



ANGEL CAPITAL ASSOCIATION

The American Angel

January 10, 2018

HOW TO GET VALUE FROM THIS WEBINAR



- Use chat to submit questions
- Yes, you'll get the slides
- We're recording, so come back and listen again



ANGEL CAPITAL ASSOCIATION

ANGEL CAPITAL ASSOCIATION TODAY

World's largest association of active accredited angel investors - www.angelcapitalassociation.org



- 13,000+ investors
- Individual angels
- Angel groups
- Accredited platforms
- Family offices
- 250+ organizations
- Every U.S. state & 5 Canadian provinces

Mission: fuel the success of the accredited angel investor community through advocacy, education and connection building



ACA PRODUCES RESULTS



Supports angel data and research



Represents American angels in Washington, DC

EAG Certification Program



Delivers options in changing world



Provides relevant content and connections for deal flow and exits



ACA MEMBERS ARE TOP ANGELS, GROUPS & PLATFORMS

AngelList | HARVARD BUSINESS SCHOOL HBS Alumni Angels of Greater New York | New Dominion Angels | DesertAngels | HAN HOUSTON ANGEL NETWORK

HYDEPARKANGELS | OurCrowd | band OF ANGELS | LIFE SCIENCE ANGELS | alliance of angels | LAUNCHPAD VENTURE GROUP | QUEEN CITY ANGELS

Angel One INVESTOR NETWORK | TECH COAST ANGELS | Golden Seeds | ALLIANCE OF TEXAS ANGEL NETWORKS | New York ANGELS | CENTRAL TEXAS ANGEL NETWORK

ANGELMD | SIERRA ANGELS | propel(x) | Houston Angel Network | OHIO Tech Angels | SAND HILL ANGELS

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ANNUAL PARTNERS & SPONSORS BRING VALUE TO ANGELS

FOLEY HOAG LLP | NSF America's SEED FUND SBIR.STTR | SERAPH

ANGELMD | gust LAUNCH

Mainstar Trust | P2Binvestor

OUR SPEAKERS



Elaine Bolle
ACA Board
RTP Capital Associates
@ebolle716



Laura Huang
Harvard Business School
@LauraHuangLA



Marianne Hudson
Angel Capital Association
@ACAAngelCapital



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Who are they?

How do they invest?



How do they become angels?

What do they want?



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ANGEL INVESTORS ARE CRITICAL TO STARTUPS & ECONOMY

\$25B Invested

~10X Companies Funded by VCs

71K+ Deals in Every State

Companies Funded by Angels
70,000

~300,000 Angels

Companies Funded by VCs*
8,000

90% of Startup Outside Equity

* Includes "ecosystem"

Sources: Center for Venture Research and 2017 PitchBook/ NVCA Venture Monitor



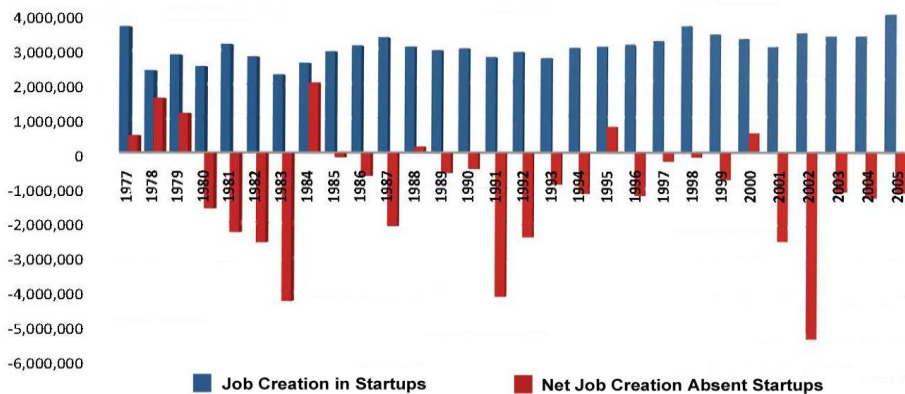
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HIGH-GROWTH STARTUPS CREATE THE MOST NET JOBS

ENTREPRENEURS ARE KEY TO JOB CREATION

No Startups, No Job Creation



Source: Business Dynamics Statistics Briefing: Jobs Created from Business Startups in the United States. Kauffman Foundation, January 2009.



