

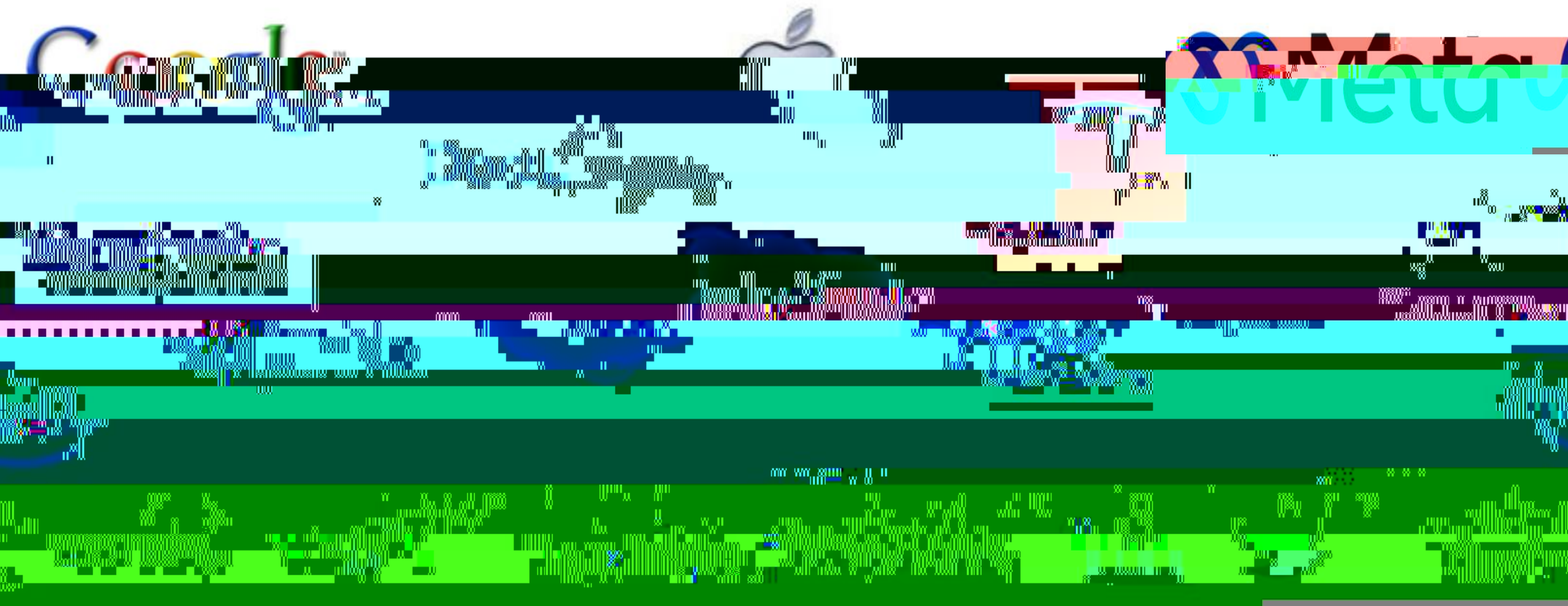
# Southwest Venture Forum

January 18, 2024

Bobby Franklin  
President and CEO, NVCA

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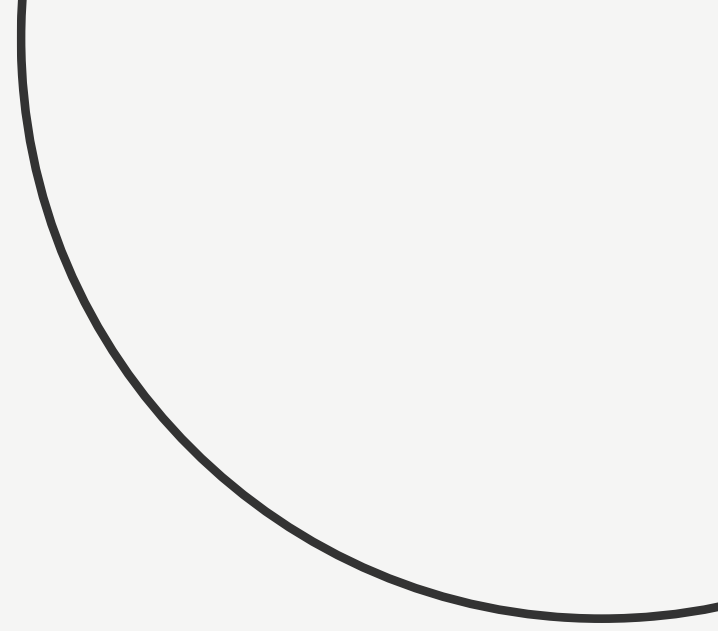




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Some Venture-Backed Companies

