

This study examines how anticipated discrimination influences negotiation behavior and outcomes in venture capital (VC) financing. While research documents discrimination in entrepreneurial finance, little is known about how founders strategically adapt to expected bias. Using an experimental design with an AI-controlled investor, we analyze founder responses to anticipated discrimination, examining behavioral dynamics in funding decisions. Building on theories of statistical discrimination and miscalibrated beliefs, we assess two possible responses: overcompensation through increased signaling and a self-fulfilling prophecy, where reduced engagement aligns with anticipated discrimination. Our findings have implications for promoting gender equality in entrepreneurial finance.