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The American Angel Campaign  ANGEL CAPITAL ASSOCIATION

The first in-depth U.S. study to comprehensively identify angel investors. The report includes angels across the country, some who belong to ACA and some who do not.

Connect to ACA's 13,000 member angels including these three featured in the report:



Tina Fisher Alicia Syrett Ron Weissman

DEMOGRAPHICS AND AVERAGE STATS (AND SOME METHODOLOGY)

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HOW WE DID THE AMERICAN ANGEL


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HARVARD
BUSINESS SCHOOL

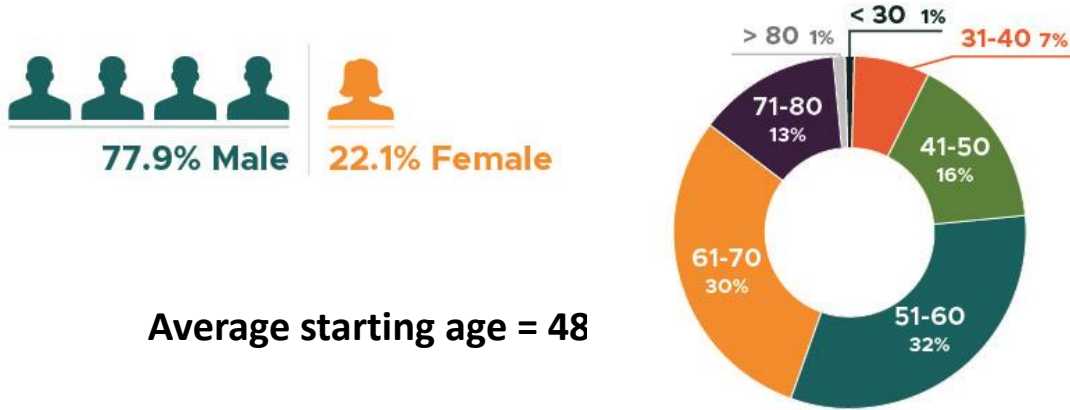


- 1,659 angels participated
- Online survey with 40 quantitative, 4 qualitative/open-ended question
- Recruitment through direct email outreach, angel group leaders, general media outreach
- Empirical tests and robustness checks conducted to address nonresponse bias and potential sampling errors

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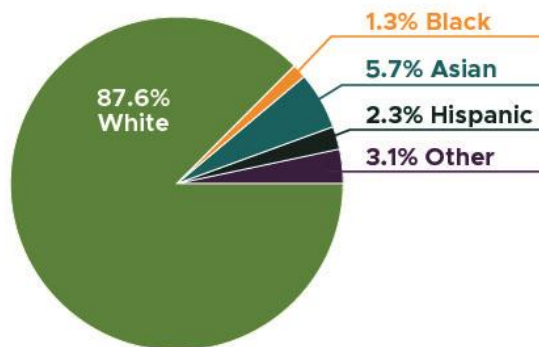
WHO ARE ANGELS BY GENDER AND AGE?



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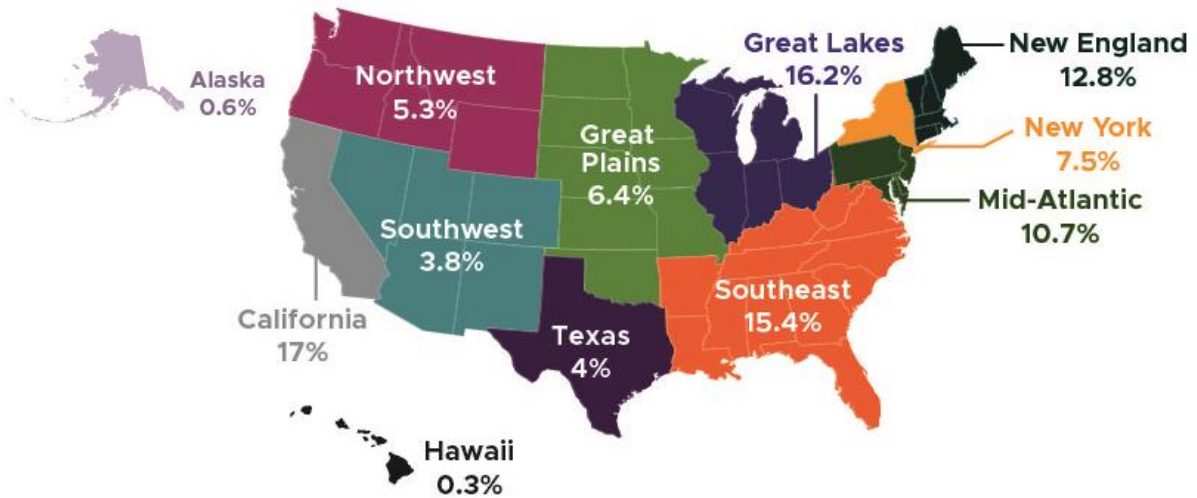
RACE DEMOGRAPHICS AMONG ANGEL INVESTORS