# THE MECHANICS OF VENTURE CAPITAL



## General Partners

Venture Capitalists

## Limited Partners



Institutional Investors



Non-Profit Endowments



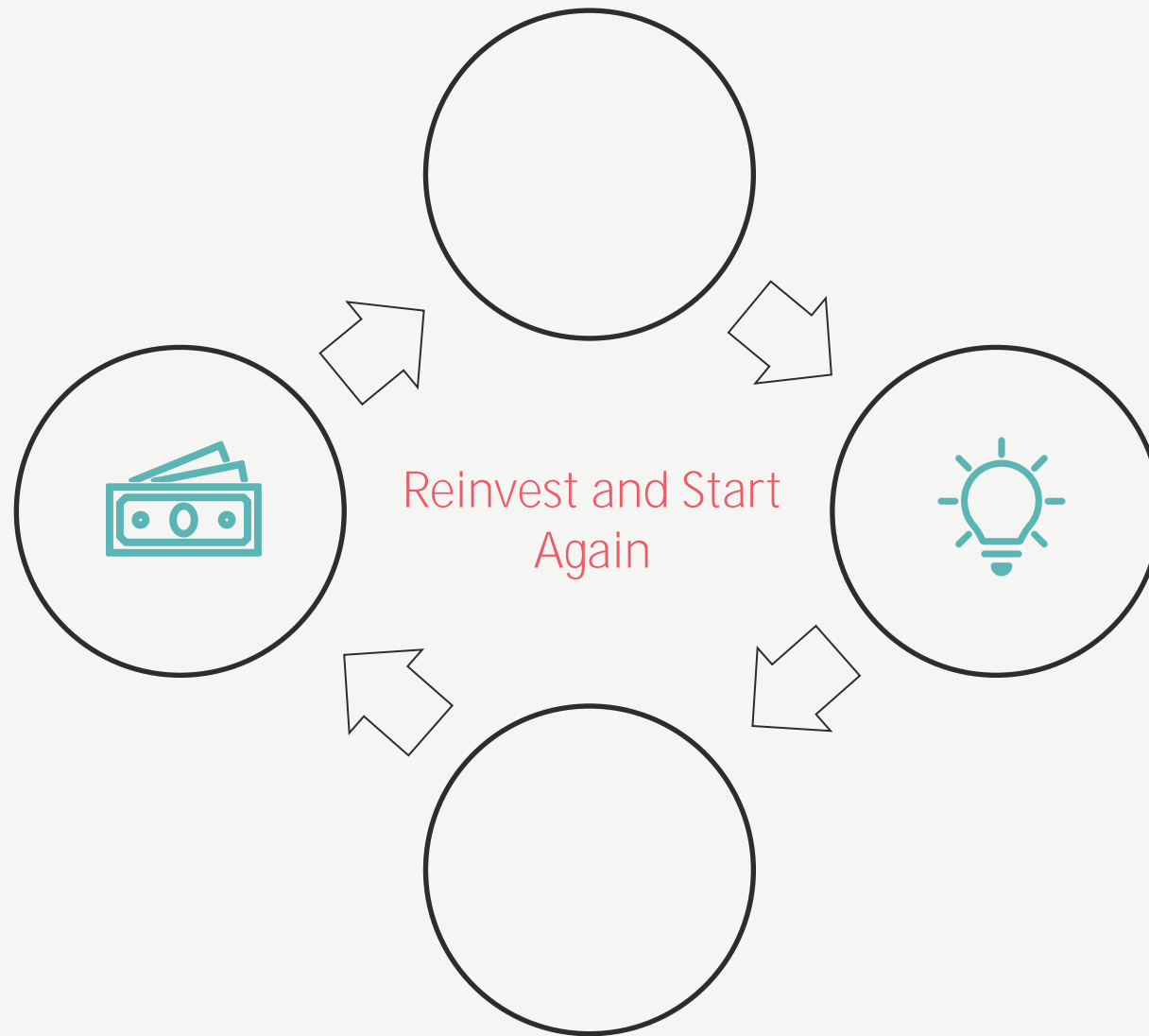
Family Offices

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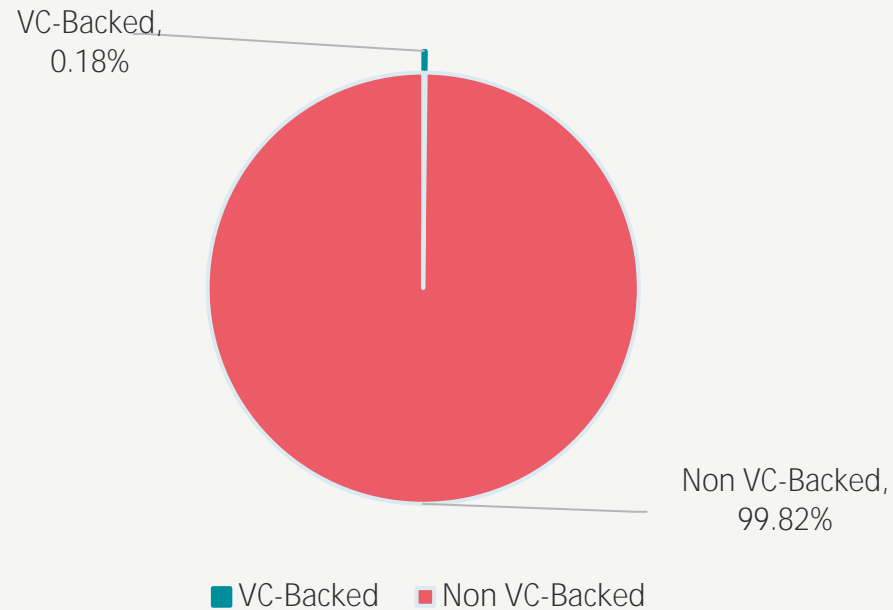




