projected user growth and long-term platform scalability rather than on state-level legal variability or compliance fragmentation.

Regulatory Shock and Legal Salience After Dobbs

The June 2022 decision in *Dobbs v. Jackson Women’s Health Organization* introduced a structural break in this regulatory baseline by eliminating federal constitutional protection for abortion access and returning authority to individual states. Although the ruling did not directly regulate menstrual tracking, fertility applications, or digital reproductive platforms, it transformed the political and legal salience of reproductive health data. Legal scholars and policy analysts immediately raised concerns regarding state-level enforcement variability, potential subpoena exposure of reproductive data, and increased compliance uncertainty for digital health platforms operating across jurisdictions (Northwestern Journal of Technology & Intellectual Property, 2023). This heightened scrutiny occurred alongside broader regulatory visibility in digital health governance, including the Federal Trade Commission’s enforcement action against Flo Health for misleading data-sharing practices (FTC, 2021) and the FTC’s 2024 update to the Health Breach Notification Rule, which expanded compliance obligations for health applications (FTC, 2024). In practical terms, *Dobbs* did not merely alter abortion access; it reframed reproductive health technologies as legally and politically exposed assets. For early-stage investors evaluating startups whose value depended on nationwide digital adoption and consumer data engagement, the introduction of state-level variability increased perceived operational complexity and regulatory uncertainty.

Venture Capital Theory Under Regulatory Uncertainty

From a venture capital finance perspective, regulatory uncertainty directly affects perceived scalability and valuation sensitivity, particularly at the seed and Series A stages. Early-stage firms typically lack stable revenue streams and are valued primarily on projected future growth rather than current cash flow. In discounted cash flow logic, increases in perceived uncertainty raise the discount rate applied to expected future earnings, thereby reducing present valuation and increasing required return thresholds. When legal frameworks are predictable and nationally uniform, growth projections can be modeled with relative consistency. However, the introduction of state-level variability following *Dobbs* increased the complexity of nationwide scaling assumptions for reproductive health startups. For seed-stage companies without robust legal infrastructure or compliance reserves, fragmented regulatory environments introduce non-trivial cost projections and execution risk. In an environment already marked by macroeconomic tightening—where total U.S. health tech venture investment fell from over \$80 billion in 2021 to \$41.2 billion in 2023, and deal count declined from 2,809 to 1,787 during the same interval (Deloitte, 2024)—any additional sector-specific risk salience becomes magnified. Thus, even if underlying consumer demand for women’s health solutions remained stable, the

perceived risk premium associated with reproductive technologies likely increased in post-*Dobbs* early-stage investment decisions.

Post-Dobbs Funding Patterns: Moderation and Capital Concentration

Following the 2021 peak, women's health funding exhibited both quantitative moderation and structural recalibration. Deloitte reports that investment in women-focused health tech companies declined 27% in 2022 from its 2021 high of \$629 million, reflecting the immediate post-peak contraction phase (Deloitte, 2024). While funding partially rebounded to \$481 million across 21 deals in 2023, this level remained below the 2021 peak and was accompanied by a reduction in deal count relative to the expansionary period (Deloitte, 2024). Importantly, these shifts occurred within a broader contraction in venture markets; however, the comparative structure of funding is revealing. Although overall health tech investment fell significantly between 2022 and 2023, Deloitte notes that women's health investment grew 5% from 2022 to 2023, even as total health tech funding declined 27% over the same period (Deloitte, 2024). This suggests that while women's health did not collapse, it also did not experience the same scale of recovery or expansion momentum seen in certain other digital health segments. Meanwhile, PitchBook's category-level reporting indicates that although deal counts declined from the 2021 peak of 284 femtech deals, total femtech funding reached \$1.2 billion in 2024, approximately 20% higher than 2023, with \$0.5 billion raised in Q3 2024 alone (PitchBook, 2025). The combination of fewer deals but concentrated capital inflows is consistent with heightened selectivity: capital remained available, but it was deployed more cautiously and into ventures capable of meeting elevated compliance and scalability thresholds.

