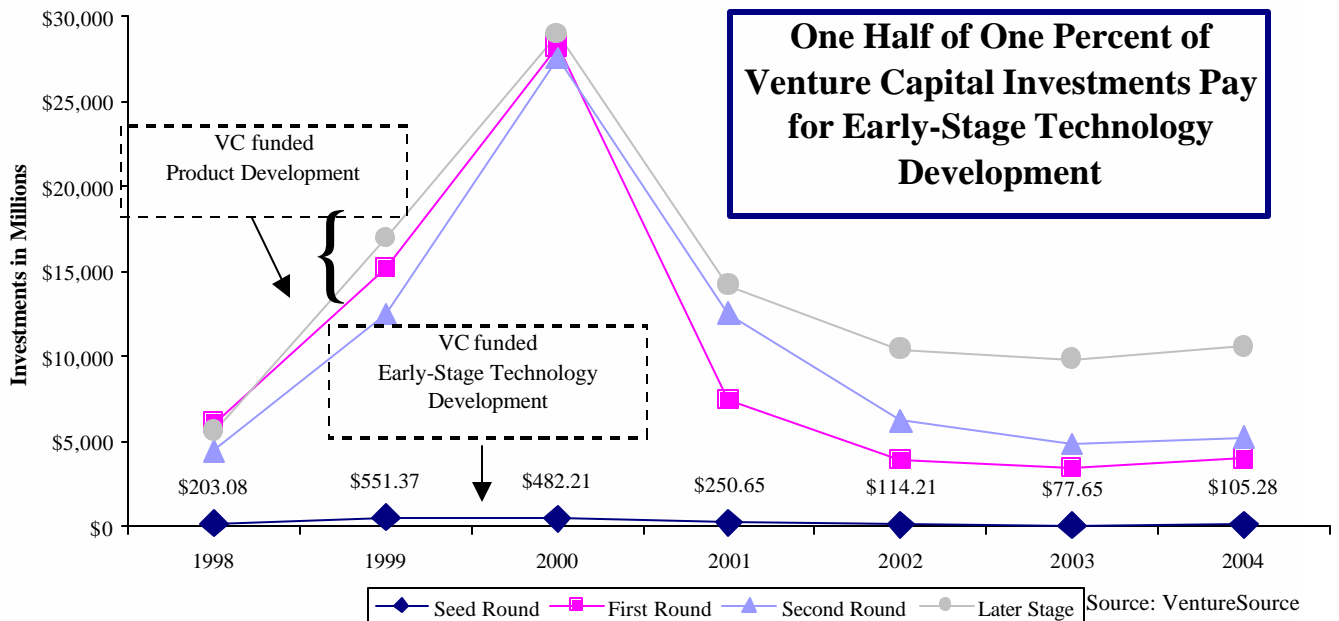


Venture Capital Investment by Funding Stage

- ATP funds different types of business activities than do venture capitalists. ATP funds early-stage technology development.
- In contrast, venture capitalists typically fund businesses that are already engaged in later stage business activities and well into product development. According to Branscomb and Auerswald¹, *only seed financing rounds* by venture capitalists are dedicated to early-stage technology development.
- **One half of one percent of venture capital investments** in 2004, \$105 million out of a total of \$20 billion, **funded early-stage technology development**, according to VentureSource data for 1998-2004 as shown.
- **Only one out of four of the over 600 small firms** funded by ATP have **received VC funding** prior to the inception of their ATP project. (Source: VentureSource)
- “[Venture capitalists] avoid early-stages, when the technologies are uncertain, and market needs are unknown ... Venture money is not long-term money,” according to venture capitalist Bob Zider.²

Venture Capital Investment by Funding Stage



Factsheet 1.C8 (March 2005 by Gary Anderson)

¹ Branscomb and Auerswald, “Between Invention and Innovation: An Analysis of Funding for Early-Stage Technology Development, NIST GCR 02-841.” (2002)

² B. Zider, “How Venture Capital Works” *Harvard Business Review*, Nov 1998 (pg 131-137)