

ENTREPRENEURSHIP AND INNOVATION IN WISCONSIN: Report on 2019 Program Activity

In 2019, the Wisconsin Economic Development Corporation's (WEDC's) direct assistance programs in the entrepreneurship and innovation area helped 315 early-stage businesses. A total of 449 companies that have received support from WEDC startup programs reported 2019 activity* of nearly \$722 million in new funding and generated over \$288 million in revenue, for a total of over **\$1 billion** in new capital generation. These companies supported 2,151 full-time jobs and 1,330 part-time jobs in Wisconsin and pay an estimated \$157 million in annual wages. In addition, WEDC's partners assisted 1,821 companies to create more than 402 new jobs and retain an additional 1,258 jobs through their own programs supporting entrepreneurship and innovation.

WEDC's entrepreneurship and innovation initiatives and programs include:

- The **Qualified New Business Venture Program**, which helps startups headquartered in Wisconsin raise the capital they need to grow by offering tax credits to investors
- The **Technology Development Loan Program**, which assists companies with the funding necessary to develop and launch high-tech or innovative products and services
- The **Seed Accelerator Program**, which helps support cohort-based lean startup programs throughout the state to help founder teams get the answers critical to moving a new company forward
- The **Capital Catalyst Program**, which helps organizations or communities develop seed funds to invest in early-stage and innovative small businesses that operate in their region, industry or other constituency
- **Entrepreneurship Support Grants**, which help to strengthen entrepreneurial communities by supporting new, unique entrepreneurship programs that would otherwise not be able to move forward
- The **SBIR Advance Program**, administered by UW-Extension's Center for Technology Commercialization (CTC), which aims to fill critical funding gaps for activities that are restricted under federal grant awards, such as market research, customer validation, patent development, business model development and regulatory assessment
- **Entrepreneurial Micro-grants**, administered by the CTC, which help companies develop business plans and competitive proposals for federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants
- **Partnerships** through which WEDC engages organizations that are well connected in entrepreneurial communities to better target resources to the populations they are intended to help

* Due to the different conventions used in reports required for the various programs, data for the SBIR/STTR Advance Program and Entrepreneurial Micro-grant programs is given on a fiscal year basis; data for all other programs is given on a calendar year basis.

Companies report to WEDC for a minimum of three years following an award. After completion of the reporting requirements, the company's numbers are no longer included in the annual totals.

Totals represent the impact of four WEDC programs combined:

Qualified New Business Venture Program, Technology Development Loan Program, Seed Accelerator Program and Capital Catalyst Programs

2019 BUSINESSES ASSISTED

315

BUSINESSES REPORTING

449

TOTAL JOBS

3,481

NEW CAPITAL GENERATION

\$1 BILLION

TOTAL PAYROLL

\$157M

CAPITAL CATALYST PROGRAM

In 2019, WEDC provided **\$12M** to communities through the Capital Catalyst Program, resulting in **\$912K** to 18 businesses in additional investment for those businesses and allowing them to generate **\$2.1M** in revenue.

2019 BUSINESS IMPACT

(63 active awards)

TOTAL JOBS

215

TOTAL SALARIES

\$10M

ADDITIONAL FUNDING

\$5.8M

TOTAL BUSINESSES
ASSISTED 2012-2019



169

ADDITIONAL BUSINESS FUNDING

2012-2019

(all awards)

GRANTS

\$3.9M

LOANS

\$13.5M

INVESTMENT FUNDING

\$13.2M

TOTAL FUNDING

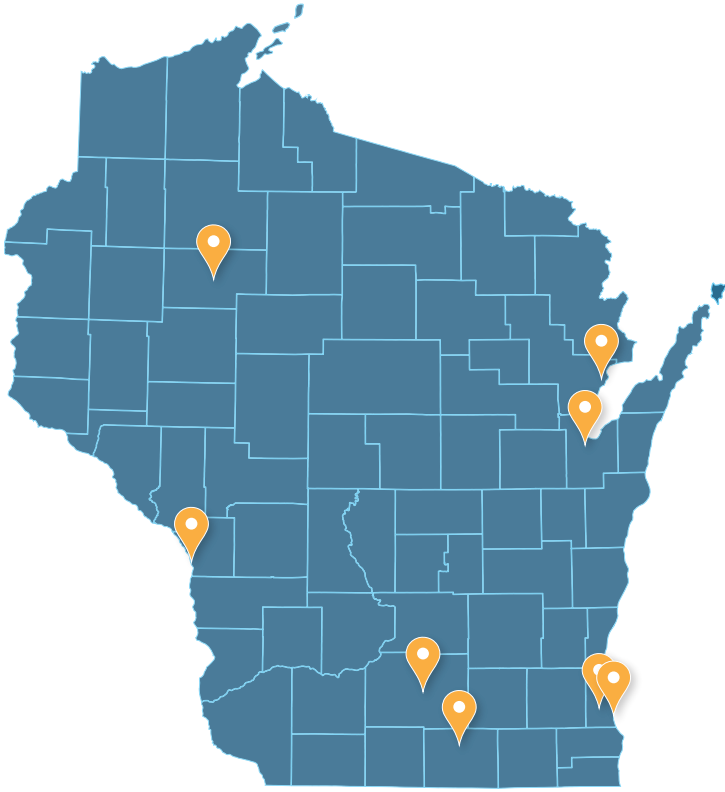
\$30.6M

TOTAL REVENUE

\$137.9M

ENTREPRENEURSHIP SUPPORT GRANT

In 2019, **9** projects received a total of **\$500K** in funding to assist approximately **663** businesses, entrepreneurs and innovators in Wisconsin.