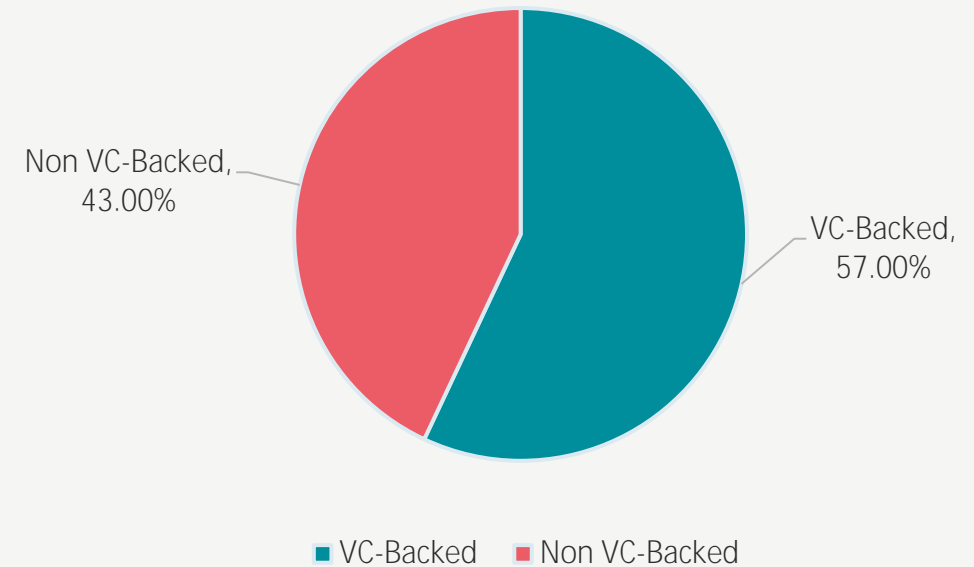
# VC'S IMPORTANCE TO THE U.S. ECONOMY

# VC-Backed Companies Create Tremendous Value

New Companies Founded Between 1975 and 2015

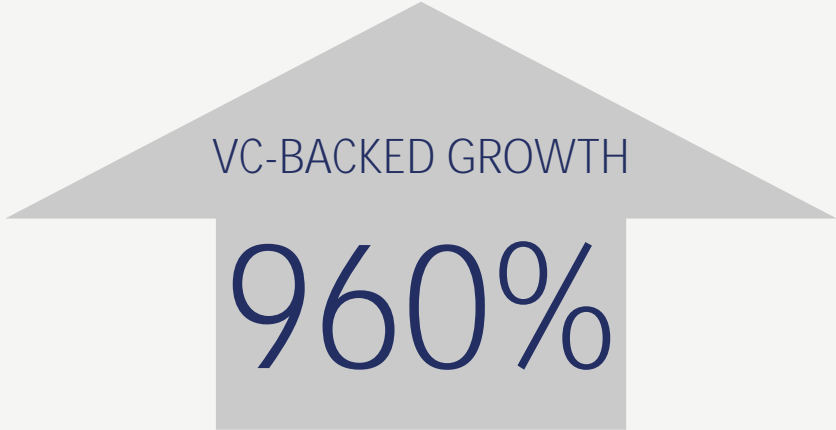


% of Public Market Cap of Public Companies Founded Between 1975 and 2015



Source: Strebulaev & Gornall

Employment Growth from 1990 to 2020



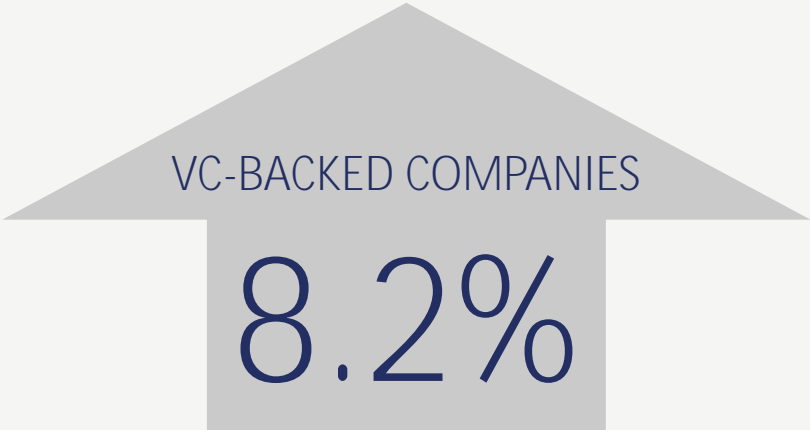
VS

TOTAL PRIVATE SECTOR

40%



Annualized Growth Rate of Employment from 1990 to 2020



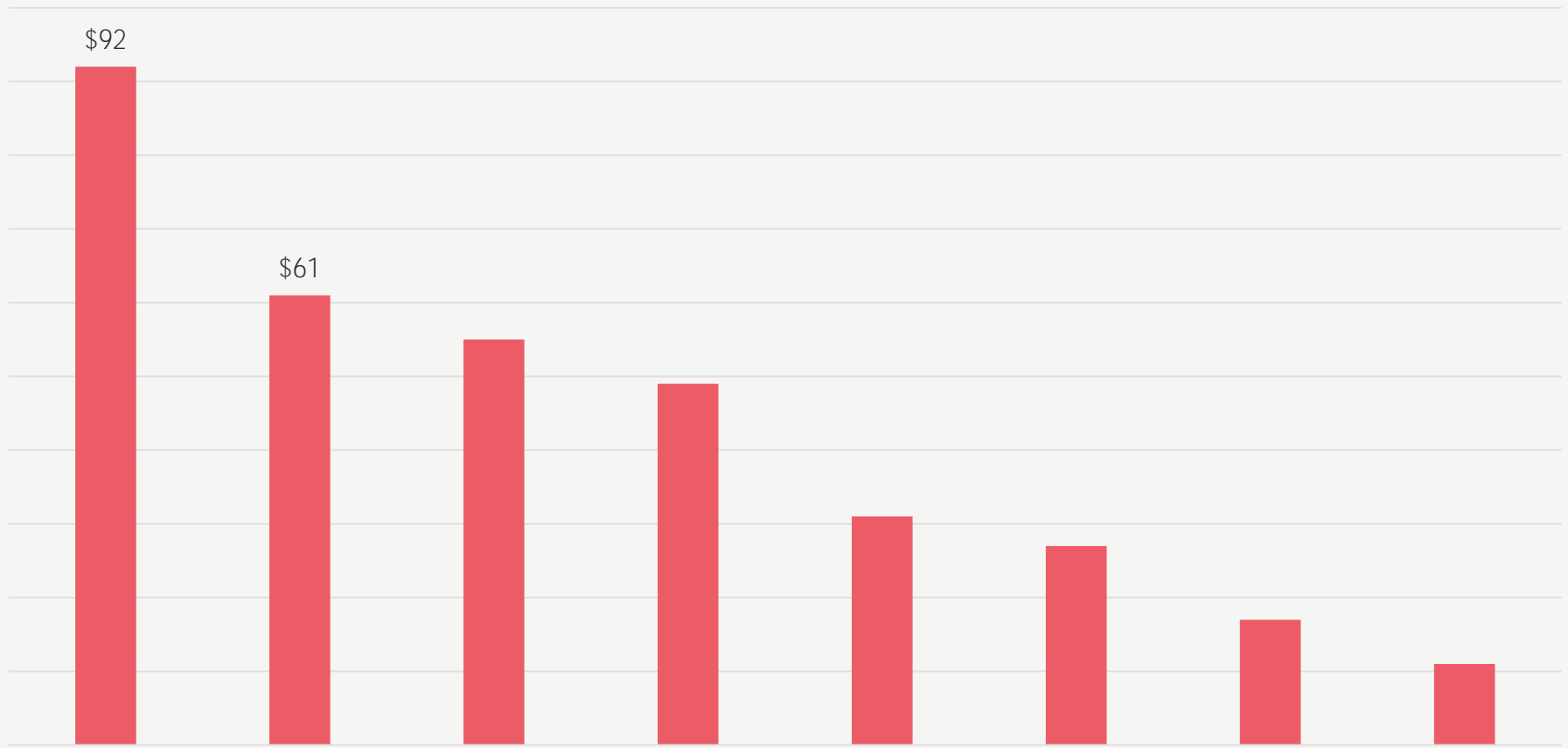
VS

TOTAL PRIVATE SECTOR

1.1%



Source: Brown & Chow

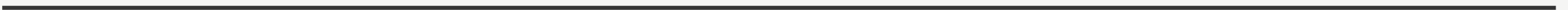


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VC's Importance to the US Economy: Frontier Technology