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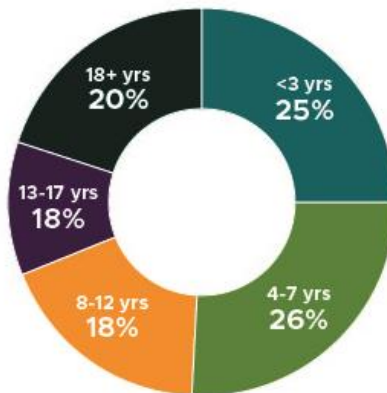
ANGELS LIVE ACROSS THE USA



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RANGE OF INVESTOR EXPERIENCE



The data set includes a balance of angels by investment experience. 1977 was earliest year of investing.

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CHECK SIZE

First Investment in Company:

Median = \$25,000

Mean = \$35,255

Total Range: \$1 to \$750,000

Follow-on:

Median = \$20,000

Mean = \$33,147

Total Range: \$0 to \$500,000



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COMPANIES IN PORTFOLIO

Average portfolio size = 11.4

Median portfolio size = 7

...25th Percentile is 4

...75th percentile is 15

Range of portfolio sizes

...1 to 106

*Angels with five or more years of experience have on average **14.2** investments in their current portfolio.*

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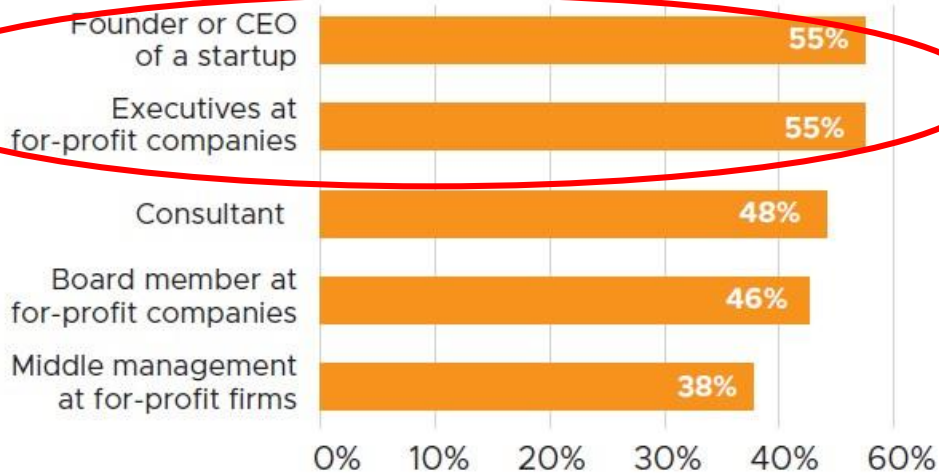
ANGELS CREATE ENTREPRENEURS – BUT ENTREPRENEURS ALSO CREATE ANGELS

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ANGELS ARE ENTREPRENEURS AND EXECUTIVES

