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**EDITORS AND REPORTERS:** Jeffrey Sohl, director of the UNH Center for Venture Research, can be reached at 603-862-3373 and [jesohl@christa.unh.edu](mailto:jesohl@christa.unh.edu). The full 2010 Angel Market Analysis, "The Angel Investor Market in 2010: A Market on the Rebound," is available at <http://www.unh.edu/news/docs/2010angelanalysis.pdf>.

### **Angel Investor Market Rebounds in 2010, UNH Center for Venture Research Finds Total Investments Increase 14 Percent From 2009**

DURHAM, N.H. – The 2010 angel investor market saw a robust increase in investment dollars following a considerable contraction in investment dollars in 2008 and 2009, according to the 2010 Angel Market Analysis released by the Center for Venture Research at the University of New Hampshire.

Total investments in 2010 were \$20.1 billion, an increase of 14 percent over 2009 when investments totaled \$17.6 billion. A total of 61,900 entrepreneurial ventures received angel funding in 2010, an increase of 8.2 percent over 2009 investments, and the number of active investors in 2010 reached 265,400 individuals, a small growth of 2.3 percent from 2009.

"The significant increase in total dollars, coupled with the rise in the number of investments, resulted in a larger deal size – 5.4 percent larger – for 2010 compared with 2009. These data indicate that angels have significantly increased their investment activity and are committing more dollars resulting from higher valuations. It appears that a cautious optimism to investing is taking hold. Noteworthy changes did occur in the critical seed and start-up stage investment landscape," according to Jeffrey Sohl, director of the UNH Center for Venture Research at the Whittemore School of Business and Economics.

Healthcare services/medical devices and equipment accounted for the largest share of investments, with 30 percent of total angel investments in 2010, followed by software (16 percent), biotech (15 percent), industrial/energy (8 percent), retail (5 percent) and IT services (5 percent).

"Industrial/energy investing has remained a significant sector for angels, reflecting a continued appetite for clean tech," Sohl said.

Mergers and acquisitions represented 66 percent of the angel exits, and bankruptcies accounted for 27 percent of the exits in 2010. About half of the angel exits were at a profit and annual returns for angel's exits (mergers and acquisitions and IPOs) were between 24 percent and 36 percent, however, these returns were quite variable.

Angels again reduced their investments of seed and start-up capital, with 31 percent of 2010 angel investments in the seed and start-up stage, a decrease of 4 percent from 2009. Angels also exhibited an increased interest in post-seed/start-up investing with 67 percent of investments in the early and expansion stage, an increase from 2009. New, first sequence, investments represented 41 percent of 2010 angel activity, also a decline from

the last year of 6 percent.

"This decrease in seed/start-up stage and first sequence investing is of concern. However, as existing investments move to an exit and thus reduce the need for follow-on investments, it is anticipated that angel capital will become available for new seed stage investments," Sohl said.

Angel investments continue to be a significant contributor to job growth with the creation of 370,000 new jobs in the United States in 2010, or 6 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 <http://wsbe.unh.edu/cvr> or contact the center at 603-862-3341.

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**PHOTO**

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