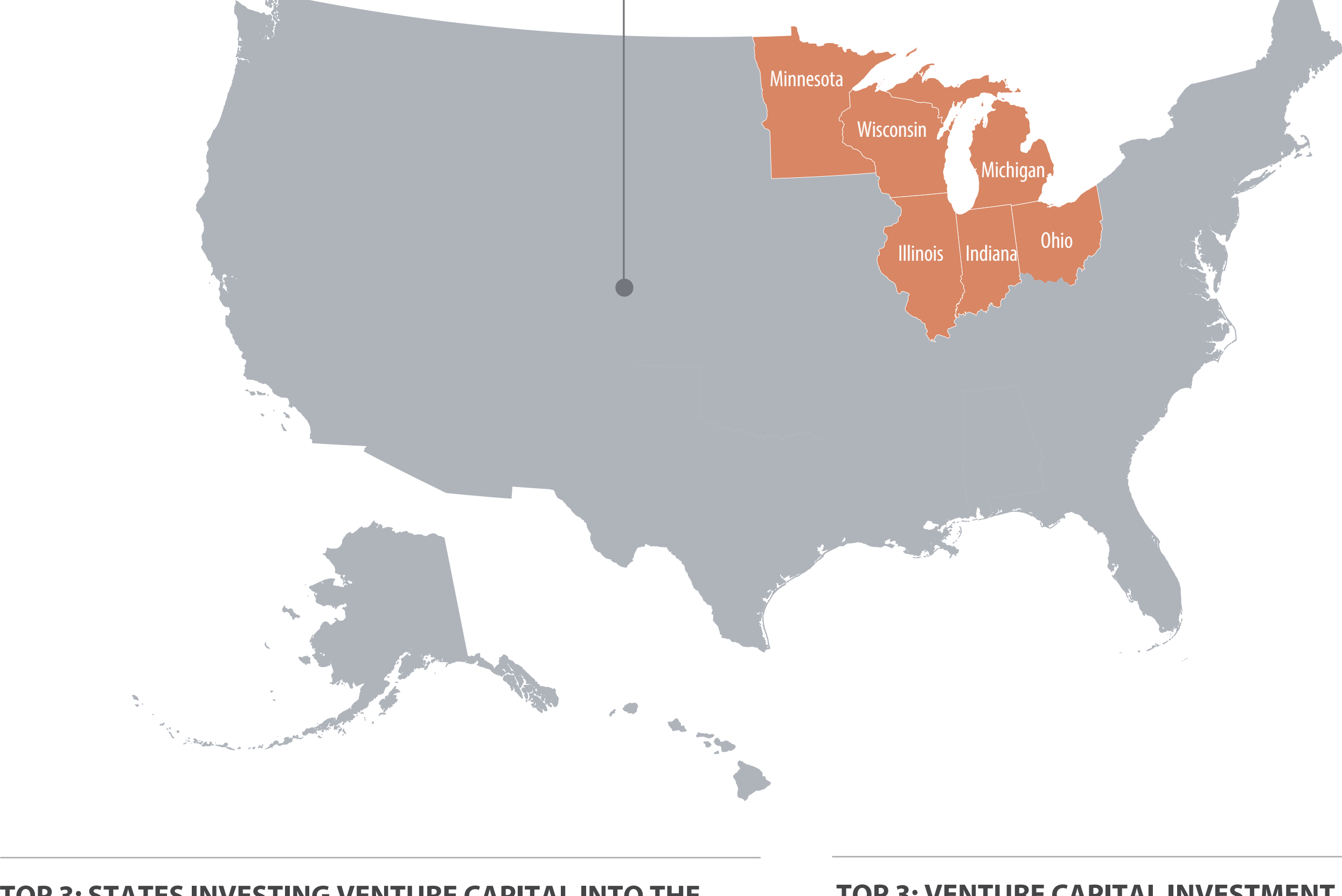