54,000

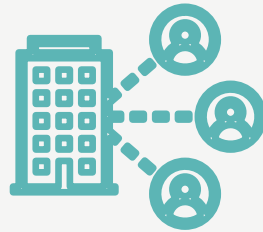
U.S. VC-Backed  
Companies



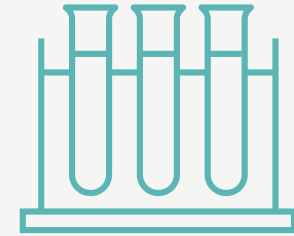
# VC-BACKED COMPANIES



Generate  
Greater Value



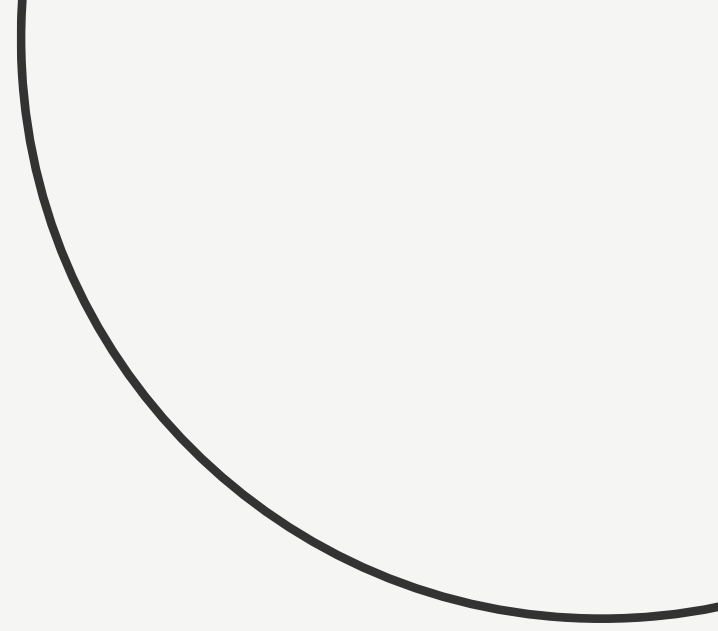
Create  
More Jobs



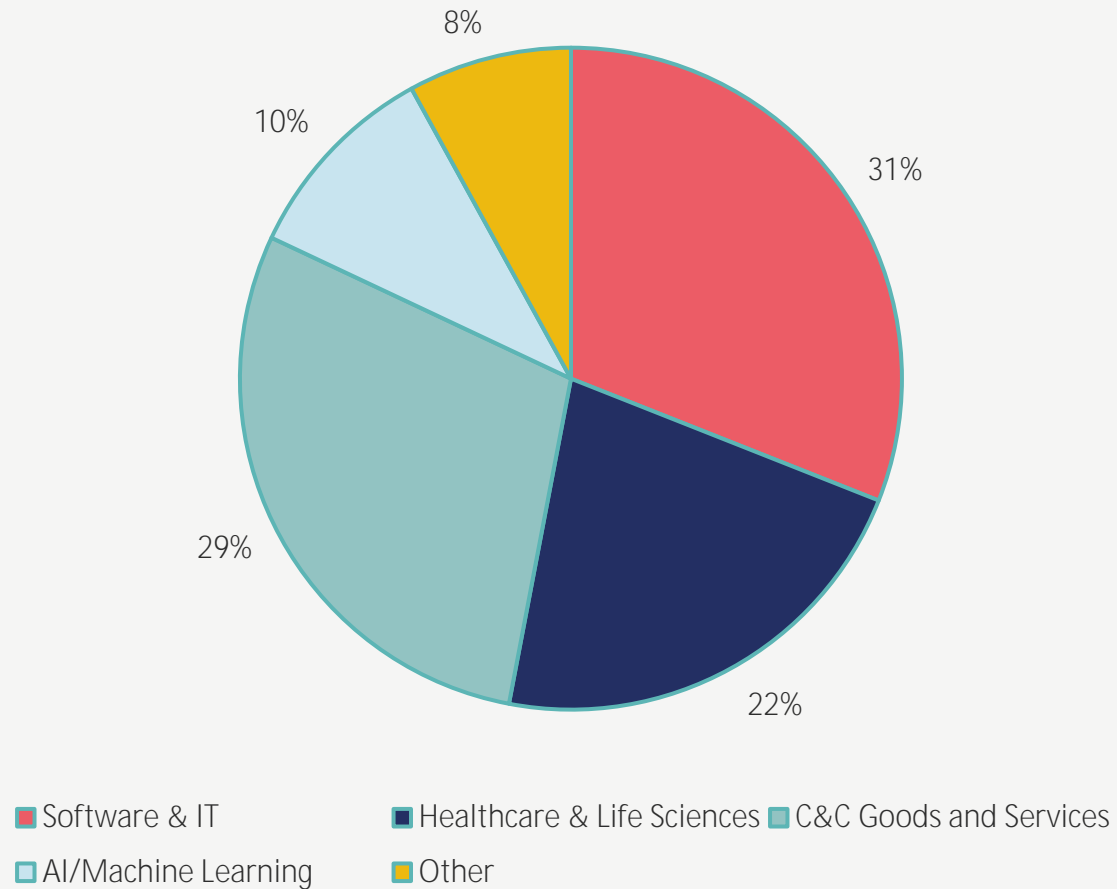
Spark  
Better Innovations



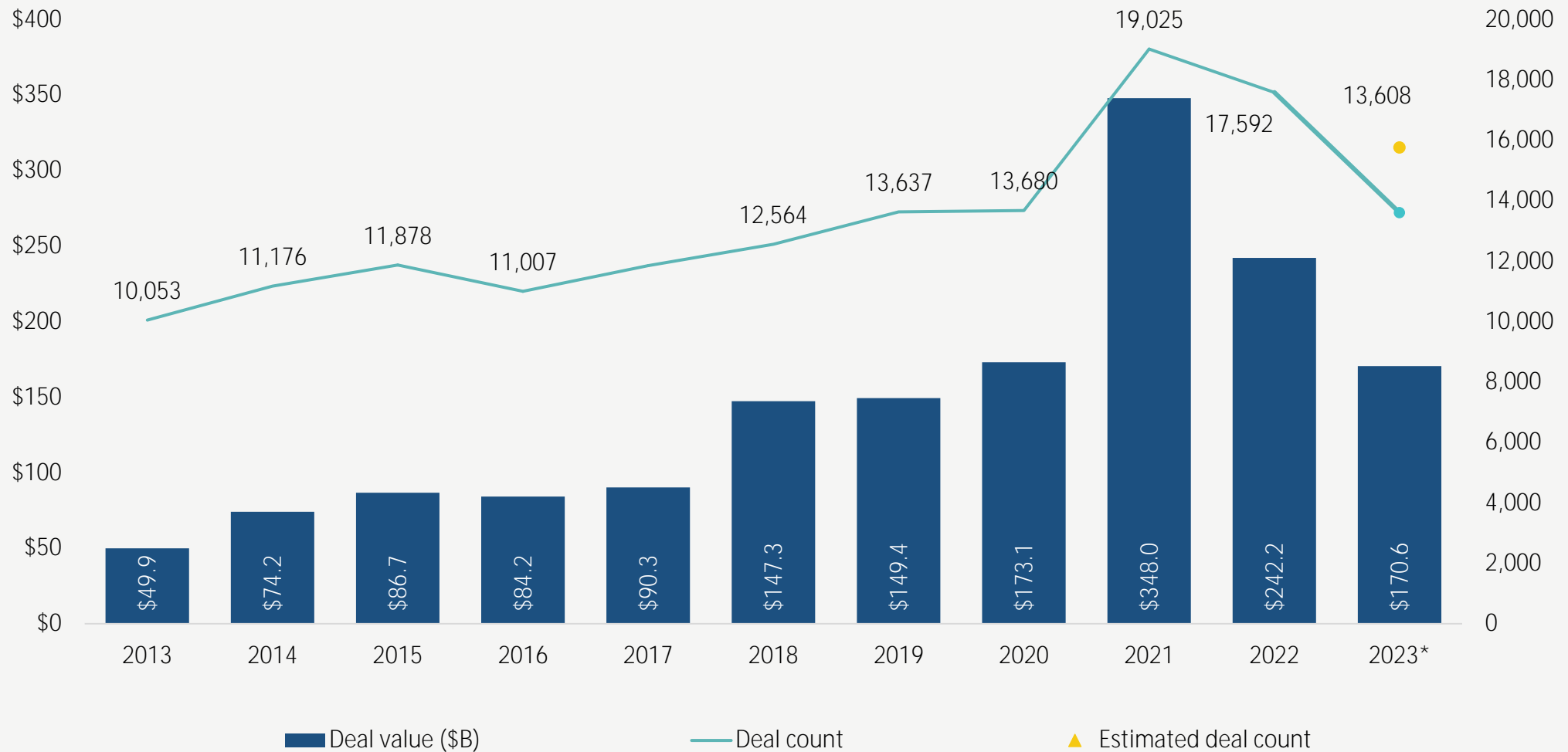
