

THE AMERICAN ANGEL

Early Results of Survey



ANGEL CAPITAL ASSOCIATION



Entrepreneurship



ANGEL CAPITAL ASSOCIATION

KEY AMERICAN ANGEL STATS (*ESTIMATES*)

2015 National Market

\$24B invested

71K+ deals
in every state

~300,000 angels

90% of outside equity for
startups

Averages

Individual
check size

**\$10 -
\$50K**

Market deal
size

\$345K

Group deal
size

\$850K

Market
Valuation

\$2.7M

Group
Valuation

\$4+M



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WHY WE'RE DOING THE RESEARCH



Who is the American Angel?

- Invested \$24B
- In 71,000 cos
- Spur economy
- But not much else known



Is a New Type of Angel Emerging?

- Young, old, male, female?
- Where live?
- How become angel?
- What does background mean for investing?



Put a Face on American Angels

- More supportive public policies
- Info to grow angel field
- Info for entrepreneurs

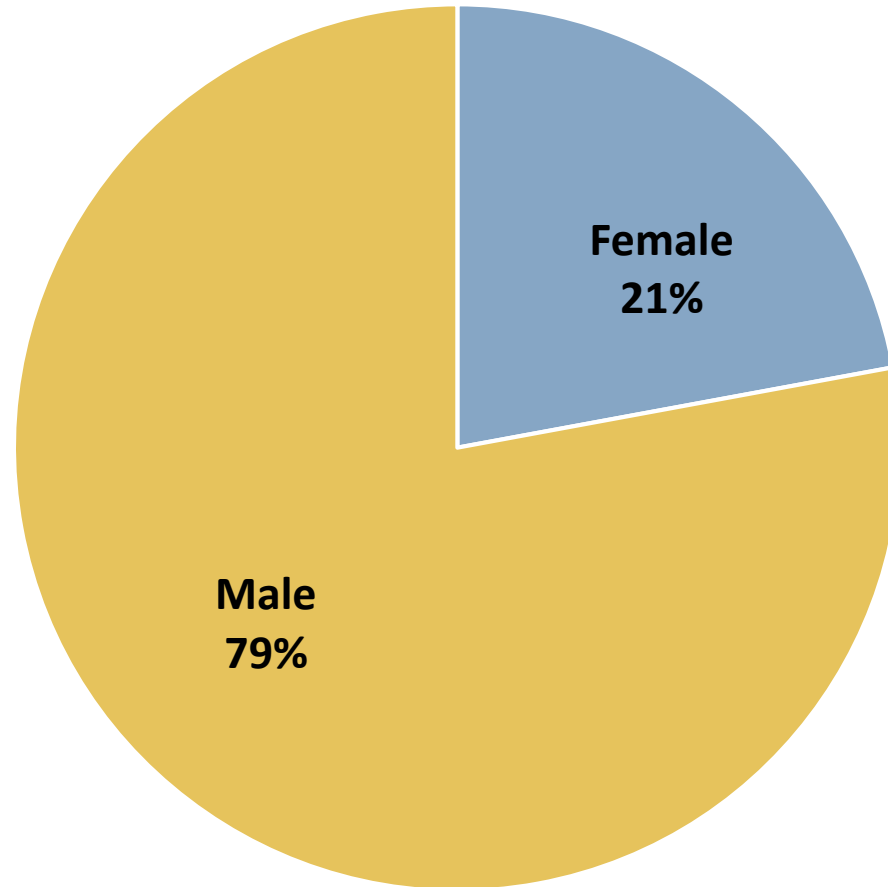
THE DATA SET

- 1,659 angels – THANK YOU
- Self-reported via on-line survey
- Wharton has reviewed data for balance and significance
- Largest ever data set of individual angels in the world