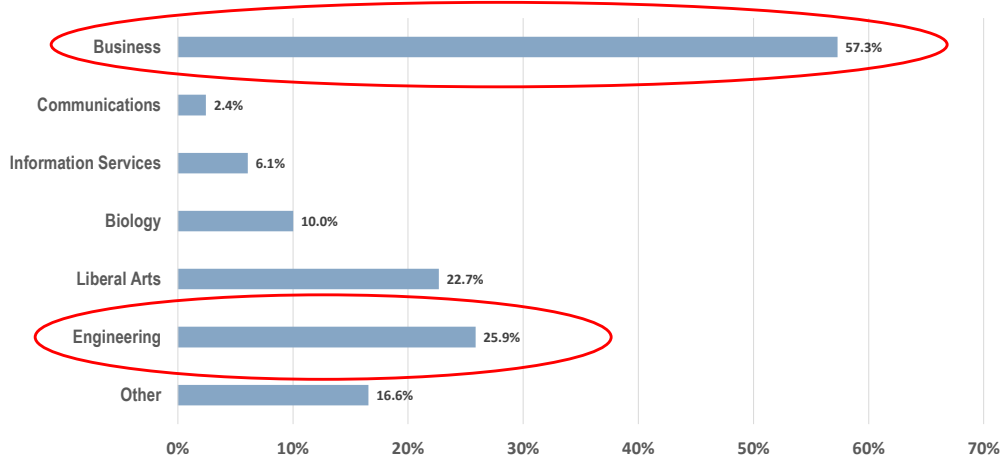


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73% HAVE MBA/MASTER'S OR ADVANCED DEGREE



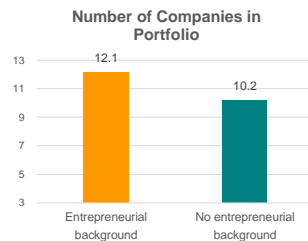
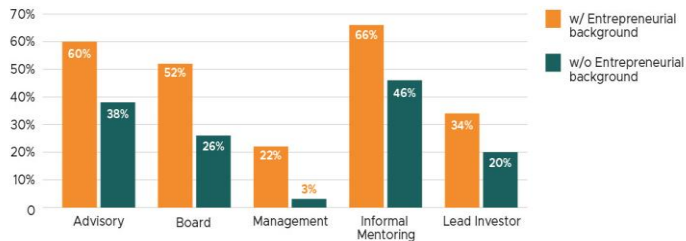
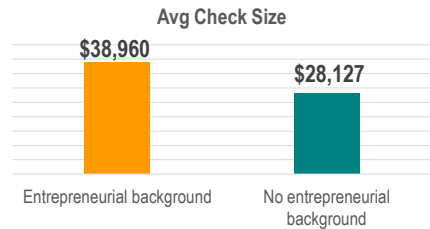
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BACKGROUND MAKES A DIFFERENCE

Angels with **ENTREPRENEURIAL** backgrounds:

- Write larger checks
- Have more companies in their portfolios
- Take more active roles with startups

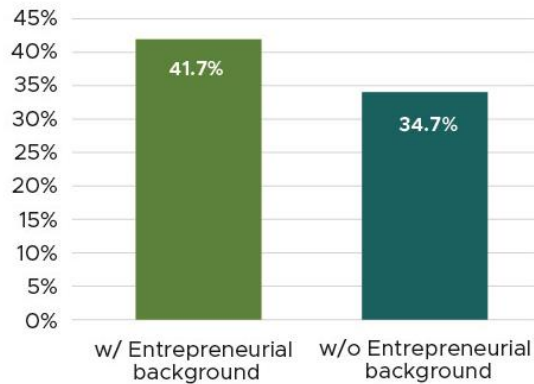


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ENTREPRENEURIAL EXPERIENCE ALSO HELPS WITH RETURNS

Percent of Positive Exits to Total Exits



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**FEMALE ANGELS ARE INCREASING IN NUMBER ...
AND CHANGING THE NATURE OF ANGEL INVESTING**

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WOMEN ARE GROWING IN ANGEL INVESTING