# TRENDS IN VC



# 2023 Venture Investment by Sector (#)

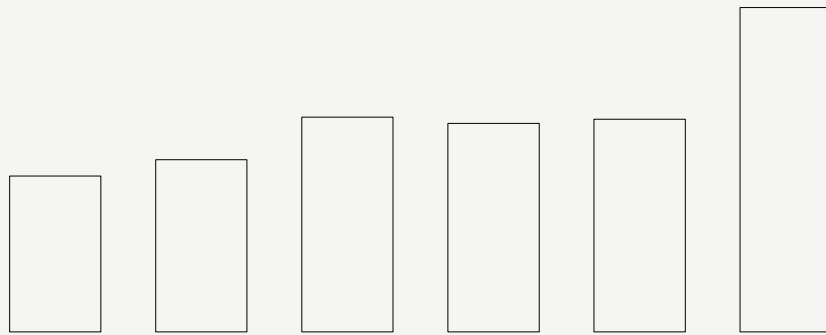


# INVESTMENTS: By Deals And Dollars



# HEALTH OF THE ECOSYSTEM: First Time Financings

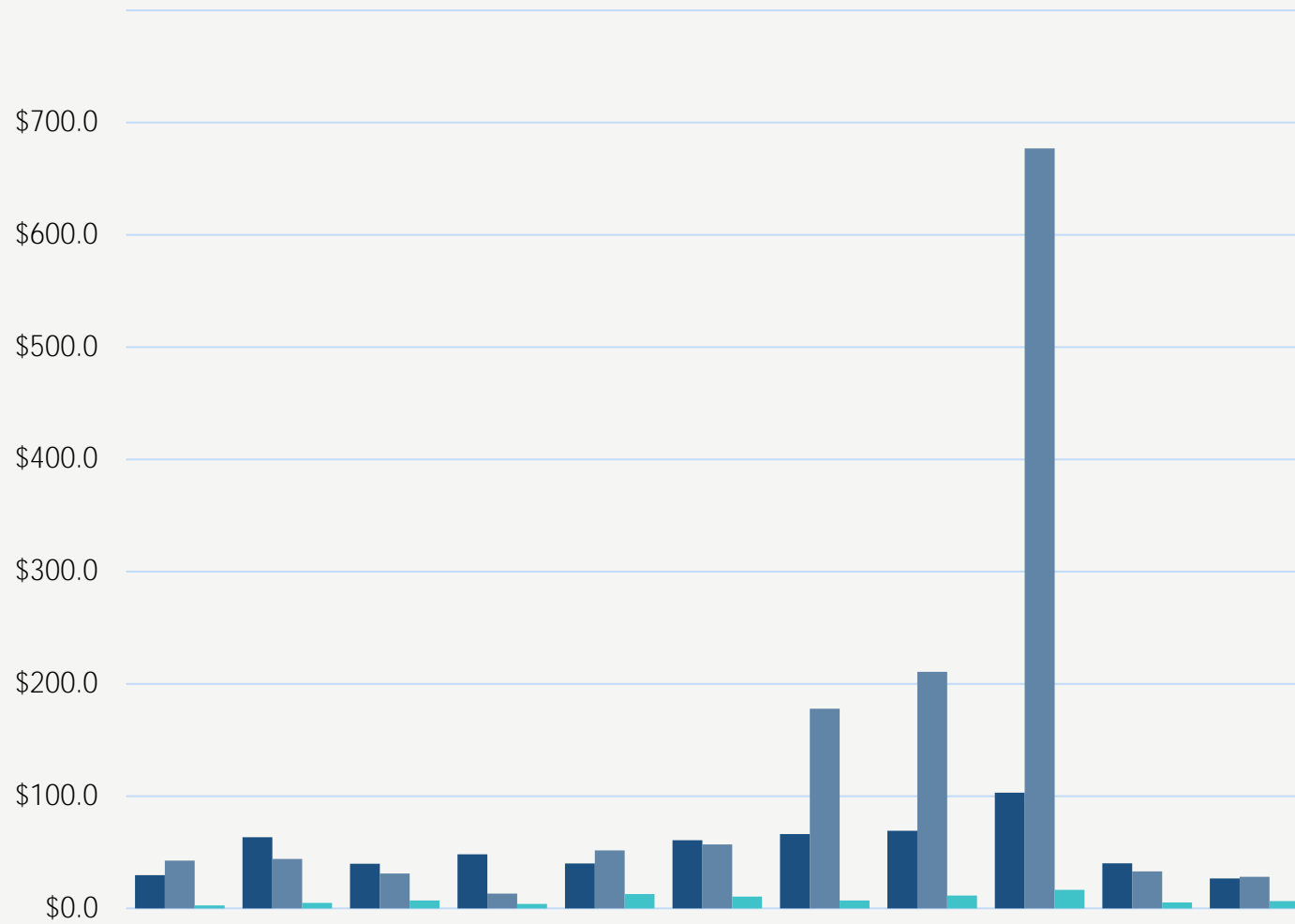
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## FUTURE INVESTMENT: Fundraising

