

PHX EAST VALLEY ANGEL INVESTOR INITIATIVE

A regional partnership to catalyze economic growth by raising awareness of the importance of angel investing and enhancing access to early-stage funding for PHX East Valley tech startups.

WHAT IS AN ANGEL INVESTOR?

An angel is an individual who invests his or her own money in startup companies in exchange for an equity share of the businesses. An individual angel may invest as little as \$5,000 in a business while an angel group may pool their capital to make a much larger investment. In addition to capital, angels often invest time in entrepreneurs to help them grow their businesses. Return on investment is made when the entrepreneur successfully grows the business and exits it, generally through a sale or merger.

WHY BE AN ANGEL INVESTOR?

Each angel is motivated by a different set of factors. The following are some of the typical reasons why angels choose to invest:

- Help entrepreneurs
- Continue using skills and experience
- Give back to local community
- An active form of investing
- Generate return on investment

HOW CAN YOU INVEST?

This initiative is for anyone who meets the accredited investor definition and wants to invest in PHX East Valley tech startups. Angels can invest solo or as part of an angel group.

Arizona Tech Investors (ATI) is a key partner in this initiative and is accepting new members. The group has investor documents and procedures in place to facilitate successful investing. Members can be as active or passive in the investing process as they choose. More passive angels may wish to invest via the PHX East Valley Sidecar Fund.

Managed by ATI, the PHX East Valley Sidecar Fund will be a pooled investment vehicle dedicated to investing in PHX East Valley tech startups. Deals will be presented to sidecar investors after other ATI members have performed due diligence and invested. Each sidecar investor will then have the opportunity to invest on the same terms.

WHO CAN INVEST?

Investing in technology startups is risky. The U.S. Securities and Exchange Commission has established “accredited investor” criteria to help ensure that angels are sophisticated investors, have access to resources needed to perform due diligence, and can afford to lose invested funds. Investors self-certify. The criteria are as follows:

- Net worth: \$1M, or
- Annual personal income: \$200k, or
- Family income: \$300k

IMPACT ON STARTUP GROWTH?

Angel investing has a positive, measurable impact on startup success. In 2016, angel investments helped create nearly 264,000 jobs in the United States. Moreover, startups receiving angel funding are more likely to:

- Survive after four years
- Grow to 75 employees
- Receive venture capital funding

WANT TO LEARN MORE?

A series of workshops will be held this fall to introduce the skills needed to start investing. Potential angels will learn:

- How investment decisions are made
- How deals are structured
- How to build a diverse portfolio
- How exits occur, generating ROI

GET CONNECTED

Interested in participating? Contact us today and take your first step toward becoming a PHX East Valley angel investor.



Micah Miranda
Economic Development Director
City of Chandler
480-782-3035
micah.miranda@chandleraz.gov