- Demographics

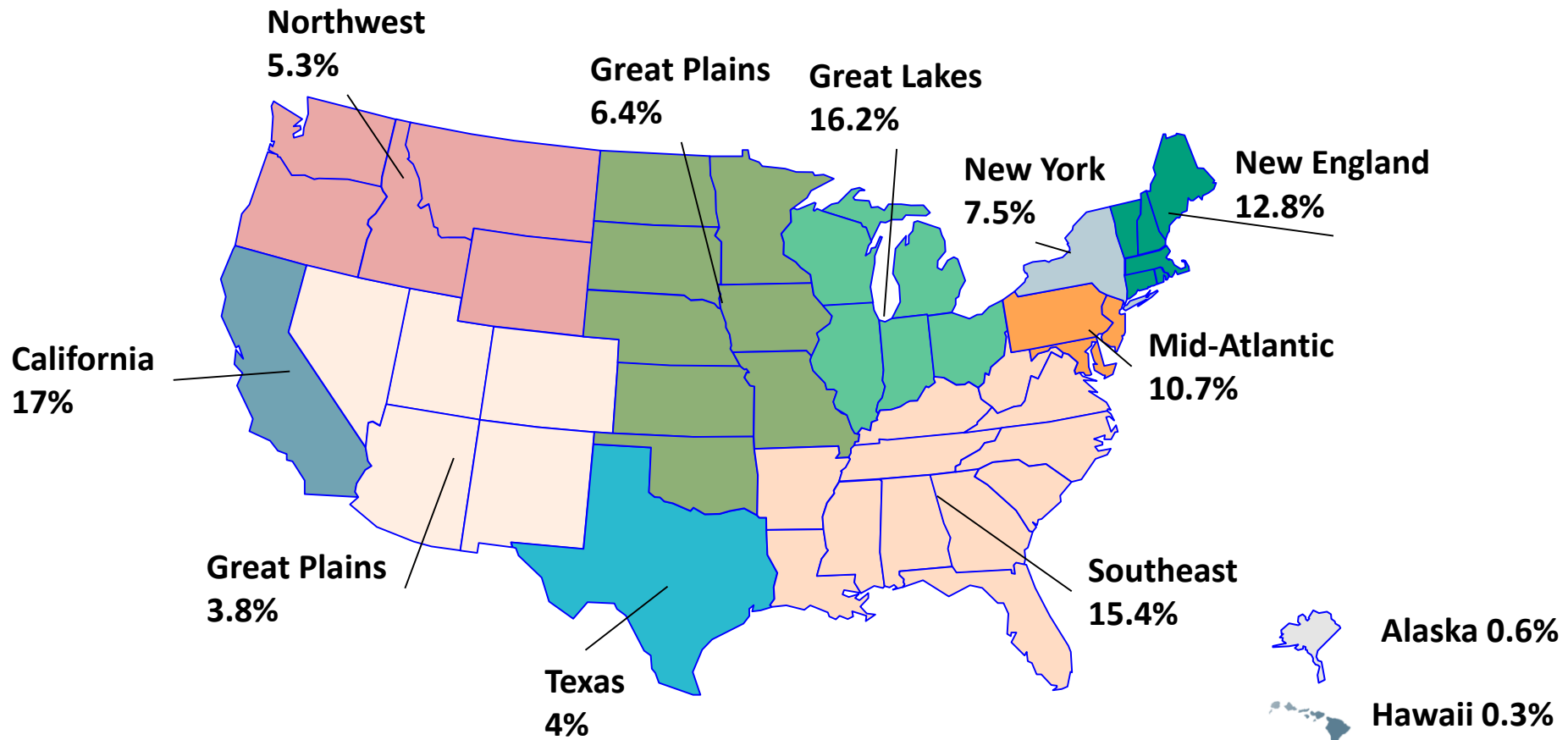
- Pathway to Becoming an Angel
- Investments and Expectations
- Investment Preferences and Style