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# MEASURES OF SUCCESS: Exits by count



## So Where Are We Now?

54,000+

Private U.S. VC-  
backed companies

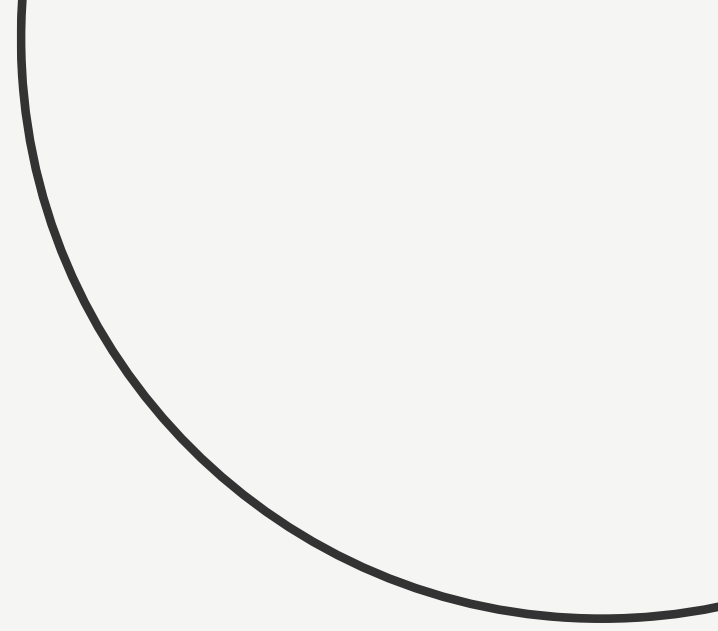
~100

Startups waiting to  
go public

9 Years

Median Pre-  
Listing Company  
Age

POLICY





# If You're Not At The Table, You're On The Menu



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What is NVCA?

FTC

Commerce

## Current

- Private Funds Rule
- Litigating with coalition to repeal new rule on private funds
- Rule would hamper ability for small funds to operate

## Upcoming

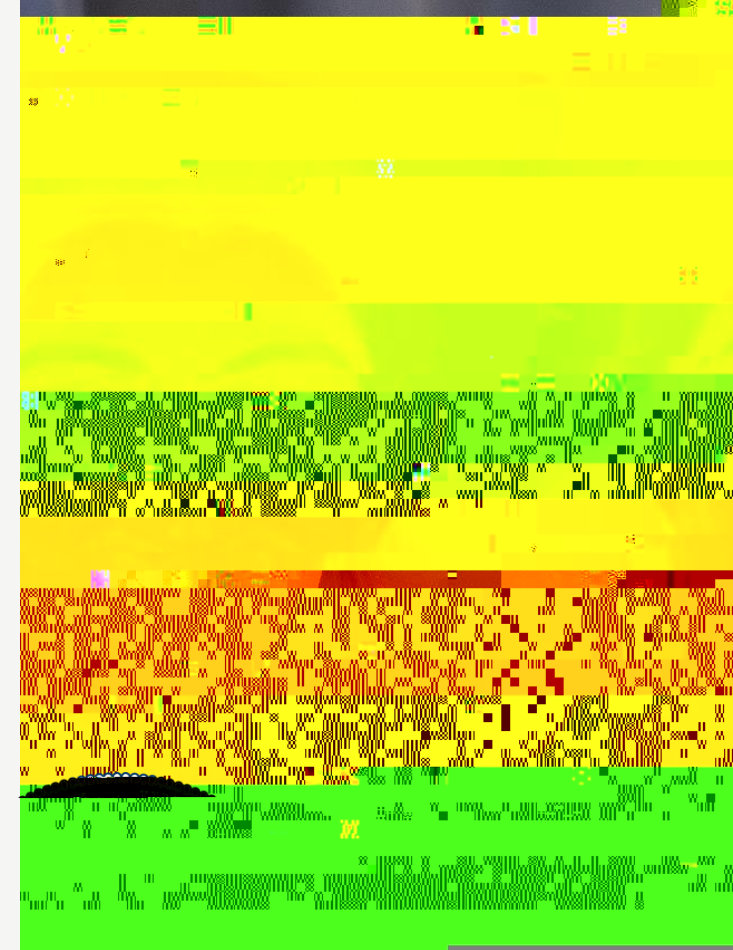
- Private Companies Rule

## Current

- Anti-Trust
- 41 open antitrust cases right now
- Proposed doctrine would always penalize mergers

## Upcoming

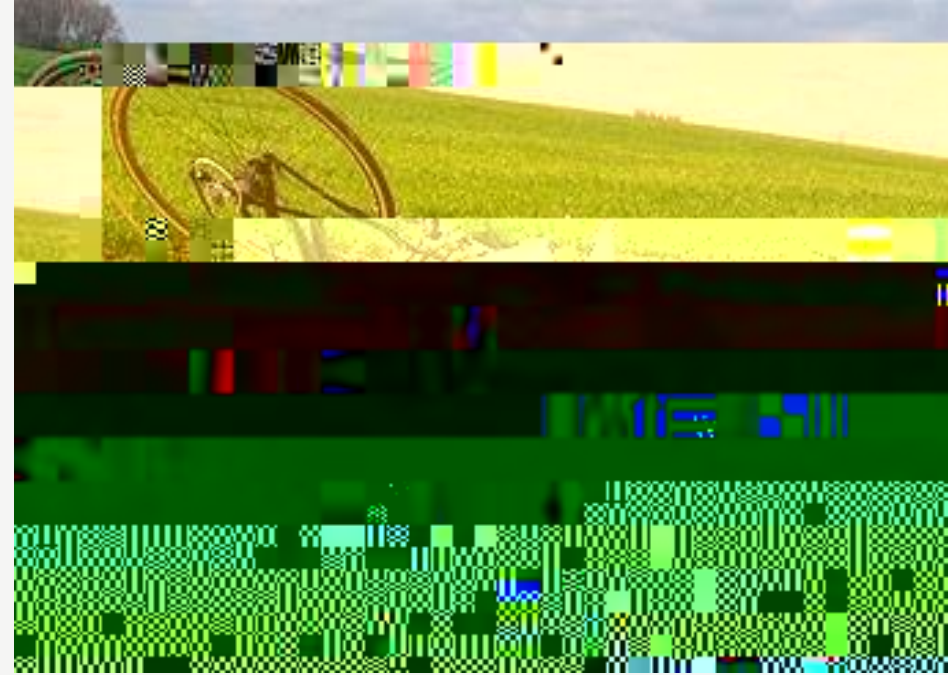
- Proposed Merger Guidelines w/ DOJ
- Proposed changes to Hart-Scott-Rodino