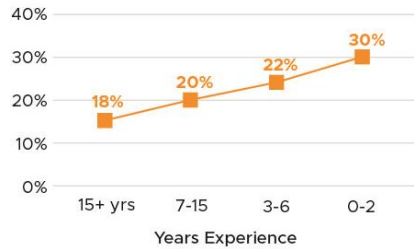
77.9% Male



22.1% Female

30% of new angels are women

% Female Investors



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MEN AND WOMEN HAVE SOME INVESTING DIFFERENCES

Importance of Gender of Founder



1) 'highly important' linked to a score of a 4 or 5, on a 1-5 scale



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MEN AND WOMEN HAVE SOME INVESTING DIFFERENCES

Importance of Social Impact of Company



1) 'highly important' linked to a score of a 4 or 5, on a 1-5 scale

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MEN AND WOMEN HAVE SOME INVESTING DIFFERENCES

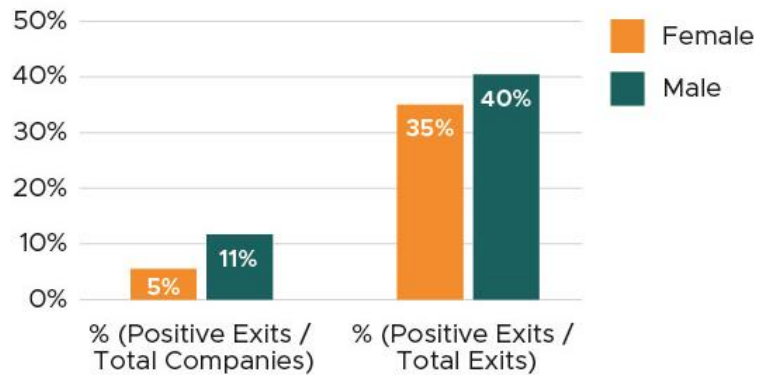
	Males	Females
Average check size	\$37,671	\$26,652
Companies in portfolio	15.9	12.3
% follow-on investments	32%	27%

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WOMEN APPEAR TO HAVE LOWER EXIT EXPECTATIONS

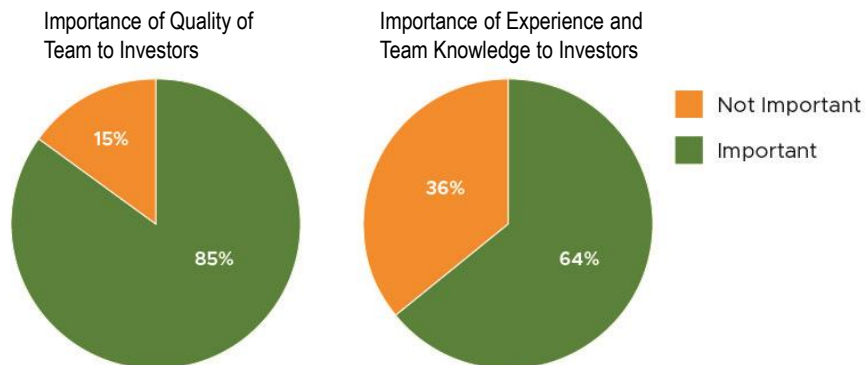


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THERE ARE SIMILARITIES BETWEEN MEN & WOMEN: ALL ANGELS AGREE TEAM QUALITY IS IMPORTANT



1) 'highly important' linked to a score of a 4 or 5, on a 1-5 scale)

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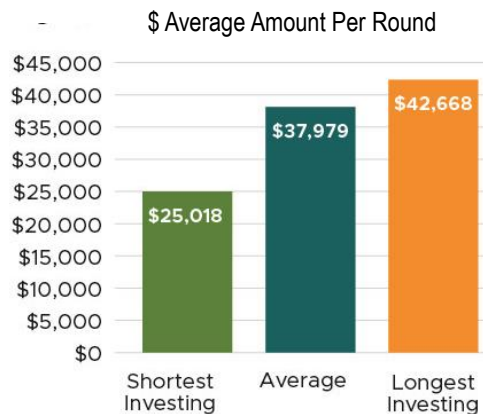
EXPERIENCED ANGELS INVEST MORE UPFRONT AND IN FOLLOW-ON ROUNDS

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EXPERIENCED ANGELS INVEST MORE PER ROUND



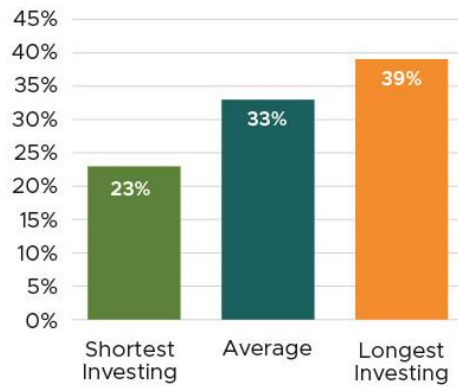
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THEY ALSO MAKE MORE FOLLOW-ON INVESTMENTS