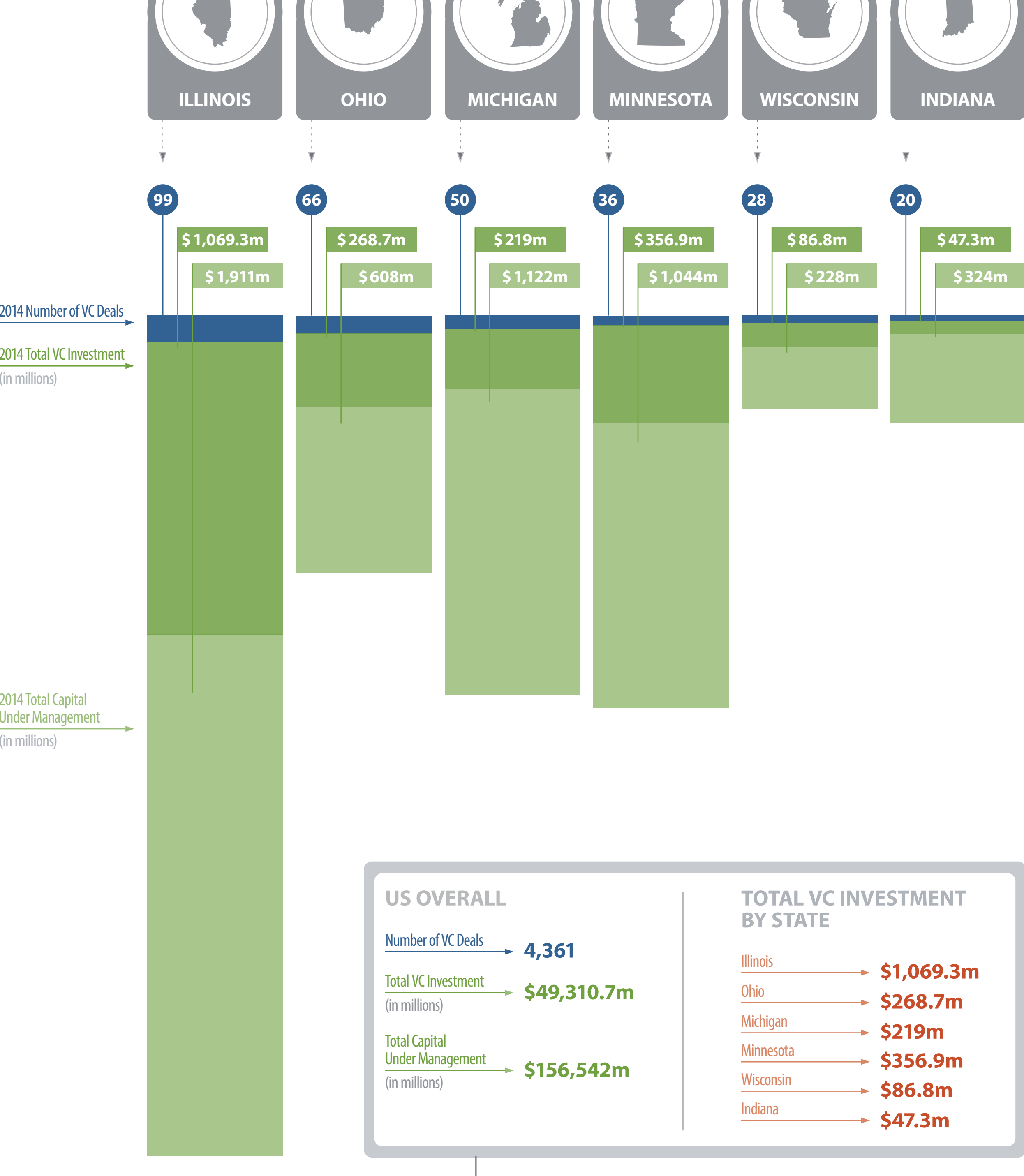