GENDER



Fits with other estimates – but still a surprise based on my experience

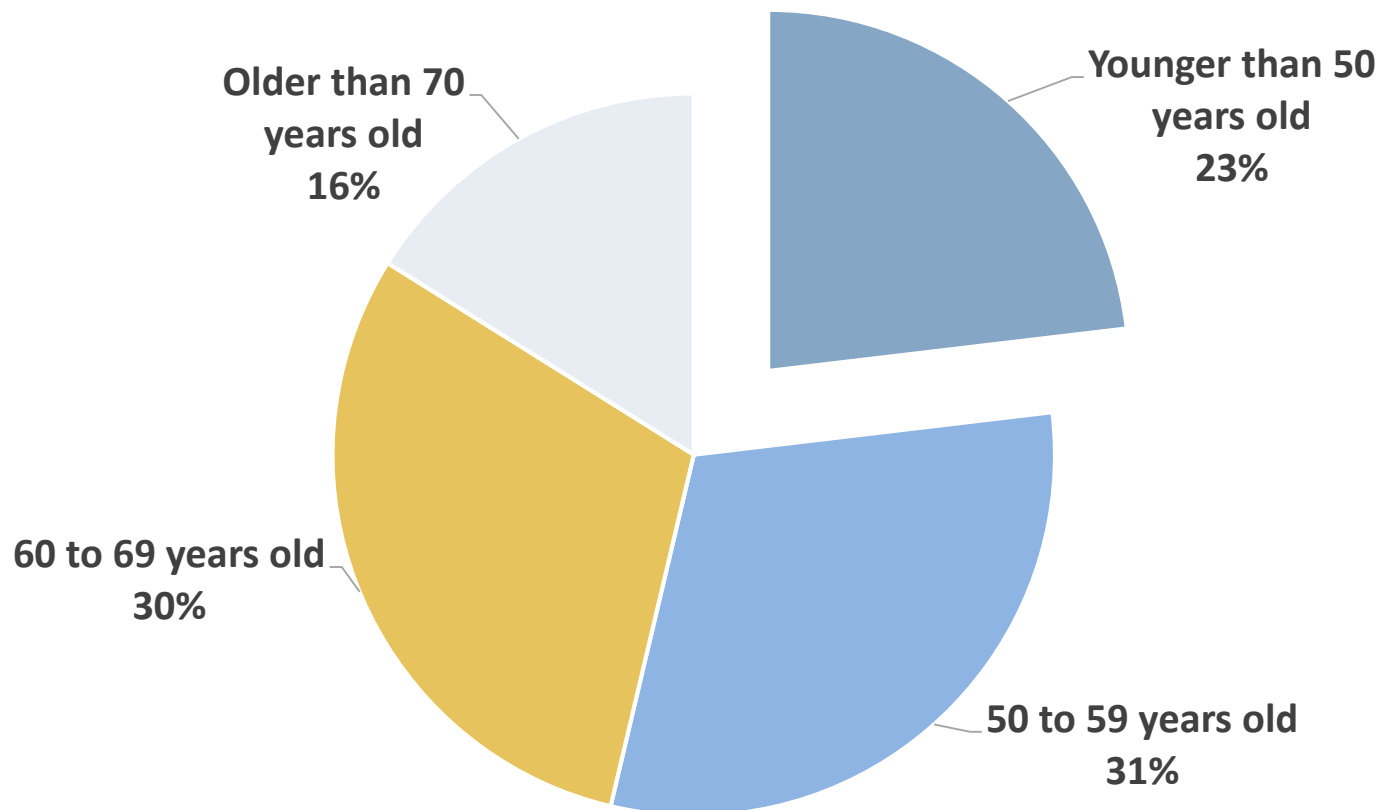
GEOGRAPHIC HOMES OF ANGELS IN “TAA”



Angels appear to be everywhere, not just California. How match up to HALO Report?