Stage Composition and Syndication Dynamics

Beyond aggregate funding totals, the reshaping of early-stage FemTech investment after *Dobbs* is visible in deal architecture and stage composition. Silicon Valley Bank reports that in 2023, seed and Series A rounds comprised 83% of women's health deals, compared to 72% in overall healthcare, indicating that women's health remained heavily concentrated in early-stage capital formation (SVB, 2023). By 2024, this stage concentration narrowed, with early-stage deals representing 70% of women's health funding activity compared to 67% in overall healthcare, suggesting convergence toward broader market patterns (SVB, 2024). This narrowing gap is analytically significant. It indicates that women's health funding became less disproportionately early-stage over time, reflecting either maturation or tightening filters for seed-stage entry. Concurrently, industry reporting highlights increased reliance on syndicated rounds in women's health financing during the post-2021 period. While syndication is a common venture strategy, its heightened visibility in a risk-salient sector suggests diffusion of exposure rather than concentrated lead conviction. In early-stage markets, the presence of a strong lead investor anchors valuation and accelerates follow-on funding. When exposure is distributed

across multiple investors—particularly under conditions of regulatory uncertainty—it may reflect recalibrated confidence. Thus, *Dobbs* appears not to have eliminated early-stage FemTech funding, but to have reshaped its structure by moderating conviction intensity, increasing selectivity, and aligning stage composition more closely with broader healthcare venture dynamics.

Distinguishing Regulatory Effects from Macroeconomic Contraction

A central analytical challenge is distinguishing the effects of *Dobbs* from the broader venture capital downturn that followed the 2021 market peak. Between 2022 and 2023, global venture markets contracted significantly due to rising interest rates, inflationary pressures, and tightening liquidity conditions. Deloitte reports that overall U.S. health tech venture investment declined from over \$80 billion in 2021 to \$41.2 billion in 2023, with deal count falling from 2,809 to 1,787 during the same interval (Deloitte, 2024). Given this macroeconomic backdrop, it would be insufficient to attribute moderation in women’s health funding solely to regulatory change. However, two features of the post-*Dobbs* environment suggest sector-specific recalibration rather than uniform contraction. First, while overall health tech funding declined 27% from 2022 to 2023, women’s health investment grew 5% during that same period (Deloitte, 2024), indicating divergence from aggregate contraction patterns. Second, despite this relative resilience in dollar terms, women’s health continued to represent only 2% of total health sector venture funding, reinforcing that capital allocation did not expand proportionally during recovery phases (Deloitte, 2024). If macroeconomic tightening were the sole driver, one would expect uniform proportional decline and rebound across subcategories. Instead, women’s health shows signs of selective capital concentration—fewer deals, moderated stage dynamics, and cautious scaling—consistent with heightened sector-specific risk perception. The timing of these structural adjustments, immediately following *Dobbs*, aligns with theoretical expectations that regulatory salience amplifies risk weighting in politically exposed markets.

Taken together, the evidence indicates that *Dobbs* reshaped early-stage U.S. FemTech venture capital dynamics not through categorical withdrawal of funding, but through recalibration of risk, conviction, and structural deployment of capital. Prior to 2022, women’s health startups participated in an expansionary capital cycle that peaked at \$629 million across 39 deals in 2021, within a broader healthcare market exceeding \$80 billion in venture investment (Deloitte, 2024). After *Dobbs*, funding moderated, declining 27% in 2022 before partially recovering to \$481 million in 2023, yet without regaining its 2021 peak (Deloitte, 2024). More significantly, the architecture of early-stage investment shifted. Stage composition narrowed toward broader healthcare norms (from 83% early-stage in 2023 to 70% in 2024, compared to 72% and 67% in overall healthcare respectively), suggesting tighter filtering at the seed and Series A levels (SVB, 2023; SVB, 2024). Deal concentration increased even as total femtech funding reached \$1.2 billion in 2024, indicating that capital flowed selectively into ventures capable of meeting

elevated compliance and scalability expectations (PitchBook, 2025). These patterns reflect structural transformation in how early-stage FemTech is evaluated: increased regulatory salience raised the implicit discount rate applied to reproductive innovation, intensified prevention-oriented framing in due diligence, and reduced concentrated lead-investor conviction. Thus, *Dobbs* reshaped funding dynamics by altering the conditions under which early-stage capital is deployed—tightening conviction thresholds, redistributing exposure through syndication, and embedding regulatory uncertainty into valuation calculus—even as the sector retained measurable capital presence.

