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## Angel Investor Statistics

Angel definition: One who provides informal debt / equity to a company who is *not* a friend or family member, they invest on business merit only. 1/5 are accredited (\$1 million net worth-business assets only or \$200K in income), 1/4 make follow on investments, 1/600 in US is Angel, wide diversity in wealth, expertise, and involvement, no term sheets (informal), usually not on corporate board.

Company profile for angel investor: Business entity of corporate form; C corp., S corp., LLC, no sole proprietorships, no partnerships. 15% have patents, 15% have copyrights, 33% have trademarks. 2/3 of founders have college degree, 60% of founders are on their 2nd or later business startup, 55% of founders work full time in their business as their primary income, company is less than 5 years old, founder is 35 to 55 years old, 2/3 are existing companies that have annual gross sales of \$300,000, company has 5 employees, company has net positive cash flow, 1/3 are pre-revenue-not in operation, about 0.2% of companies go public, about 1% are acquired, prefer "A" team (more certainty) and "B" idea (less certainty).

Angel financials: Average investment term 3 years, 40% invest as debt, 60% invest as equity-common stock or member share (usually 20-35% ownership), average investment \$70,000, investment range \$500 to \$500,000, typical return 20%, overall 1/10 of investments provide majority of returns, Angels provide around 4% of small business capital and venture capital provides around 2% of small business capital.

### Famous Angels:

Andy Bechtolsheim-made \$100 million from initial \$100,000 in Google

Peter Thiel-made \$2 billion from initial \$500,000 in Facebook

Tom Alberg-made \$25 million from initial \$50,000 in Amazon

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