INVESTOR AGE

Median age = 59 years old



RANGE OF INVESTOR EXPERIENCE



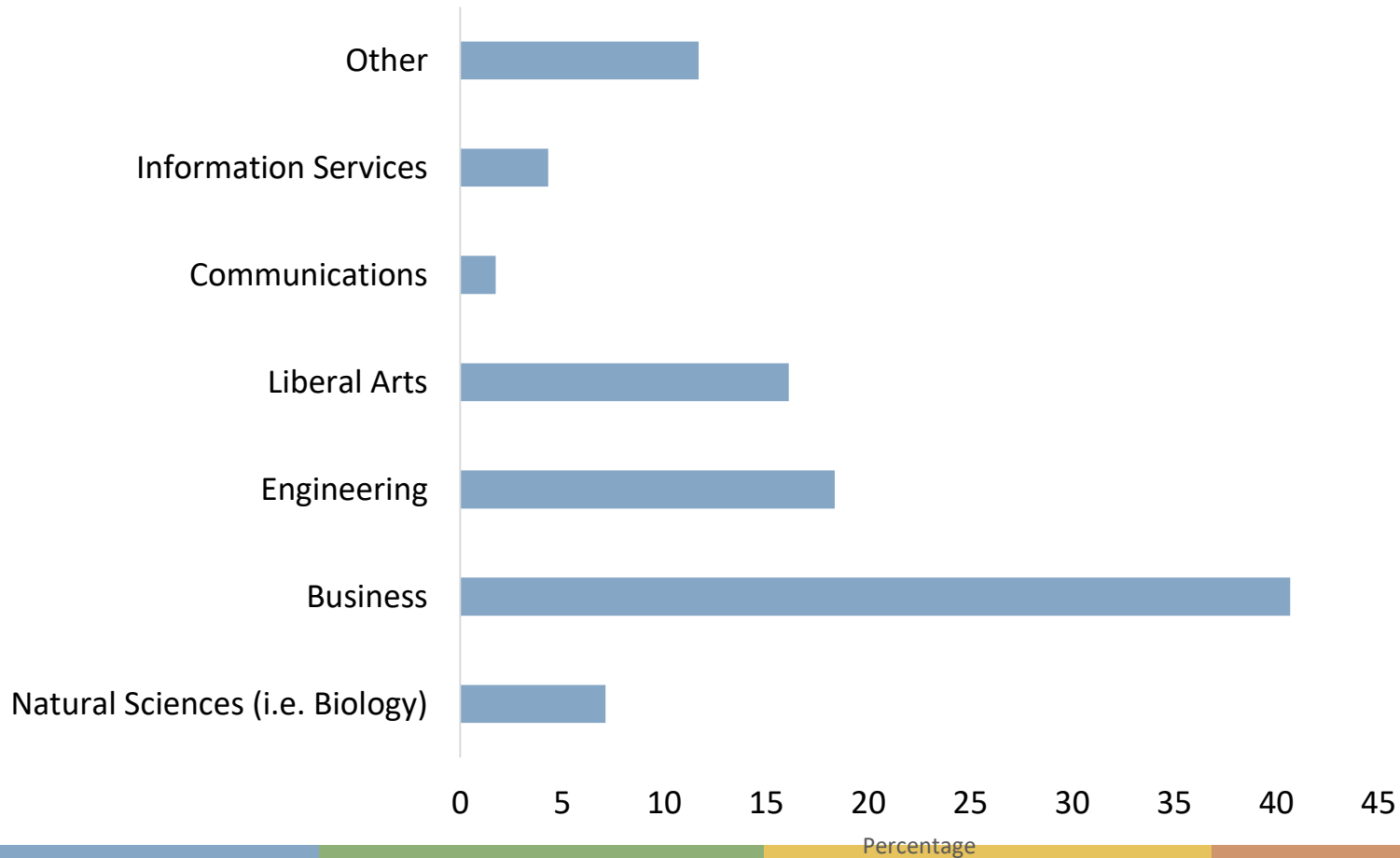
- Demographics

- Pathway to Becoming an Angel

- Investments and Expectations

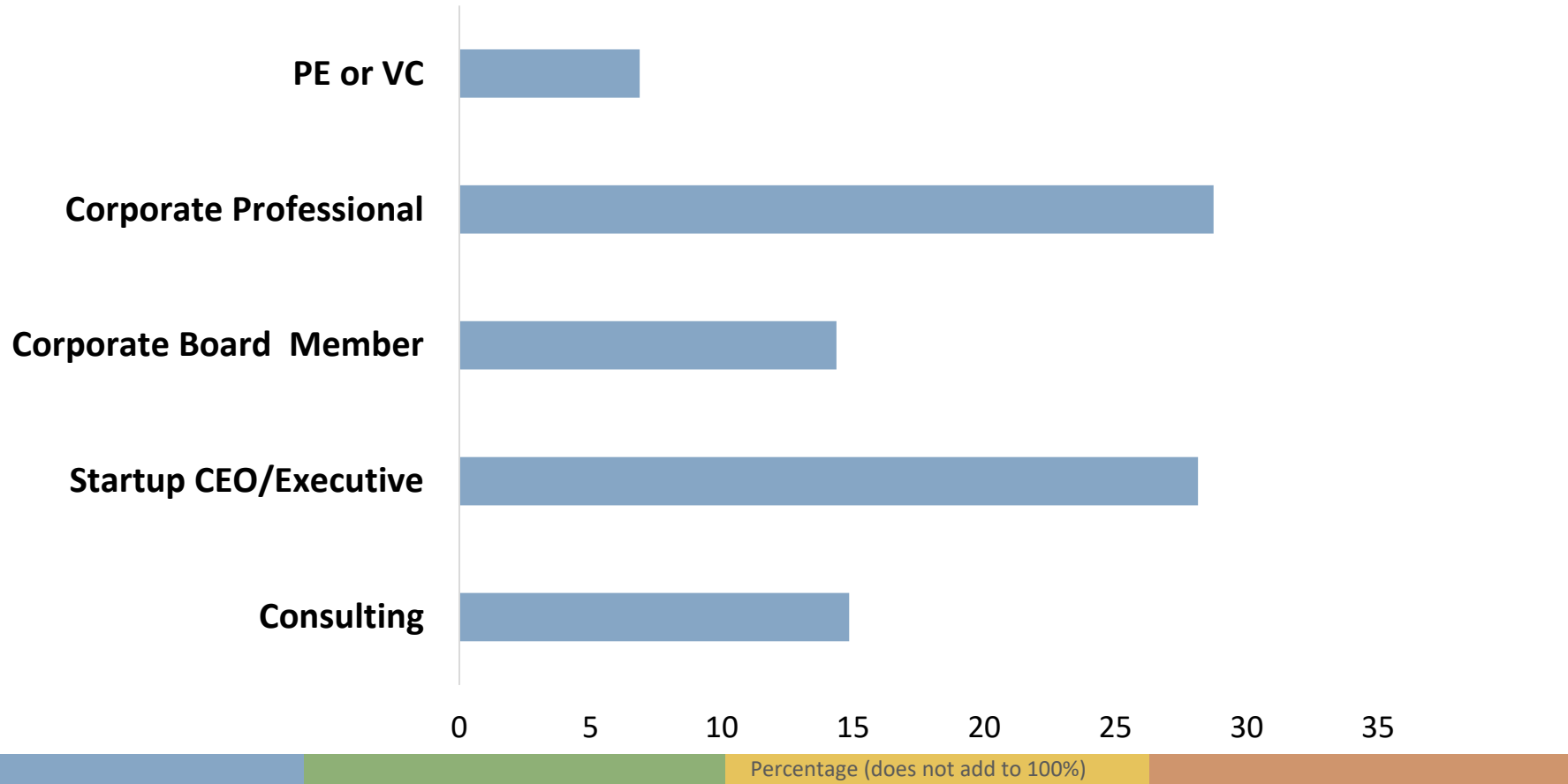
- Investment Preferences and Style

