



## ANGEL CAPITAL ASSOCIATION

For Immediate Release

### **Latest Investing Update - Despite COVID, North American Angel Investing Remains Active and Healthy**

#### **According to Angel Capital Association Pandemic Investor Impact Report**

**Kansas City, MO (December 3, 2020)** – Today the Angel Capital Association (ACA) released the new [Pandemic Investor Impact Report](#). This timely report explores the impact of COVID-19 on angel investors and the portfolio companies they support. Given the widespread economic concerns driven by the pandemic and the critical role early stage investing plays in overall economic and job growth, understanding the current state is critical. This report shows that early stage investor interest remains strong, and angels and the companies they support are adapting.

The Pandemic Investor Impact Report combines findings from the ACA's recent pandemic survey of major angel organizations and external information reflecting the current state of Angel and VC investing trends late in 2020. The goal is to place the ACA's Pandemic survey within the broader context of early stage investing sentiment and behavior in 2020. This investment activity reflects both continuing uncertainty as well as innovative responses to our current social and health crises.

The Pandemic Investor Impact Report illustrates that angel investors are resilient. They quickly adapted to the new virtual environment and continue to actively invest and support their portfolio companies. Even in a time of pandemic, the angel ecosystem remains strong.

Key findings include:

- Investors are embracing “Generation Zoom” deals and are experimenting with new models of diligence and deal execution—as well as new strategies for angel group cohesion.
- The pandemic has accelerated the adoption of telehealth and remote learning and meeting tools, creating major investment opportunities for angels and VCs.
- Early-stage capital markets remain down compared to 2019 but are starting to stabilize with some sectors very strong.
- Angel funding has stabilized. While 34% of groups expect full year funding to decrease in 2020 compared to 2019, 42% expect no change, and 24% anticipate an increase.
- Angels continue to play a critical role in their portfolio companies' success providing, not only critical funds, but also the expertise to help guide their companies in troubling times.
- Follow-on investments by both VC and angels are playing a larger role during these difficult times.
- The impact on valuations is mixed. VCs are reporting slight increases in 2020, although the round-to-round step-up valuations are slowing. Angels report some initial valuation decreases

that are now stabilizing. VCs currently report that the number of down rounds has decreased, returning to low, pre-pandemic levels.

“As ACA strives to be thought leaders and the “go to” place for everything related to angel investing, we are encouraged to see that angels are proving to be very resilient and continuing to do what they do – providing the capital and expertise to help their portfolio companies succeed,” says Patrick Gouhin Chief Executive Officer of Angel Capital Association.

The Pandemic Investor Impact Report builds on the findings of the [Angel Funders Report 2020](#), issued in October. As the only source of verified angel investor data, ACA continues to provide the most up-to-date information to support local ecosystems that fuel job growth.

*About the Angel Capital Association (ACA) The Angel Capital Association (ACA) is the professional association of global angel investors to offer education, best practices, data, public policy advocacy, and significant benefits and resources to its membership of more than 14,000 accredited investors, who invest individually or through its 250+ angel groups, accredited platforms, and family offices. Visit [angelcapitalassociation.org](http://angelcapitalassociation.org) or at @ACAAngelCapital*

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