Institutional Legitimacy and Gendered Market Framing

The reshaping of early-stage FemTech funding after *Dobbs* can be more fully understood through an institutional lens that integrates risk perception with gendered market legitimacy. Venture capital decision-making operates within what organizational theorists describe as normative and cognitive institutional frameworks: investors rely on shared heuristics, precedent templates, and perceived legitimacy signals when allocating capital under uncertainty. In sectors with established regulatory pathways—such as enterprise software or oncology therapeutics—investors draw on historical exit patterns and standardized compliance models to assess scalability. FemTech, by contrast, occupies a comparatively recent and socially constructed market category (Tsingou, 2025). Even before *Dobbs*, women’s health startups represented only 2% of total health sector venture funding (Deloitte, 2024), suggesting that the category had not yet achieved full institutional normalization. When *Dobbs* heightened regulatory salience, it did so in a market already navigating legitimacy asymmetries. Research on gendered evaluation patterns demonstrates that investors disproportionately emphasize downside risk in women-led or women-focused ventures (Kanze et al., 2018). Under conditions of policy volatility, such prevention-oriented framing likely intensified. In an investment environment where overall healthcare funding had contracted from \$80 billion in 2021 to \$41.2 billion in 2023 (Deloitte, 2024), capital became more selective, and markets perceived as politically exposed faced higher implicit risk thresholds. The interaction between regulatory shock and pre-existing legitimacy burden therefore provides a mechanism explaining why post-*Dobbs* FemTech funding exhibited structural recalibration rather than symmetrical recovery alongside broader health tech segments.

Innovation Pipeline Implications

The reshaping of early-stage FemTech funding dynamics after *Dobbs* has implications that extend beyond immediate capital flows and into the longer-term architecture of innovation. Seed and Series A capital serve as the foundational layers of venture-backed growth; they determine which firms survive long enough to reach clinical validation, regulatory clearance, or scaled consumer adoption. When early-stage check sizes moderate, when lead-investor

conviction diffuses through syndication, and when regulatory risk becomes embedded in valuation models, the cumulative effect is slower capital compounding. Even where total femtech funding reached \$1.2 billion in 2024, roughly 20% higher than 2023 (PitchBook, 2025), the concentration of capital into fewer deals suggests heightened selectivity rather than broad pipeline expansion. Meanwhile, Deloitte's data showing a decline from 39 deals in 2021 to 21 deals in 2023 in women's health health-tech companies reflects contraction in the number of ventures receiving early-stage validation (Deloitte, 2024). Because early-stage venture ecosystems operate through signaling cascades—where early conviction attracts follow-on capital—reduced deal velocity can narrow the diversity of innovation pathways. In politically salient sectors, this dynamic may shift investment toward subcategories perceived as less legally exposed, such as wellness-oriented or menopause-focused technologies, while more controversial reproductive applications face elevated funding barriers. Over time, such selective filtering can shape which women's health problems receive technological solutions and which remain undercapitalized, reinforcing disparities in clinical research and product development.

Contribution to Innovation Finance Scholarship

This case contributes to innovation finance scholarship by demonstrating that regulatory shocks do not merely influence capital availability in aggregate, but can reshape the internal dynamics of early-stage investment through institutional risk recalibration. Much of the venture capital literature treats capital contraction as a macroeconomic function of liquidity cycles, interest rate shifts, or technological hype cycles. The post-2021 decline in total U.S. healthcare venture funding—from over \$80 billion in 2021 to \$41.2 billion in 2023—would, under this view, predict proportional contraction across sub-sectors (Deloitte, 2024). Yet the women's health case illustrates that politically salient regulatory shifts can interact with pre-existing legitimacy asymmetries to produce structural recalibration rather than uniform decline. Despite total femtech funding reaching \$1.2 billion in 2024, and women's health investment growing 5% between 2022 and 2023 even as overall health tech fell 27% (Deloitte, 2024; PitchBook, 2025), the persistence of a 2% share of total health sector venture capital signals that category-level normalization did not accelerate post-shock. Instead, capital became more selective and structurally cautious. This pattern aligns with institutional theory predictions: when regulatory uncertainty rises in markets that lack fully stabilized legitimacy, investors respond by raising implicit risk thresholds rather than withdrawing entirely. The result is a reshaping of funding dynamics—through moderation of deal count, diffusion of lead conviction, and repricing of early-stage exposure—rather than a simple binary contraction. In this sense, *Dobbs* operates as a policy shock that reveals how venture capital institutions mediate legal volatility through evaluative framing and capital structuring, particularly in gendered innovation markets.

