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## Sustainable Growth Takes Hold in U.S. Angel Investor Market, UNH Center for Venture Research Finds

## Media Relations

October 16, 2013

### **Sustainable Growth Takes Hold in U.S. Angel Investor Market, UNH Center for Venture Research Finds**

DURHAM, N.H. – The U.S. angel investor market in the first two quarters of 2013 showed signs that sustainable growth has taken hold since the correction in the second half of 2008 and the first half of 2009, with total investments at \$9.7 billion, an increase of 5.2 percent over the same period in 2012, according to the Center for Venture Research at the University of New Hampshire.

The UNH Center for Venture Research released [new data](#) about the state of the U.S. angel investor market today, Wednesday, Oct. 16, 2013.

A total of 28,590 entrepreneurial ventures received angel funding during the first half of 2013, a 4.8 percent increase from the same period in 2012, and the number of active investors in Q1 and Q2 2013 was 134,895 individuals, a 2.9 percent increase from Q1 and Q2 2012. The increase in total dollars and the matching increase in total investments resulted in an average deal size of \$337,850 in the first half of 2013, comparable to the deal size in the same period in 2012 of \$336,390.

“These data indicate that angels remain major players in this investment class and at valuations similar to the first half of 2012. While the market exhibited a pattern similar to the first half of 2012, when compared to the market correction that occurred in 2008, these data indicate that the angel market has demonstrated a steady recovery since 2008,” said Jeffrey Sohl, director of the UNH Center for Venture Research at the Peter T. Paul College of Business and Economics.

Angels continued their appetite for seed and start-up stage investing, with 38 percent of Q1 and Q2 2013 angel investments in the seed and start-up stage, which is virtually unchanged from 40 percent in the like period last year. There was, however, a shift in early stage financing (post-seed and start-up) to 51 percent in the first half of 2013, an increase from 38 percent from the previous period. New, first-sequence investments represented 49 percent of Q1 and Q2 2013 angel activity, unchanged from the same period last year.

“Historically angels have been the major source of seed and start-up capital for entrepreneurs, and while this stabilization in seed and start-up investing is an encouraging sign, it has remained consistently below the pre-2008 peak of 55 percent, signifying that there continues to be a need for seed and start-up capital for both new venture formation and job creation,” Sohl said.

Software accounted for the largest share of investments, with 24 percent of total angel investments in Q1 and Q2 2013, followed by health care services/medical devices (21 percent), industrial/energy (10 percent), retail (8 percent), biotech (8 percent) and IT services (6 percent).

“Industrial and energy investing has been a consistent performer since 2009, which reflects an interest in clean tech investing. Retail and biotech have solidified their presence in the top six sectors,” Sohl said.

Angel investments continue to be a significant contributor to job growth, with the creation of 111,500 new jobs in the United States in the first half of 2013, or 3.9 jobs per angel investment.

The Center for Venture Research has been conducting research on the angel market since 1980. The center's mission is to provide an understanding of the angel market and the critical role of angels in the early stage equity financing of high growth entrepreneurial ventures. Through the tenet of academic research in an applied area of study, the center is dedicated to providing reliable and timely information on the angel market to entrepreneurs, private investors and public policymakers. For more information visit <https://paulcollege.unh.edu/research/center-venture-research> or contact the center at 603-862-3341.

The UNH Peter T. Paul College of Business and Economics offers a full complement of high-quality programs in business, economics, accounting, finance, information systems management, entrepreneurship, marketing, and hospitality management. Programs are offered at the undergraduate, graduate, and executive development levels. The college is accredited by the Association to Advance Collegiate Schools of Business, the premier accrediting agency for business schools worldwide. For more information, visit [paulcollege.unh.edu](http://paulcollege.unh.edu).

The [University of New Hampshire](http://www.unh.edu), founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,300 undergraduate and 2,200 graduate students.

#### PHOTO

Jeffrey Sohl, director of the UNH Center for Venture Research  
<http://www.unh.edu/news/img/JeffreySohl.tif>

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*Jeffrey Sohl, director of the UNH Center for Venture Research, can be reached at 603-862-3373 and [jeff.sohl@unh.edu](mailto:jeff.sohl@unh.edu). The full analysis, "The Angel Investor Market in Q1Q2 2013: A Sustainable Growth Continues," is [available for download](#).*

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UNH Experts available for comment:

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