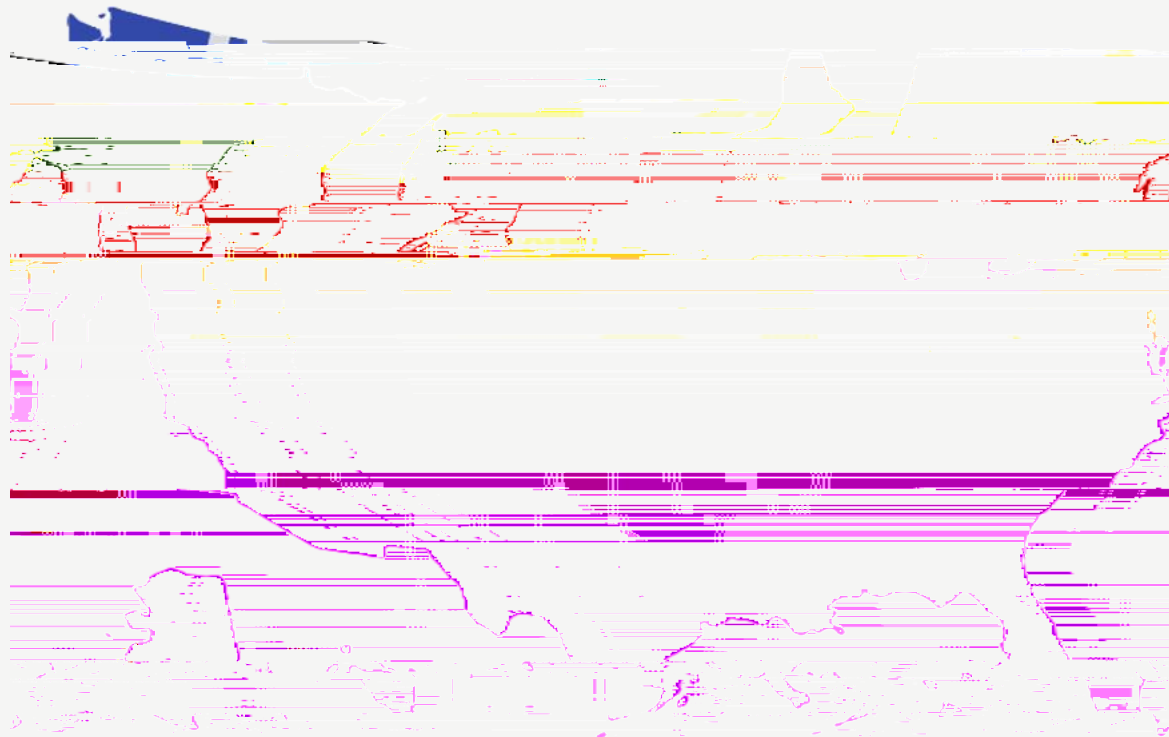


# Upcoming

## March-In Rights

- Proposed expansion of March-In rights would allow the government to seize any patents which had any federal research funding.
- Would render large portions of life sciences, materials research, and other areas, effectively un-investable.