Percent of Investments that are Follow-On

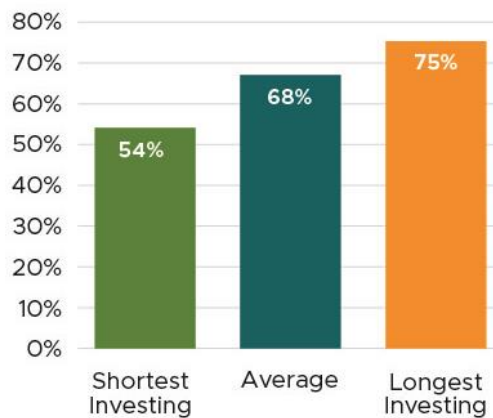


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MORE LONG-TIME INVESTORS HAVE ENTREPRENEURIAL BACKGROUNDS

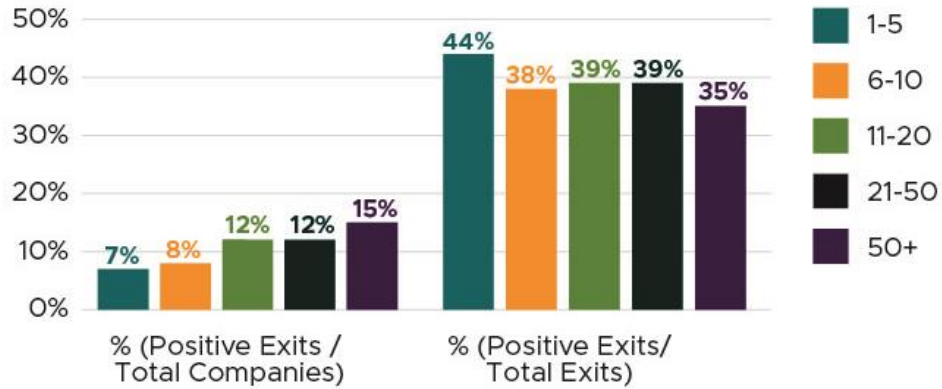
Percent Entrepreneurial Background by Length of Investing



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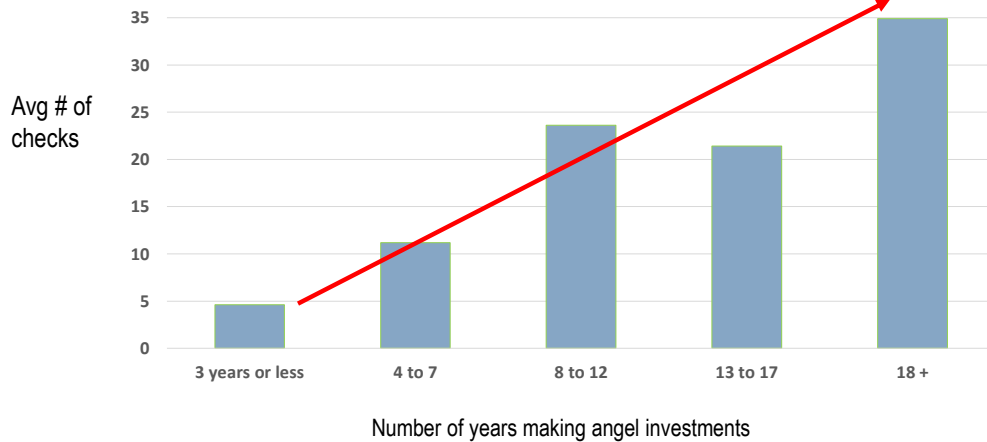
EXIT PERFORMANCE CHANGES WITH MORE PORTFOLIO COMPANIES



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ANGELS GROW PORTFOLIOS OVER TIME



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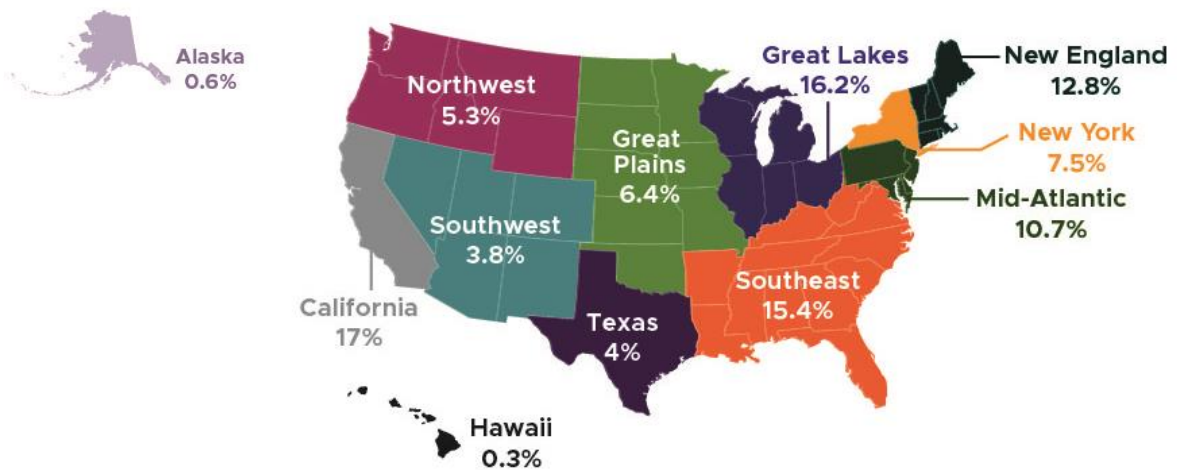
ANGELS ARE EVERYWHERE ... NOT JUST IN SAN FRANCISCO, NEW YORK & BOSTON