The Increasing Allure of Building Startups in the Midwest and Raising Capital

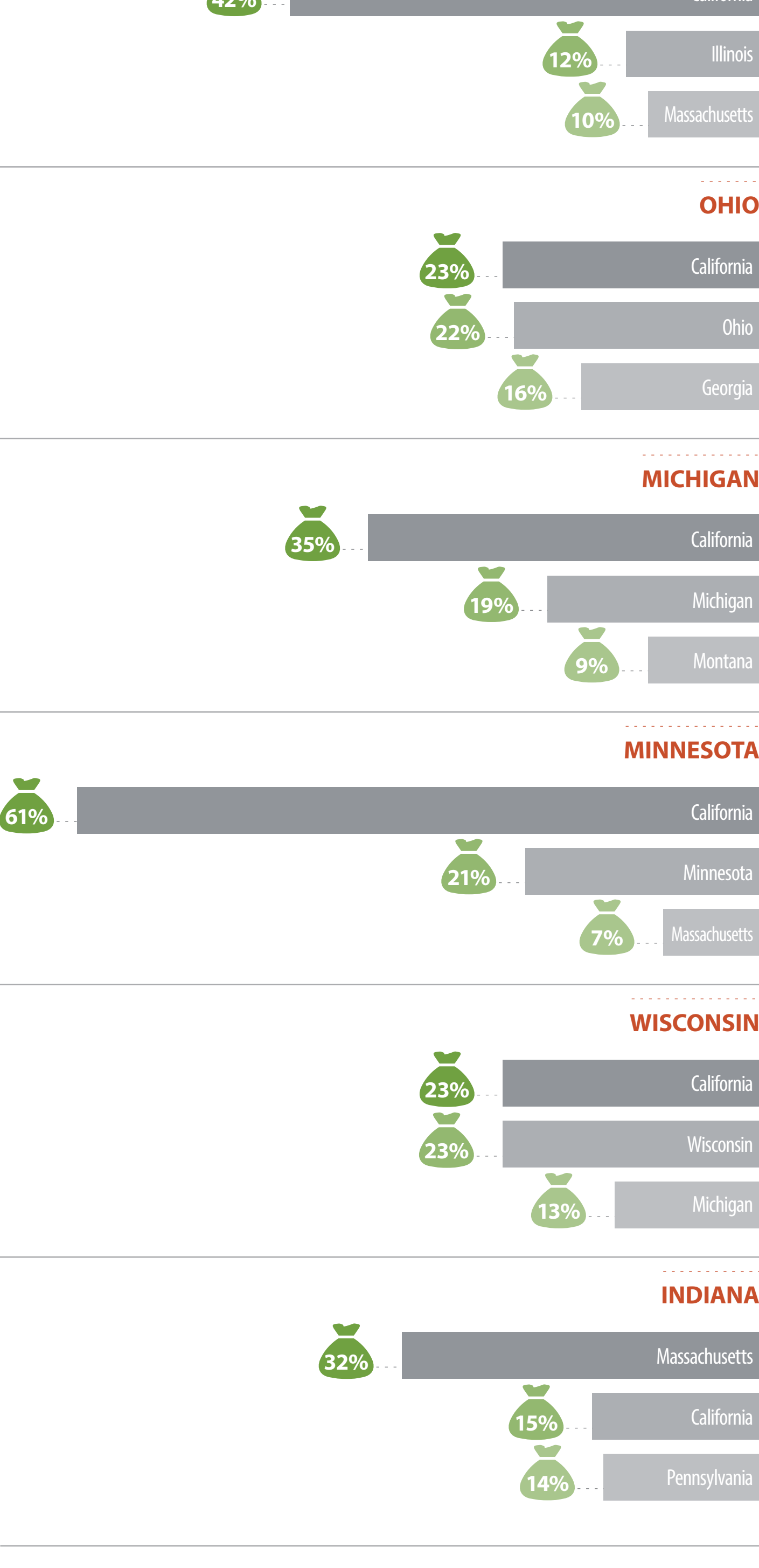
MOTIVATED VENTURE CAPITALISTS FOSTER START-UP GROWTH

Motivated VCs are seeing traction in the Midwest thanks to promising innovators who are making their pitches, finding support and realizing startup success. From increasing amounts of investment activity to a number of incentives and resources available to foster growth, the Midwest continues to attract emerging and growing businesses — **and venture-backed companies are generally on the rise. Here's a look at why.**