Limitations and Future Research

This study relies on aggregated secondary data from industry reports rather than proprietary deal-level datasets, which limits the ability to perform econometric causal estimation. While sources such as Deloitte (2024), Silicon Valley Bank (2023, 2024), and PitchBook (2025) provide consistent trend reporting, they do not offer fully disaggregated seed- and Series A-specific funding breakdowns across all years in a standardized format. As a result, this analysis cannot isolate the precise magnitude of post-*Dobbs* effects at the deal level, nor can it conduct difference-in-differences modeling relative to control sectors. The findings therefore should be interpreted as structurally inferential rather than statistically causal.

A second limitation concerns temporal overlap between the *Dobbs* decision and the broader macroeconomic venture capital contraction that began in 2022. Although the analysis distinguishes sector-specific recalibration from general market tightening through comparative trend interpretation, macroeconomic forces—including rising interest rates and liquidity constraints—undoubtedly influenced capital deployment across healthcare categories. Without granular regression controls, it is not possible to fully disentangle regulatory shock effects from macro cycle effects. However, the persistence of structural shifts in stage composition, deal concentration, and funding share suggests that regulatory salience interacted with, rather than merely coincided with, macro contraction.

Third, the study focuses exclusively on U.S. funding dynamics. Because *Dobbs* represents a jurisdiction-specific regulatory change, comparative cross-national analysis—particularly with countries that did not experience equivalent legal shifts—would provide a stronger counterfactual framework. Future research could construct a cross-country dataset of early-stage FemTech funding to assess whether post-2022 structural changes were uniquely pronounced in the United States relative to stable regulatory environments.

Future scholarship would benefit from three methodological extensions. First, deal-level database analysis (e.g., via PitchBook or CB Insights) could quantify changes in average check size, valuation, lead-investor concentration, and time-to-next-round before and after June 2022. Second, qualitative interviews with venture capital partners could directly assess how regulatory salience influenced due diligence processes and risk modeling. Third, econometric difference-in-differences designs comparing reproductive health startups to adjacent digital health subsectors would help isolate policy shock effects from broader market contraction.

Despite these limitations, the structured secondary data approach employed here is appropriate for examining institutional reshaping mechanisms in early-stage venture ecosystems, where perception, narrative, and regulatory interpretation often precede measurable financial outcomes. By integrating funding trend data with institutional theory and regulatory analysis, this study offers a defensible explanatory account of how *Dobbs* altered the structure—if not the existence—of early-stage FemTech capital allocation.

Conclusion: Recalibration Rather Than Retrenchment

The evidence across funding totals, deal counts, stage composition, and regulatory context indicates that *Dobbs* reshaped early-stage U.S. FemTech venture capital dynamics through recalibration rather than retrenchment. In the pre-2022 environment, women's health startups operated within an expansionary capital cycle that peaked at \$629 million across 39 deals in 2021, embedded in a broader healthcare venture market exceeding \$80 billion in total investment (Deloitte, 2024). Post-*Dobbs*, funding declined 27% in 2022 before partially recovering to \$481 million in 2023, yet without returning to peak deal velocity, as the number of funded companies fell to 21 deals (Deloitte, 2024). Even as total femtech funding reached \$1.2 billion in 2024, reflecting selective capital concentration (PitchBook, 2025), women's health remained structurally underweighted at 2% of total health sector venture funding (Deloitte, 2024). Concurrently, stage composition shifted from 83% early-stage in 2023 to 70% in 2024, narrowing the gap with overall healthcare and suggesting tighter entry filters at seed and Series A levels (SVB, 2023; SVB, 2024). These patterns collectively indicate that the post-*Dobbs* environment did not eliminate early-stage FemTech capital but altered the conditions of deployment: regulatory salience increased perceived downside exposure, raised implicit discount rates, diffused concentrated lead conviction, and embedded compliance risk into early-stage valuation calculus. Thus, *Dobbs* reshaped funding dynamics by transforming the institutional interpretation of reproductive innovation—from growth-oriented category expansion to selectively financed, risk-weighted capital allocation within a politically volatile domain.



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