



ANGEL CAPITAL ASSOCIATION

## ACA Data Insights What We Learned From Our Data

In support of [ACA's Data Insights initiative](#), once a month we will be sharing charts illustrating useful learnings from analyzing data on angel investing and portfolio returns.

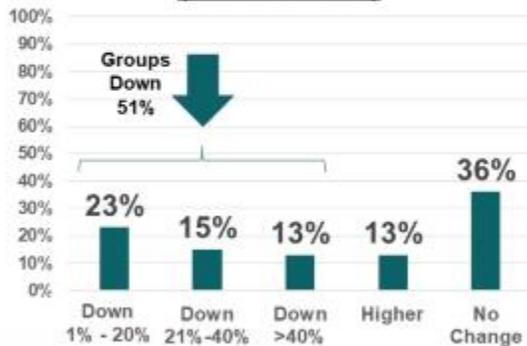
This data insights relates to the current situation we are all facing. Between April 21 and May 1 the Angel Capital Association conducted a survey with 35 questions on the impact of the COVID-19 pandemic on their respective angel group and their portfolio companies.

This survey was sent to most of the angel groups that provided their 2019 investment data to the ACA as part of the ACA Data Initiative for the development and release of the Angel Funders Report. Over 70% of the angel groups answered the questions. The results of this survey were summarized and shared in a presentation to all attendees at ACA 2020 - The Summit of Angel Investing last week. Today we would like to highlight one chart for insights and comments.

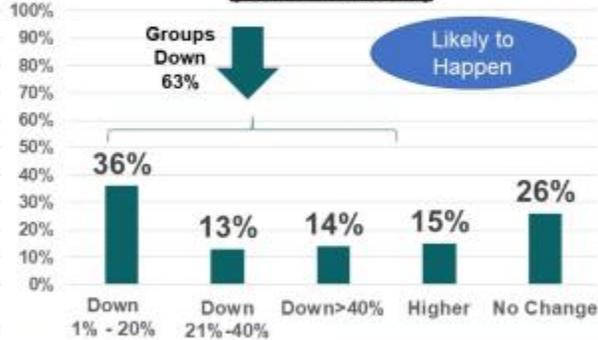


### Dollars Invested By Angel Groups Will Likely Decrease...

**Estimate of Dollars Invested Jan-April  
(2020 vs 2019)**



**Estimate of Dollars Invested Total Year  
(2020 vs 2019)**



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Again, the responses to this survey were provided in late April. As part of this survey, angel groups were asked two questions: 1) What is your estimate of dollars invested January through April 2020 compared to January through April 2019? And 2) Although it is early what is the estimate of your groups total year 2020 investments compared to total year 2019?

The results were summarized into the chart that accompanies this Data Insights. As you can see, **a full 51% of the groups believe their total investments will be down the first four**

**months of 2020 compared to the first four months of 2019.** Only 13% expect them to be higher, while 36% expect no change in January through April investments.

When we asked the angel groups about their estimates for total year 2020 compared to total year 2019 investments, the figures are worse. **A total of 63% of angel groups, believed at the time of the survey, that their group investment figures would be down year over year.** In fact 28% of the respondents believe their investments will be down between 21% and 40% or even more. Only 15% expect investments to be higher and 26% believe there will be no change.

**Clearly angel groups expect this pandemic to have an impact in slowing down their members investing in start-ups for 2020.** For comparison purposes one can look to the last major economic downturn during the 2008-2010 timeframe. During that time, the combination of angel/seed-stage investing and venture capital in A, B and C rounds investments declined 40%. The recovery from that downturn took a full six quarters.

**As you can see from past performance and current angel group thinking, angel investing will be challenged during this pandemic and we now have data to support this belief.**

**Stay tuned for additional insights next month and sign up to participate in [ACA's Data Initiative](#) by submitting your data for future editions of the [Angel Funders Report](#) to provide angels with insights on the factors that affect the outcomes of startup investments.**