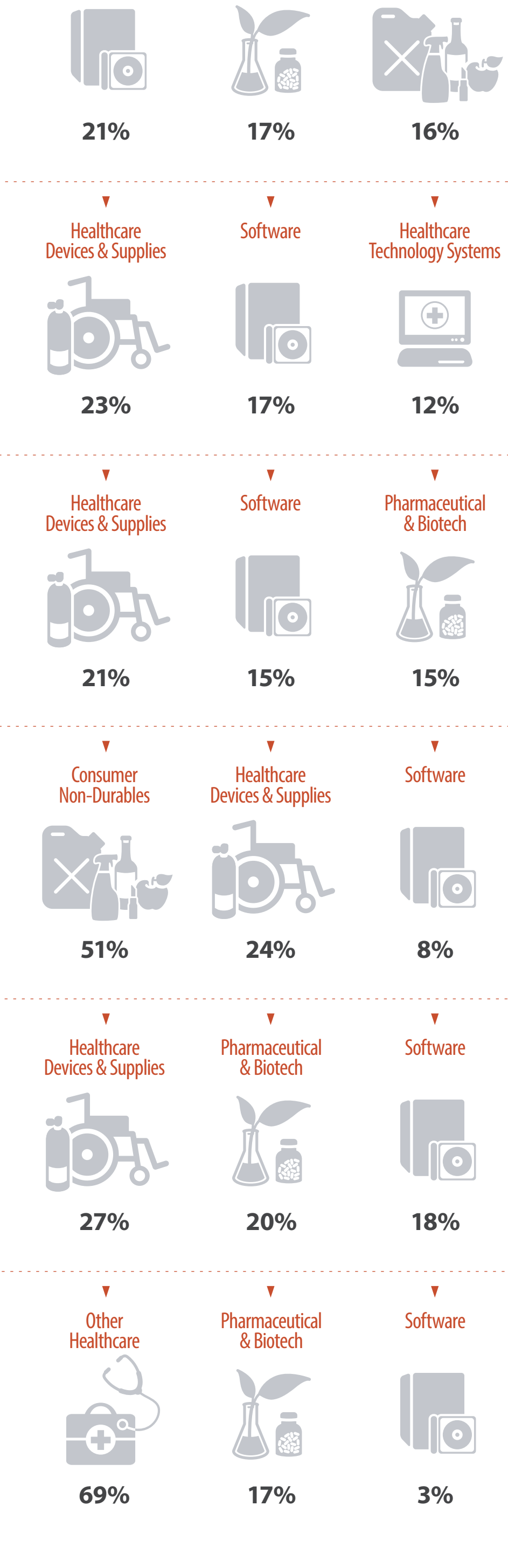
CAPITAL & CONNECTIONS: STATE-BY-STATE



TOP 3: STATES INVESTING VENTURE CAPITAL INTO THE MIDWEST BY STATE SINCE 2010



TOP 3: VENTURE CAPITAL INVESTMENT BY INDUSTRY SINCE 2010



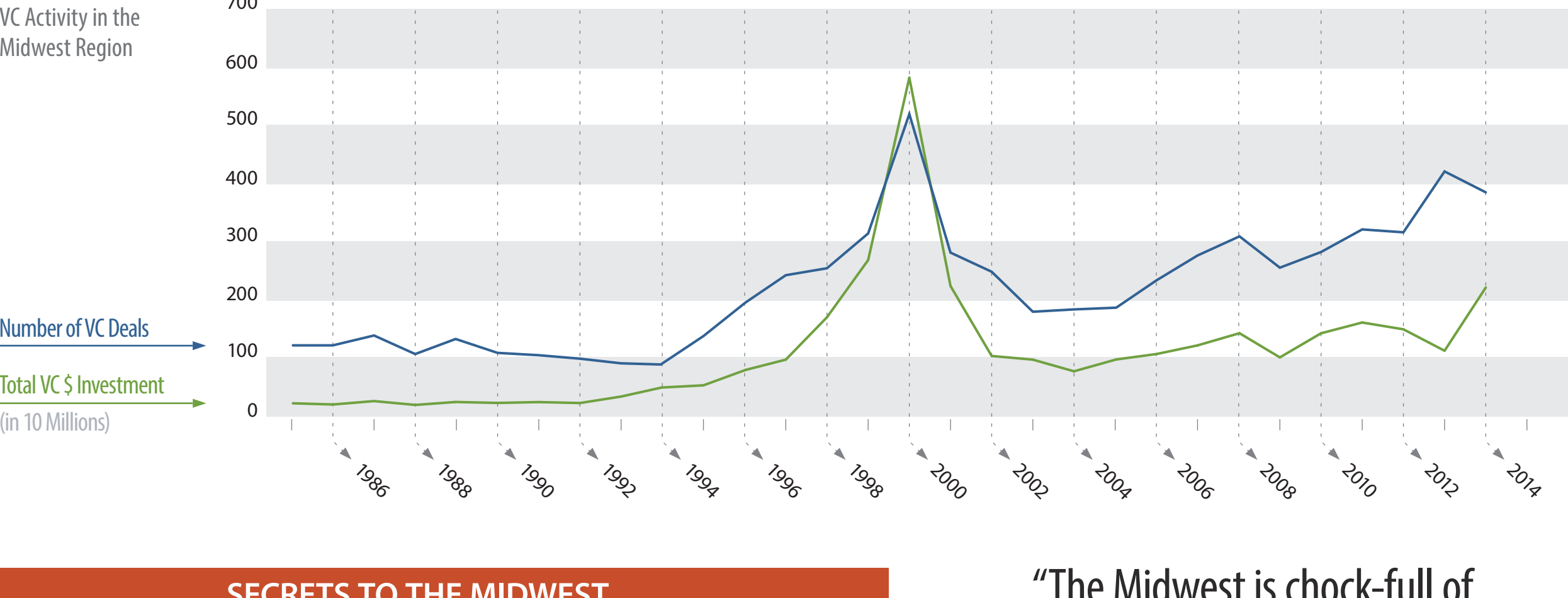
“The next million (or billion) dollar question remains: as great technologies become startup businesses, **why is the Midwest the best place for them to grow?**” — *Energy Foundry*