## Presidential

- Two Incumbents

## Senate

- 10 seats held by Republicans
- 23 held by Democrats

## House

- Republicans have Majority
- 22 Democrats Retiring
- 16 Republicans Retiring

*This election will decide the 2025  
tax bill*

# OPPORTUNITIES

## INVESTMENT IN INNOVATION

\$10B

SSBCI

\$1.2T

Bipartisan  
Infrastructure  
Package

\$500B

Inflation  
Reduction Act

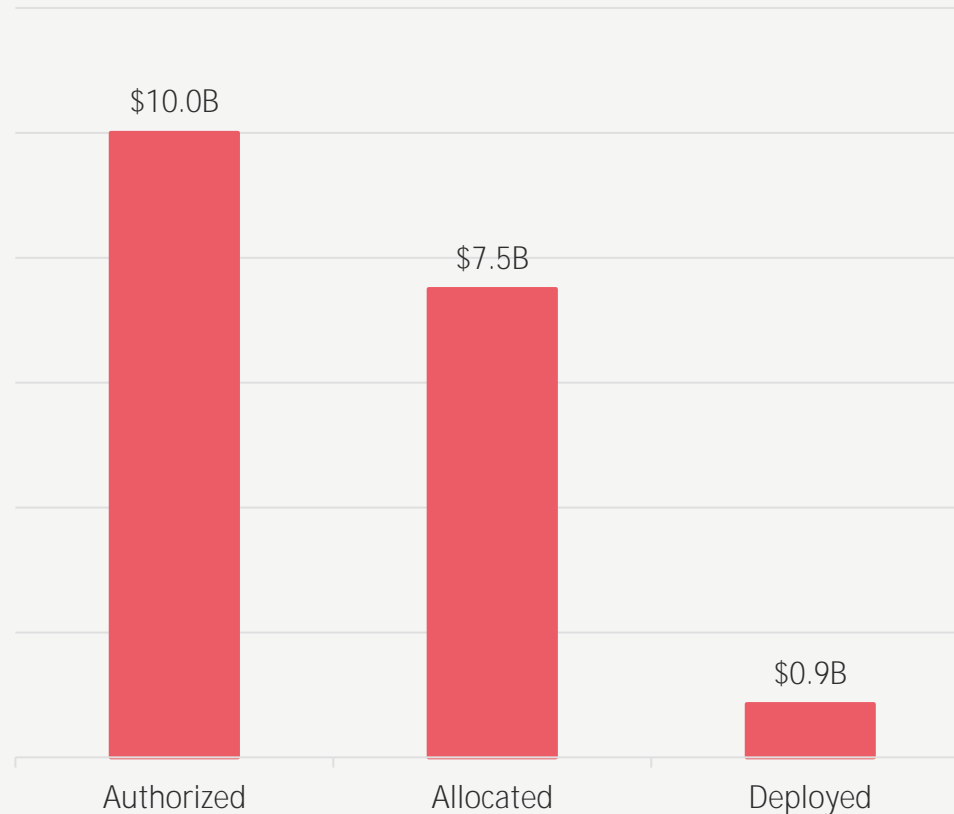
\$280B

CHIPS and  
Science Act

\$10B

Authorized for a Variety  
of Capital Formation  
Programs

SSBCI Funds Status As of 12/2023

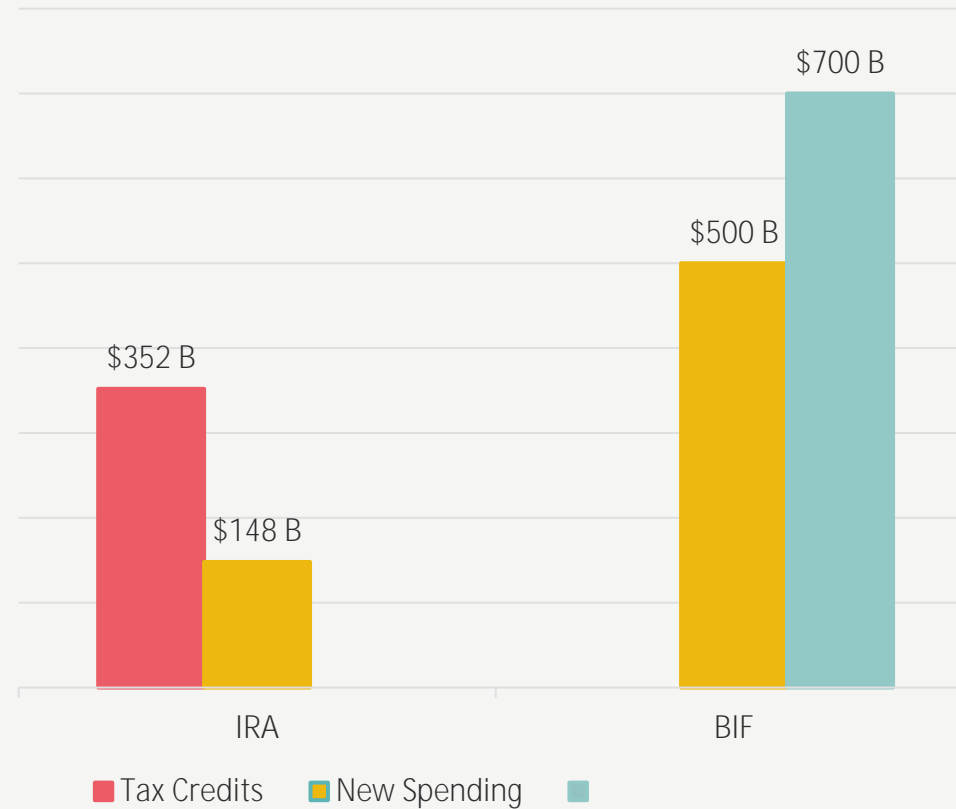


*\$2.5B of SSBCI Funds  
Remain Unallocated and  
\$6.46B Remain  
Undeployed*



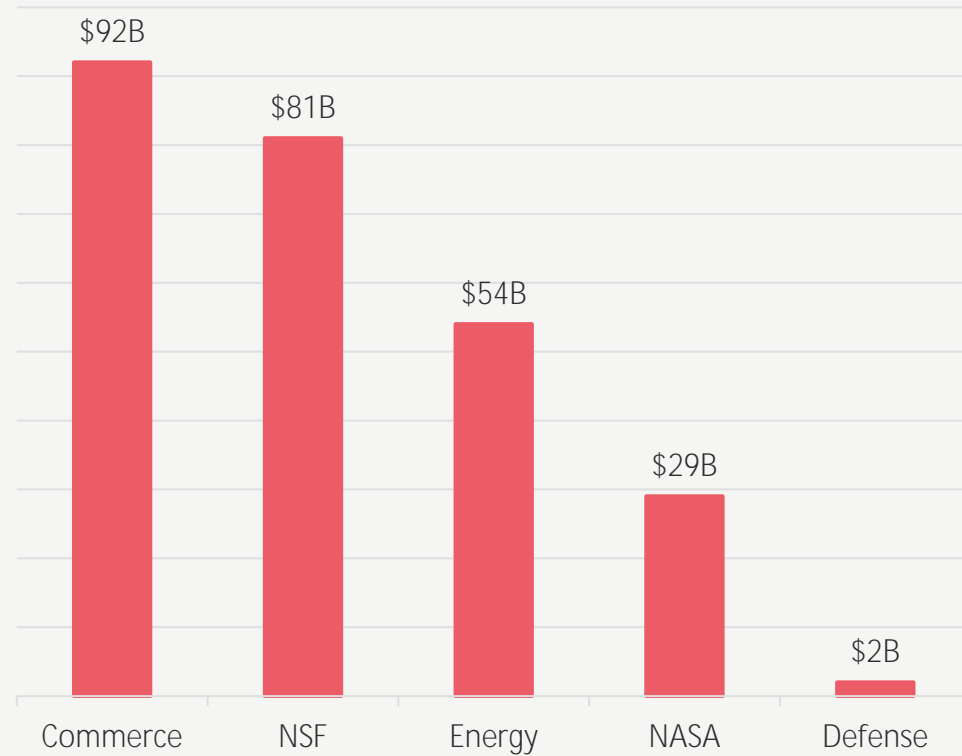
**\$1.7T**  
Authorized for  
Infrastructure  
Modernization

### IRA & BIF Spending Provisions



**\$280B**  
Authorized for  
Advanced  
Manufacturing &  
Technology  
Commercialization

CHIPS + SCIENCE Spending By  
Department



*Between tax credits and*

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# NVCA's POLICY AGENDA

SUPPORTS VENTURE RETURNS & STARTUP SUCCESS



Antitrust



Artificial Intelligence

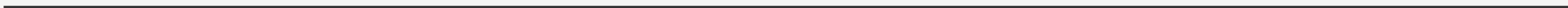
vS34y59onnot



National Security



Foreign  
Investment



**Venture Forward is a 501(c)(3)  
nonprofit founded by NVCA to  
build a stronger, more diverse,  
equitable, and inclusive future for  
VC.**

The organization provides resources and opportunities to help aspiring investors enter the industry, to help current investors progress, and to help VC firms implement cultivate the next generation of investors.



### **VC University**

The definitive online course in venture finance.



### **LP Office Hours**

Workshops that connect emerging managers from diverse backgrounds to limited partners, experienced general partners, and industry advisors.



### **VC Human Capital Survey**

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Interested in learning more?  
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# QUESTIONS

VISIT US AT [NVCA.ORG](https://www.nvca.org)

EMAIL US AT [MEMBERSHIP@NVCA.ORG](mailto:MEMBERSHIP@NVCA.ORG)

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