MAJOR AREA OF STUDY IN COLLEGE/UNIVERSITY



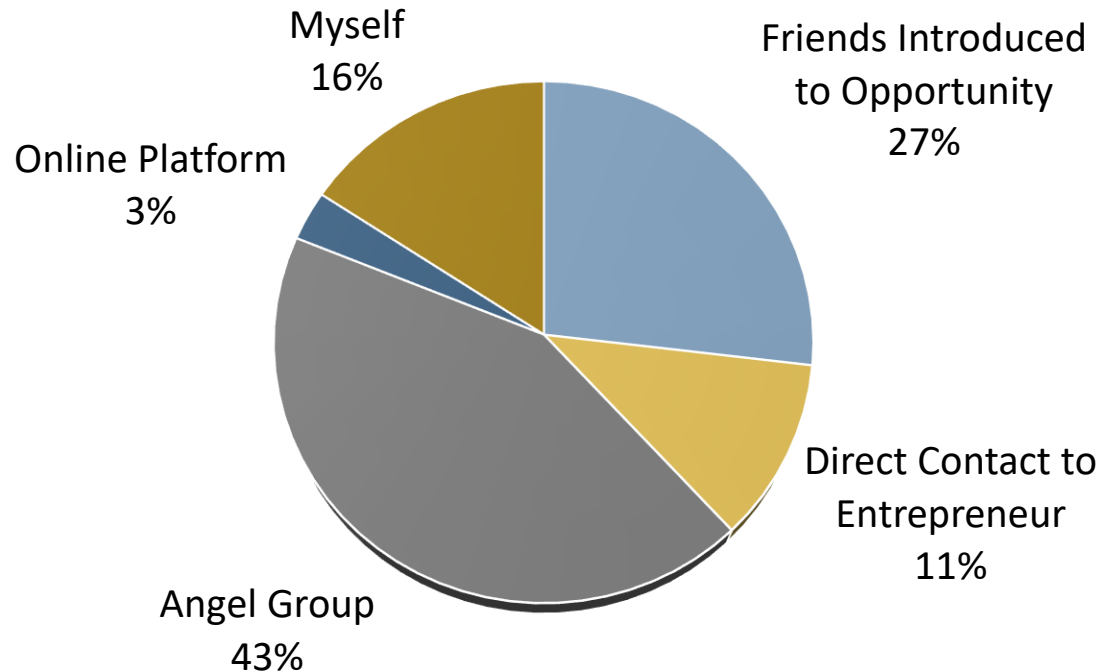
POSITIONS HELD

***MOST ANGELS COMING FROM EITHER CORPORATE OR
ENTREPRENEURIAL BACKGROUNDS...***



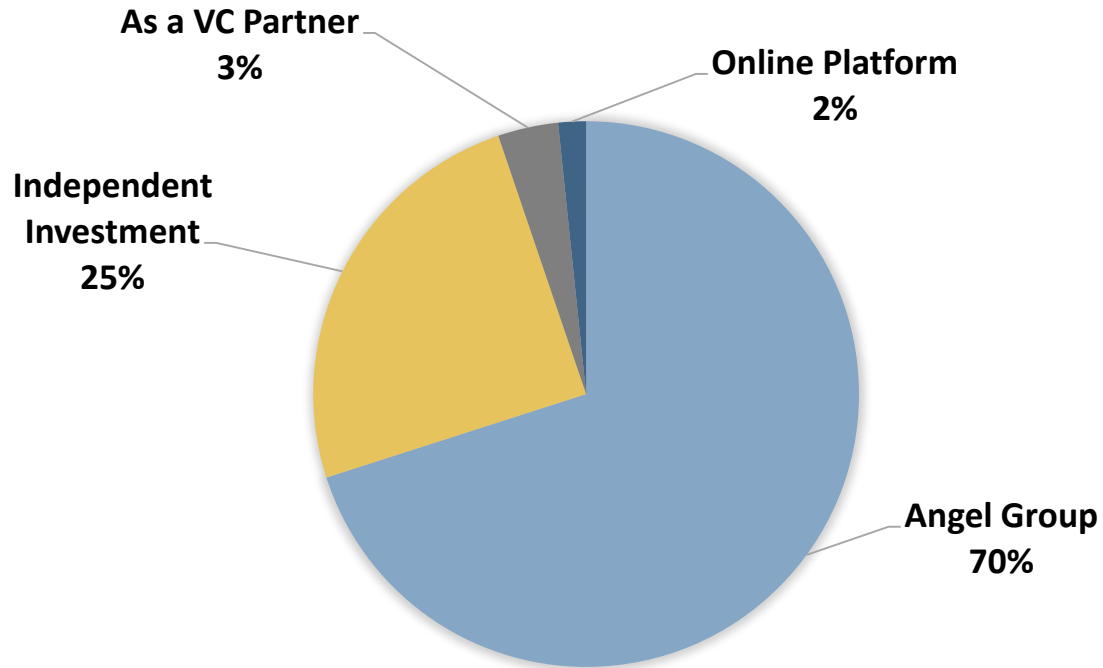
INITIAL INTRODUCTION TO ANGEL INVESTING

MOST FIRST BECAME INVOLVED THROUGH ANGEL GROUPS AND VIA FRIENDS...



- Demographics
- Pathway to Becoming an Angel
- Investments and Expectations
- Investment Preferences and Style

HOW ANGELS MAKE MOST INVESTMENTS



Question for future: how many angels use more than one?

