



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 month we are addressing age diversity among angel investors. Angels make up a subset of the accredited investor population. Their demographics, therefore, would be expected to represent that subset. Instead, data show that angels skew younger than the accredited investor population. The chart below shows that only 5% of accredited investors are in their 30s, while 7% of angels are the same age.

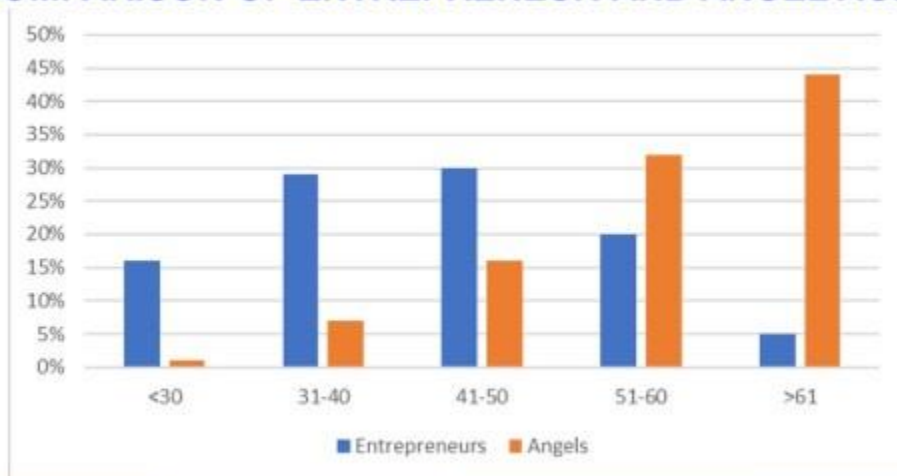


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Most angel groups welcome this: if angels mirror the entrepreneur community, they can better relate to founders and will be more likely to work with their companies.

The data also shows we have a long way to go before angel and entrepreneur demographics are similar. Entrepreneurs are still much younger than the typical angel. The chart below shows that while 29% of entrepreneurs are in their 30s, only 7% of angels are the same age.

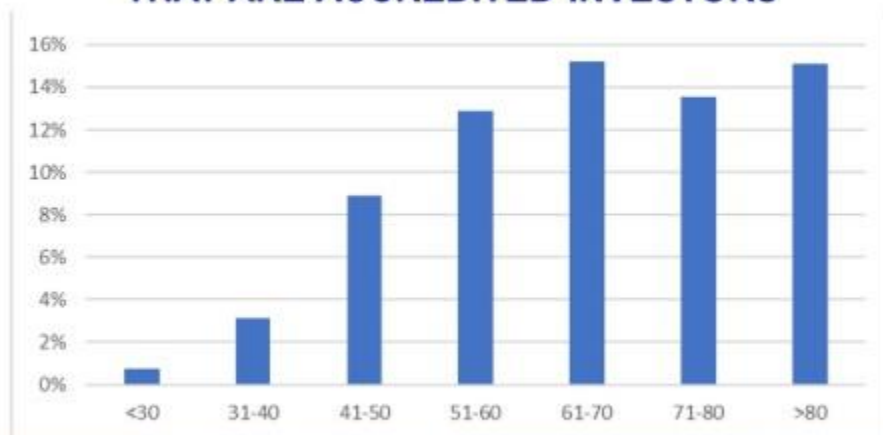
COMPARISON OF ENTREPRENEUR AND ANGEL AGES



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The scarcity of young angels is understandable since only 3% of households in their 30s qualify as accredited investors. Young accredited investors are hard to find, while young entrepreneurs are not.

PERCENTAGE OF HOUSEHOLDS THAT ARE ACCREDITED INVESTORS



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The takeaway is that age diversity will be difficult to achieve. Since younger accredited investors are so scarce, angel groups looking to increase diversity need to make a concerted effort to identify, recruit, and train young accredited investors and turn them into angels.

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.

Sources:

The American Angel Report, November 2017: <https://www.theamericanangel.org/access-full-report>

2016 Federal Reserve SCF data: <https://dqydj.com/accredited-investors-by-age-in-america/>

Harvard Business Review July 11, 2018: <https://hbr.org/2018/07/research-the-average-age-of-a-successful-startup-founder-is-45>



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