INCENTIVES FOR STARTUPS

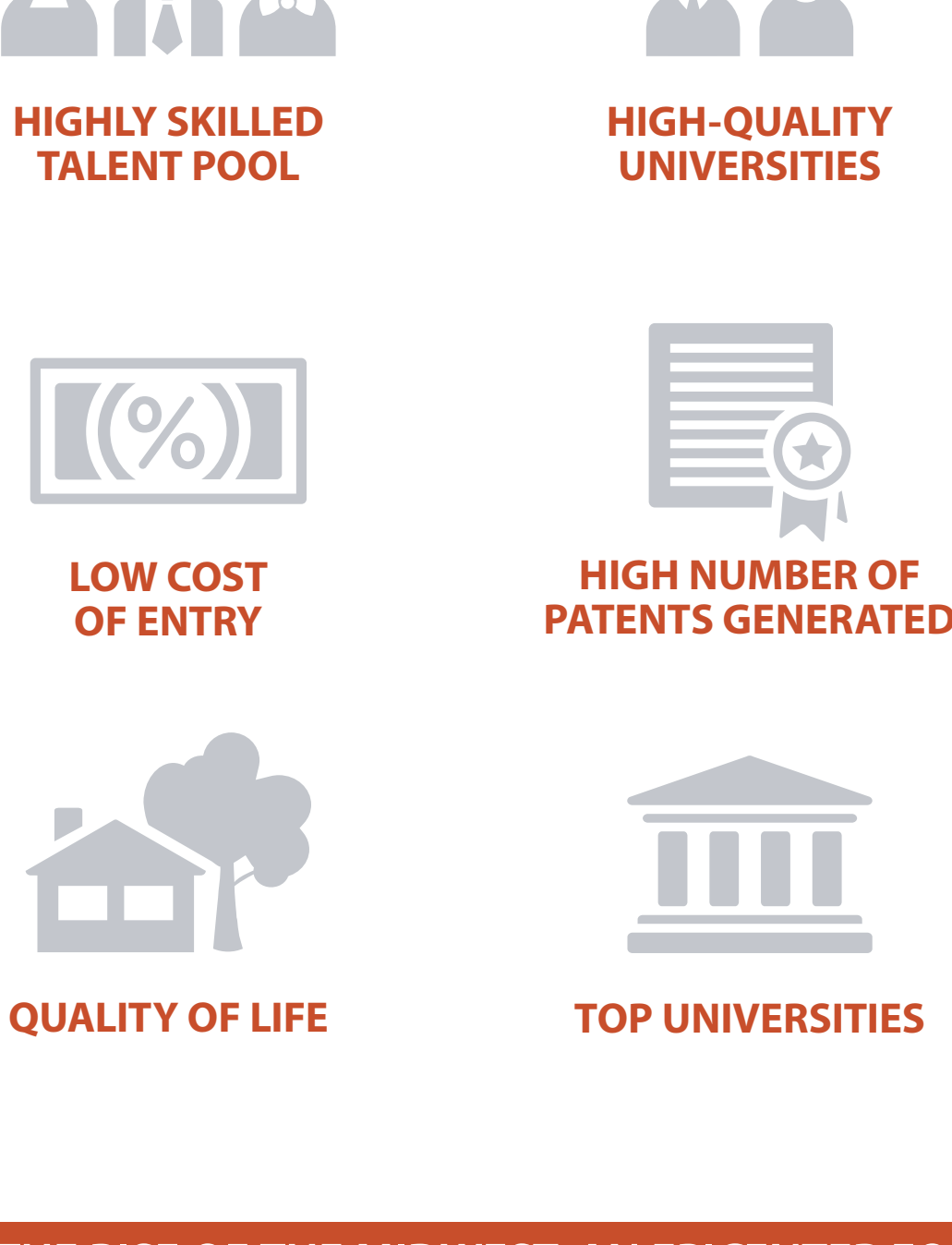
ILLINOIS	OHIO	MICHIGAN	MINNESOTA	WISCONSIN	INDIANA
Illinois Angel Investment Credit Program	Technology Investment Tax Credit program	Small Business Investment Tax Credit	Minnesota Angel Tax Credit	Qualified New Business Venture Program	Indiana Venture Tax Capital Credit
Illinois Job Creation Tax Credit	InvestOhio	Michigan Accelerator Fund	SEED Capital Investment Credit	Wisconsin Economic Development Tax Credit	Enterprise Zone Program
Economic Development for a Growing Economy Tax Credit	Targeted Investment Program	Biosciences Research & Collaboration Center Pre-Seed Fund	Tax-Free Development	Wisconsin Early Stage Seed Tax Credit	Small Business Development Center Network
Tax Increment Financing	State Small Business Credit Initiative	Capital Access Program	Border Cities Enterprise Zones		Enterprise Development Fund & Indiana Microloan Program
Enterprise Zones		InvestMichigan			
Small Business Improvement Fund		Michigan Business Growth Fund			
		Michigan Community Revitalization Program			
		Michigan Emerging Technologies Fund			
		Michigan Pre-Seed Fund			
		New Markets Tax Credit			
		Renaissance Zones			
		Venture Michigan Fund			