COMPANIES IN PORTFOLIO

Median portfolio size is 7

...25th Percentile is 4

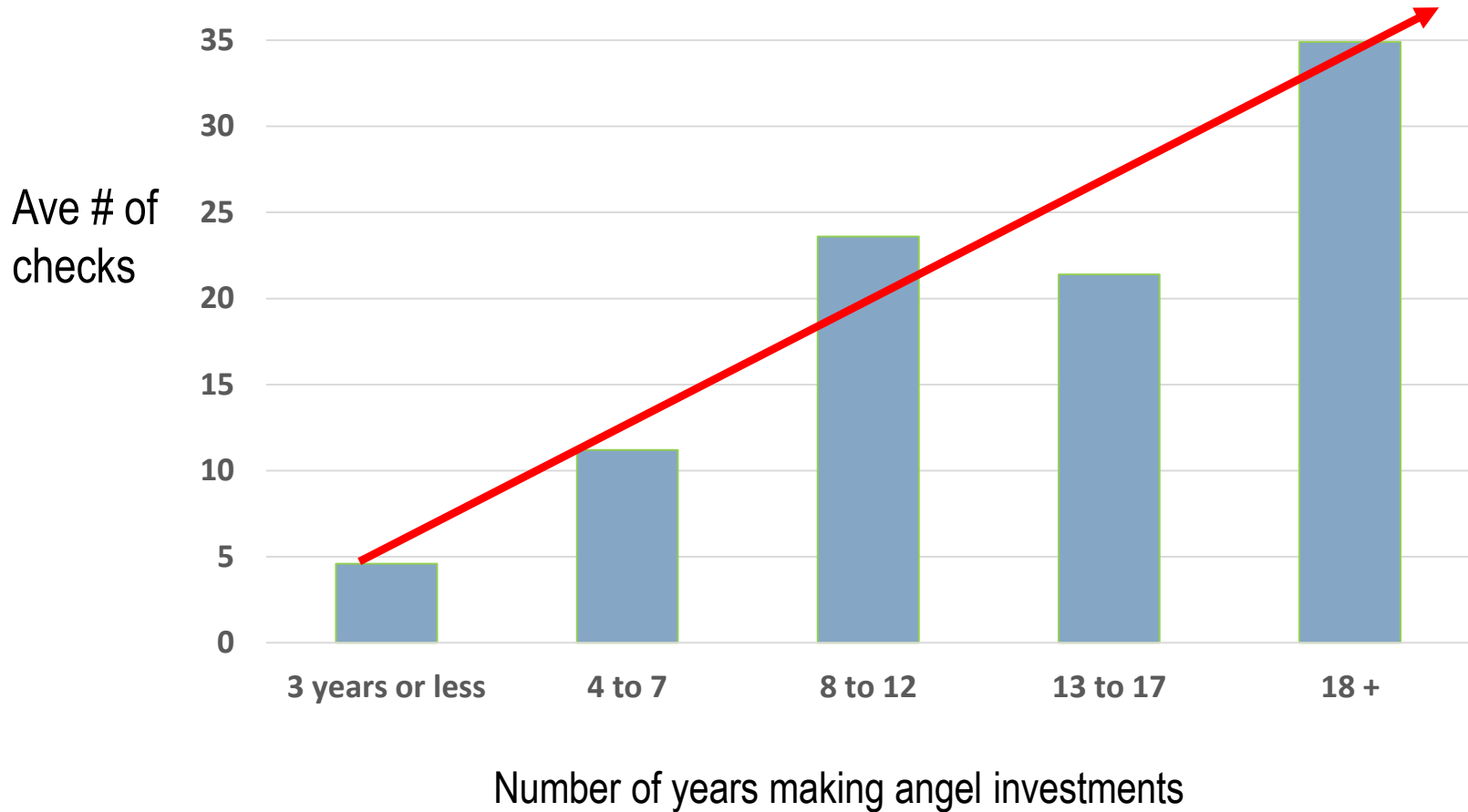
...75th percentile is 15

Range of portfolio sizes

...minimum of 1

...maximum of 106

ANGELS GROW PORTFOLIOS OVER TIME (?)



CHECK SIZE

Average amount of investment:

Median of 25,000

Mean of 35,255

Total Range: 0 to 750,000

Average amount of follow-on:

Median of 20,000

Mean of 33,147

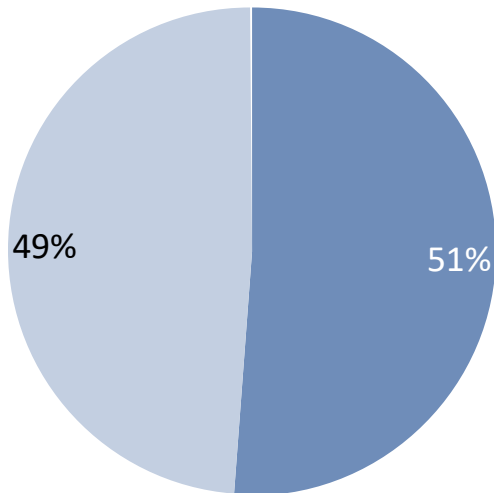
Total Range: 0 to 500,000

- Demographics
- Pathway to Becoming an Angel
- Investments and Expectations
- Investment Preferences and Style

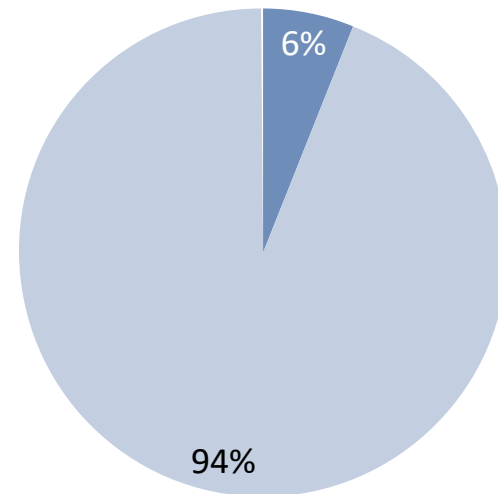
GENDER OF THE FOUNDER MORE IMPORTANT TO WOMEN INVESTORS

6 % of male investors said that gender of the entrepreneur was 'highly important'¹; 51% of female investors said that gender of the entrepreneur was 'highly important'

