



ANGEL CAPITAL ASSOCIATION

For Immediate Release

Angel Capital Association Study Provides New Insights on Angel Group Investments and Their Portfolio Companies

Kansas City, MO September 13, 2018 – The Angel Capital Association released today the Angel Funders Report, a new study of angel group investments. The ACA report provides an initial picture on angel groups' investments, the startups they support and the factors that lead to business and investor success. The goal is to build the most comprehensive and actionable database on angel investing. These insights are important because angels provide 90% of equity capital to startups - \$25B in 70,000 companies every year, yet few detailed data reports are available.

This strategic ACA initiative will reveal additional insights and highlight key trends in future reports. The pilot launch begins to compile data for long term analysis and future reports will encompass a much larger set of angel organizations, answering questions like:

- Is there a minimum number of angel investors in a round to ensure a successful exit?
- What are the average revenues of a company to attract VC investment and/or corporate acquisition?
- What do different startup CEO demographics mean for investment and company/investor success?

“This new ACA research initiative will increase what we know about angel investors, who they are, why and how they invest, what businesses they invest in, what kinds of returns performance they experience and what practices can improve outcomes,” said Tony Shipley, vice chairman of the ACA board.

The Angel Funders Report is based on data from 26 angel groups across the United States and covers investments in 2017. The participating angel groups have a range of investment activity levels and structures, meaning that many of the statistics in the report fit the larger population of angel organizations. The data includes overall metrics of the pilot groups' investments and the companies they invested in. The data initiative was led by [Rick Timmins](#) of the Central Texas Angel Network, [Steve Flaim](#) of Tech Coast Angels and [Tony Shipley](#) of Queen City Angels.

The data provides the intelligence for angels to make decisions based on experience and fact and gives entrepreneurs and the startup ecosystem insights into angels' decision making. The insights in the initial report demonstrate that many variables influence angel groups and their investments. Key findings of the Angel Funders Report include:

- **Angels invest beyond their local markets:** Angel groups in this report invested not only in the 17 US states where they are based, but also in companies in an additional 21 US states (total of 36), one Canadian province and Israel.
- **Working together is essential:** Syndication is vital for startups and angel groups. 74% of the deals were syndicated with other angel groups and/or VCs.
- **Angel backed companies have more female CEOs:** 21% of funded companies had a woman CEO. This is a favorable comparison to VC-backed companies, which academic

reports conclude only 2%-5% of such companies were led by females.

- **One size does not fit all:** Angels use a variety of investment structures. Most investments were in equity deals, but nearly 36% of rounds were in convertible notes or SAFEs - simple agreement for future equity.
- **Angels invest in a variety of industries:** Angels invest in a variety of industries, although more than two-thirds of the deals in Tech and Life Science fields. Many other industries received angel investments.

Access the full report at <https://www.angelcapitalassociation.org/angel-funders-report/>. The Angel Funders Report is the first in an ongoing series from the Angel Capital Association developed to provide in-depth data on angel investment activities.

About the Angel Capital Association (ACA)

The [Angel Capital Association](http://www.angelcapitalassociation.org) (ACA) is the professional association of angel investors across North America and offers education, best practices, data, public policy advocacy, and significant benefits and resources to its membership of more than 13,000 accredited investors, who invest individually or through its 250 angel groups, accredited platforms, and family offices. www.angelcapitalassociation.org

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