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ANGELS ARE EVERYWHERE

Not Just in San Francisco, New York, and Boston

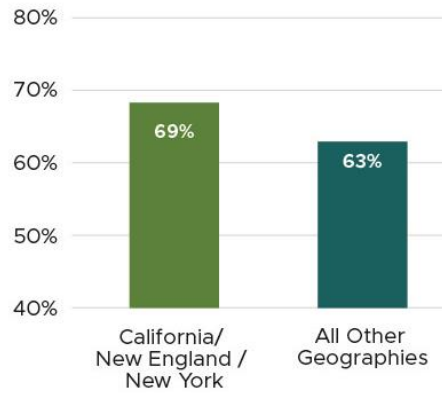


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REGIONS HAVE DIFFERENT ENTREPRENEURIAL BACKGROUNDS

Percent of Investors with Entrepreneurial Backgrounds



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CHECK SIZES ARE ALSO DIFFERENT IN REGIONS

\$ Amount Per Round



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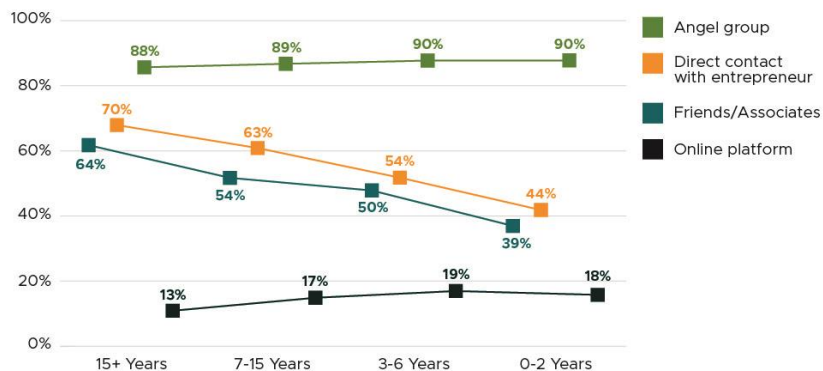


ANGEL INVESTING IS A TEAM SPORT

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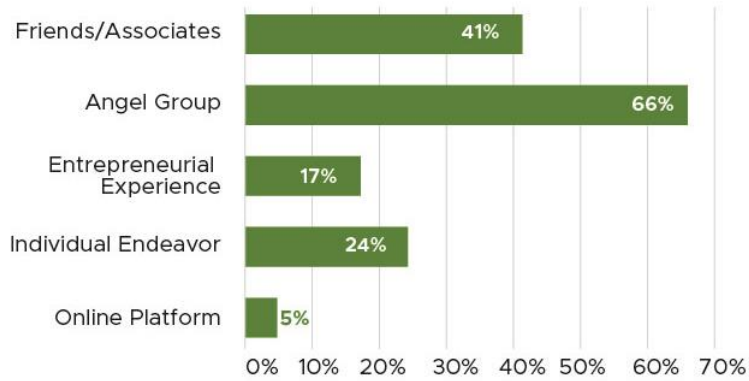
WHERE ANGELS FIND DEALS



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INITIAL INVOLVEMENT PATH



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ANGEL INVESTMENTS ARE GENERATING POSITIVE RETURNS AND OPTIMISM

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PREDICTION OF PROSPECTIVE INVESTMENTS BY YEARS OF ANGEL INVESTMENT



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ANGEL INVESTORS ARE NOT “MINI-VCs”

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WOMEN ARE 22% OF ANGELS, COMPARED TO 8% OF VCS