**FEMALE INVESTORS:
IMPORTANCE OF GENDER OF FOUNDER**



**MALE INVESTORS:
IMPORTANCE OF GENDER OF FOUNDER**



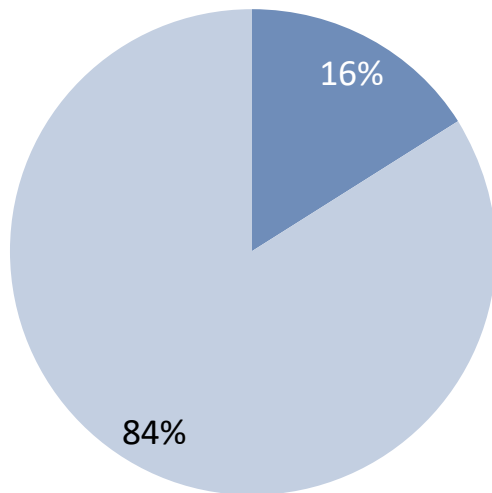
■ "highly important"

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

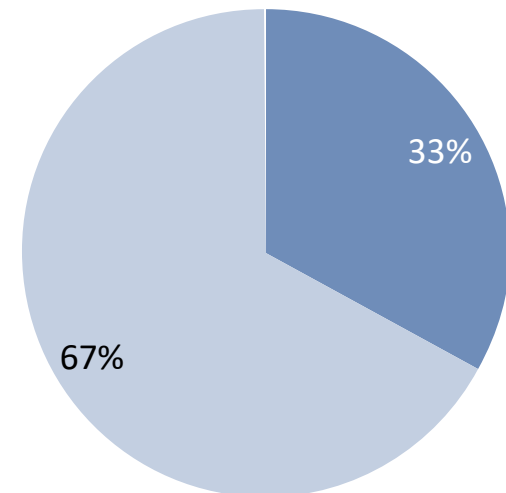
GENDER DIFFERENCES: SOCIAL IMPACT OF VENTURE


- 16% of male investors considered social impact of the venture
- 33% of female investors considered social impact of the venture

**MALE INVESTORS:
IMPORTANCE OF SOCIAL IMPACT**



**FEMALE INVESTORS:
IMPORTANCE OF SOCIAL IMPACT**



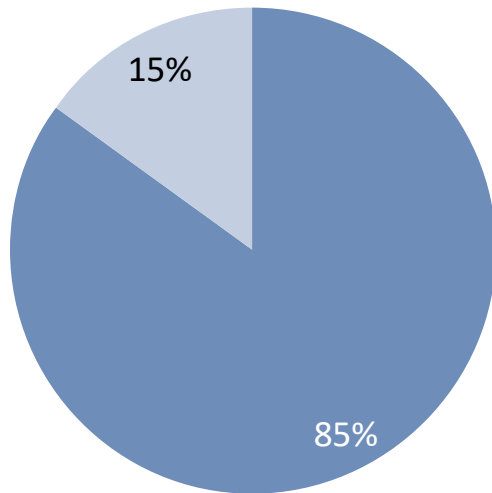
 An "extensively used"
consideration

1) 'extensively used' linked to a score of a 4 or 5, on a 1-5 scale

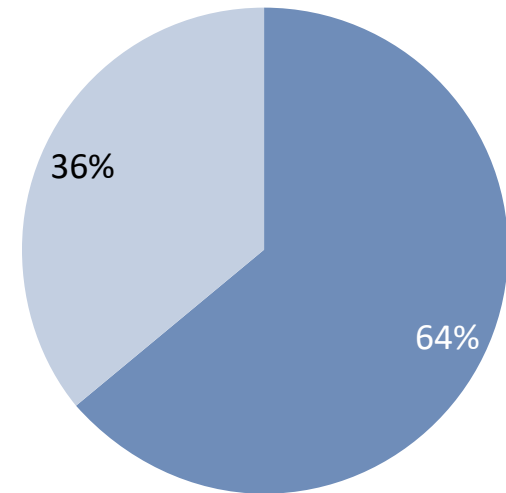
CRITERIA FOR ALL: TRUSTWORTHINESS AND COACHABILITY

- 85% of investors said that the “quality” of the team, including aspects like passion, trustworthiness and coachability, was ‘extremely important’
- 64% of investors said knowledge of team (i.e. experience in the industry sector) was ‘extremely important’

IMPORTANCE OF QUALITY OF
TEAM TO INVESTORS



IMPORTANCE OF
EXPERIENCE AND KNOWLEDGE OF
TEAM TO INVESTORS



■ extremely important



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

PUBLISH REPORT THIS SUMMER

- More details
- Answers to more questions
- Plan to continue in future years – dig into new questions and trends
- What do you want to know?

MORE INFORMATION

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