SPREADING THE WEALTH

Although the total dollars invested by VCs has slightly increased in the past ten years, the number of companies receiving venture capital investment has significantly increased. More deals are being closed and more capital is being attracted to the Midwest deal flow. **In Michigan, for example, the total amount of VC investment nearly doubled in 2014.**



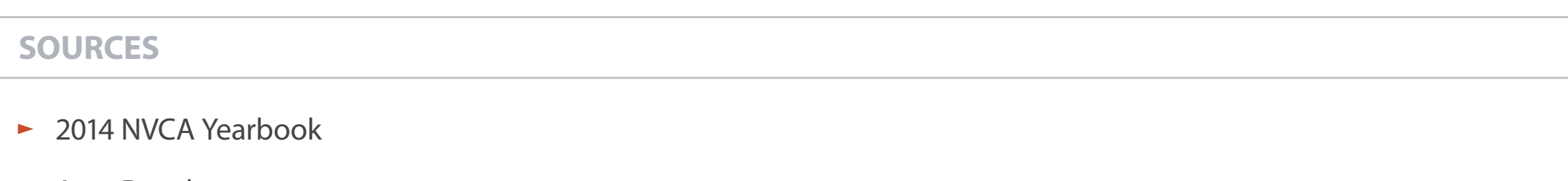
SECRETS TO THE MIDWEST



“The Midwest is chock-full of emerging tech hubs like Chicago, Milwaukee, Madison, Ann Arbor, St. Louis, and Indianapolis, to name a few. All have burgeoning startup scenes, **rich academic pipelines, plenty of robust industry associations, and a myriad of public and private incubators and accelerators.**” — *ChicagoInno*

THE RISE OF THE MIDWEST: AN EPICENTER FOR BUILDING YOUNG, INNOVATIVE COMPANIES

Capital investment and company formation are at the heart of creating a vibrant entrepreneurial ecosystem. For 34 years, the Michigan Growth Capital Symposium has served as a conduit to connect “Best of the Midwest” startups with venture capitalists and angels keen to invest in the region. The steady drum beat and critical mass of these types of efforts throughout the Midwest have paid off - solidly positioning the Midwest as a magnet for innovation and the financing of young companies.



SOURCES

- ▶ 2014 NVCA Yearbook
- ▶ Area Development
- ▶ David Brophy
Director, Michigan Growth Capital Symposium
Professor of Finance, Ross School of Business
- ▶ Crain's Chicago Business
- ▶ Entrepreneur's Toolkit
- ▶ IA Source Link
- ▶ Indiana Government
- ▶ Kauffman Index of Entrepreneurial Activity
- ▶ Ohio Development Services Agency
- ▶ PitchBook
- ▶ Startup America
- ▶ Tech {dot} MN
- ▶ World Business Chicago