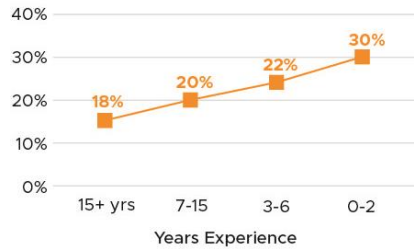
77.9% Male



22.1% Female

30% of new angels are women

% Female Investors by Years

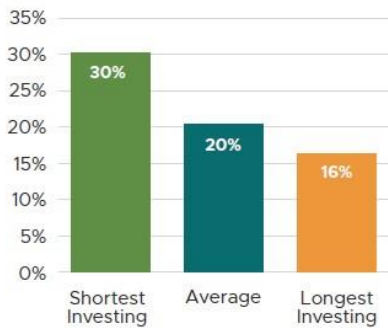


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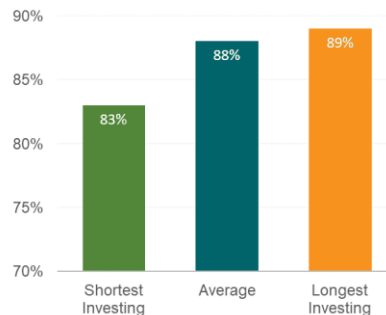
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NEWER ANGELS ARE BRINGING DIVERSITY TO INVESTING

Percent Women



Percent White

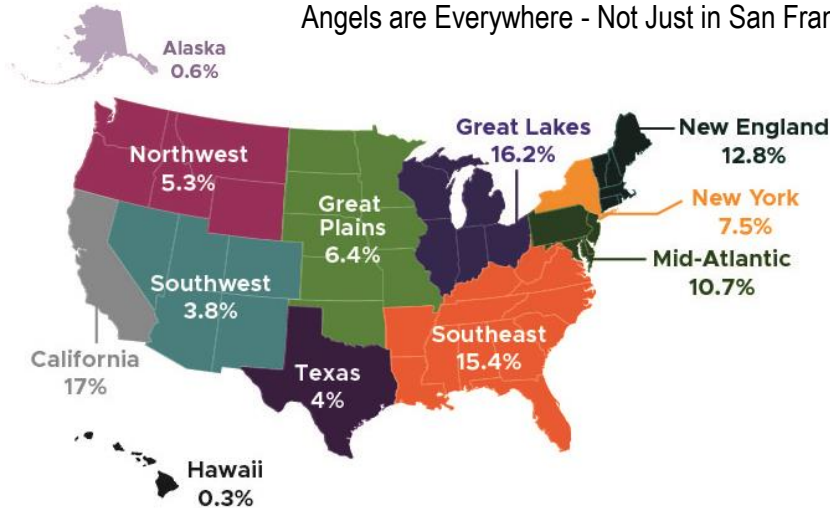


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ANGELS ARE ALSO GEOGRAPHICALLY DIVERSE

Angels are Everywhere - Not Just in San Francisco, New York, and Boston



63% of the angels in this study are located outside of San Francisco, New York, and Boston.

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WHERE THE AMERICAN ANGEL GOES NEXT

- New study starts this year
- Build from the baseline
- Get to more data to help us understand what leads us individually to better outcomes
- Love to hear your ideas on questions to answer
 - Thanks for questions in registration

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QUESTIONS



UPCOMING WEBINARS

January 17, 2018

Optimizing Due Diligence To Be Effective (And Not Exhausting)

Speaker: Pat LaPointe, Frontier Angels

February 7, 2018

Understanding Capital Models

Speaker: Ron Weissman, Band of Angels

<https://www.angelcapitalassociation.org/webinars/>



ADDITIONAL RESOURCES



Forbes

Marianne Hudson
Executive Director
Angel Capital Association



<http://www.angelcapitalassociation.org/news-forbes/>



Inc.

Handbook of the American Entrepreneur

Christopher Mirabile
Managing Director, Launchpad;
Board Chair, Angel Capital Association



<http://www.angelcapitalassociation.org/news-inc/>



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ACA HAS GOLD STANDARD EVENTS & EDUCATION

- February 22, 2018, Western Regional Angel Forum, Irvine, CA
- April 18-20, 2018, ACA Summit, Boston, MA
- June 6-7, 2018, Northwest Regional Meeting, Boise, ID
- September 27-28, 2018, ACA Southeast Regional Meeting, New Orleans, LA
- November 8-9, 2018, ACA Leadership Workshop, Irvine, CA
- <http://www.angelcapitalassociation.org/events/> ...



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