

The Rising Investment Potential in Women's Health



The women's health sector is undergoing a profound transformation, driven by increased awareness of gender-specific health needs, breakthroughs in biotechnology and the expansion of telehealth services. Flexible business models are also making the market more attractive. However, the sector still faces considerable challenges, including underfunding, regulatory hurdles, limited diversity in clinical trials and the undervaluation of women-led businesses. Despite these obstacles, the market's growth potential remains vast. Currently, only 2% of health-related venture capital (VC) investments are directed towards women's health, highlighting the need for greater support. Achieving this potential requires a coordinated effort involving VC investments, governmental backing and a focus on data-driven, personalised care.

Women's Health Innovation: A Market on the Rise

The women's health market was valued at €40.2 billion (\$41.3 billion) in 2023 and is projected to grow significantly, reaching €64.2 billion (\$66 billion) by 2033. This expansion reflects the rising demand for specialised solutions addressing women's unique health challenges, including fertility treatments, menopause management and maternal health services. Venture capital plays a pivotal role in accelerating these innovations by providing funding, strategic guidance and access to resources essential for growth.

However, the market has faced setbacks in recent years. Between 2021 and 2024, investment in the women's and family health sector dropped by over 50%, with solely female-founded companies being disproportionately affected. While 2024 showed a modest recovery, investments remained below 2019 levels. Nonetheless, the sector's long-term potential remains strong, particularly as innovations in data analytics and personalised care gain traction.

A positive outlook for 2025 is emerging. High-profile exits, including Agile Therapeutics and Gynesonics, alongside projected mergers, acquisitions and IPO activity, are expected to restore confidence and attract renewed investment in the sector. This trend, combined with increased attention to women's health needs, could be transformative.

The Shifting Landscape of VC Investment in Women's Health

The landscape of VC investment in women's health has changed substantially over the past five years, evolving from a niche market into a recognised growth area. Several factors contribute to this shift, including greater governmental involvement. For instance, the Biden administration committed €0.97 billion (\$1 billion) to women's health research, which has increased visibility and prompted more strategic investments.

VC strategies have also adapted, with a move away from direct-to-consumer models towards scalable B2B and B2B2C approaches that integrate better with healthcare systems and insurance providers. This evolution makes it easier for companies to reach larger markets while reducing consumer acquisition costs.

Technological advancements have further expanded the investment landscape. Innovations in biotech, such as ovarian health solutions and cancer diagnostics, along with telehealth platforms for remote maternal care, are opening new frontiers. These technologies are particularly vital in underserved regions, where access to quality care remains limited.

Nonetheless, barriers persist. Clinical trials for women's health conditions often lack diversity, and limited research funding continues to hinder progress. To foster meaningful advancements, both public and private investments in diverse, data-driven trials are essential. This ensures that innovations address the needs of all women, regardless of demographic background.

The Case for Increased VC Support

There are compelling economic and social reasons for greater VC investment in women's health. Chronic conditions such as lung cancer, Alzheimer's disease, rheumatoid arthritis and coronary artery disease disproportionately affect women and create significant financial burdens.

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For example, Alzheimer's alone costs the U.S. economy €297 billion (\$305 billion) annually, yet only 12% of research funding focuses on women despite them representing two-thirds of patients.

This funding gap impacts not only health outcomes but also financial returns. Female-founded companies, despite their market potential, often face undervaluation due to limited competitive interest from investors. Demonstrated success stories through IPOs and acquisitions can counter this trend by showcasing the sector's profitability and long-term viability.

Emerging technologies also present lucrative opportunities for VCs. Advances in artificial intelligence for diagnostics, personalised treatment platforms, genetic screening and remote maternal care illustrate how innovation can meet both market demand and profitability goals. These scalable solutions could drive substantial returns while addressing pressing health challenges.

Moreover, policy changes and greater regulatory clarity, such as streamlined approval processes and adjusted reimbursement codes, could further stimulate investment by reducing perceived risks in the sector.

The women's health sector offers a remarkable opportunity for growth, innovation and societal impact. Despite historical underfunding and persistent challenges, the outlook for 2025 is promising. With expanding market potential, technological breakthroughs and supportive policy developments, the sector is expected to undergo a significant advancement. To unlock this potential, a multi-faceted strategy involving increased VC investment, diverse clinical trials and public-private collaboration is essential. With the right funding approaches, the women's health market can improve global health outcomes while delivering substantial returns for investors.

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