2019 IMPACT

NUMBER OF PROJECTS

9

TOTAL FUNDING

\$500k

TOTAL BUSINESSES/ENTREPRENEURS ASSISTED

663

ENTREPRENEURIAL MICRO-GRANT PROGRAM

Entrepreneurial Micro-grants supported 133 entrepreneurs, with 175 clients receiving support for entrepreneurial training coursework and SBIR application assistance. Because of this program, entrepreneurs were able to move their businesses forward and companies were able to attract **\$22M** in federal grant funding in 2019. This return on WEDC's investment contributes not only to the success of the companies in question, but also to the health of the Wisconsin's overall entrepreneurial ecosystem.

FY19 ACTIVITY

ENTREPRENEURS

133

BUSINESSES

175

FEDERAL FUNDING

\$22M

QUALIFIED NEW BUSINESS VENTURE PROGRAM

2019 BUSINESS IMPACT

TOTAL NEW FUNDING SECURED BY PARTICIPATING COMPANIES

\$488.3M

Includes qualifying investments, other private investments, debt and grant funding

TOTAL CREDITS ISSUED

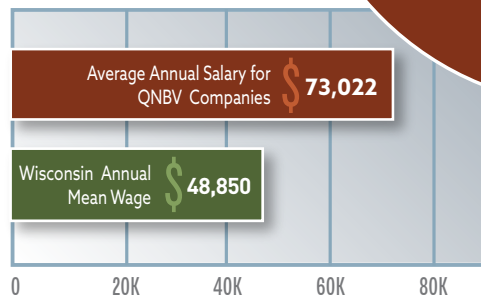
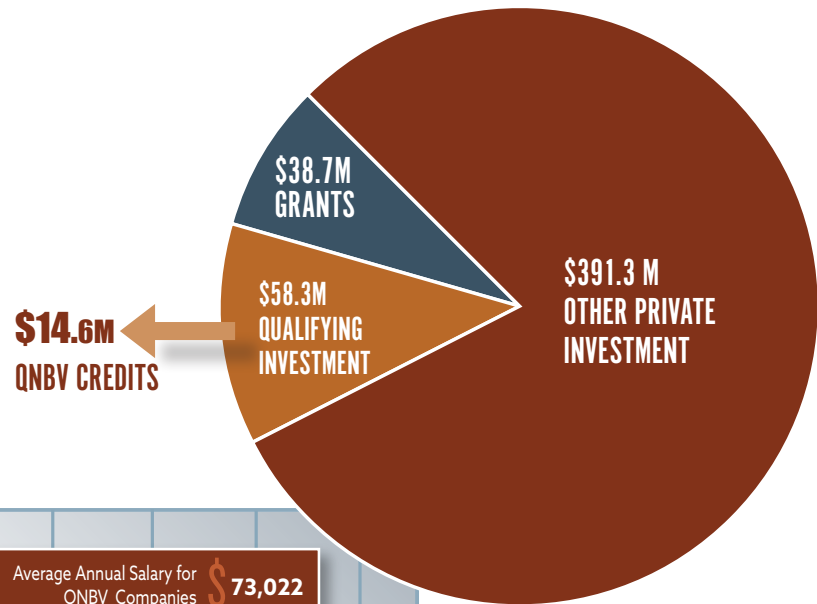
\$14.6M

Total tax credits provided in 2019 for investments in certified businesses

NEW QNBV CERTIFICATIONS

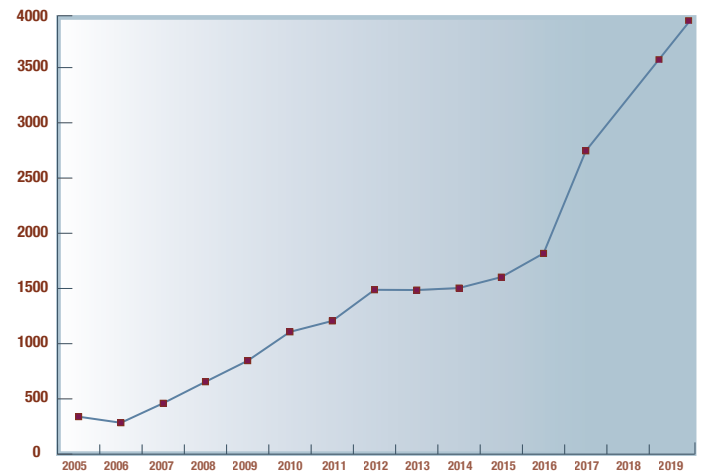
37

FUNDING RECEIVED BY QNBV-CERTIFIED COMPANIES



TOTAL JOBS AT QNBV-CERTIFIED COMPANIES

As more companies become QNBV-certified, the total number of jobs has grown. These companies are responsible for creating high-paying, high-skilled jobs throughout Wisconsin, demonstrating the program's expanding impact on the state's economy.



2019 ANNUAL RESULTS

Angel investments	\$33,856,704
Early-stage investments.....	\$24,432,068
Total credits	\$14,572,193
Other financing	\$391,324,974
Grants.....	\$38,724,257
TOTAL	\$488,338,004

Source: Reporting from QNBV-certified companies

Certified companies.....	240
Net new Wisconsin jobs.....	440
Wisconsin full-time jobs.....	1,877
Wisconsin part-time jobs.....	1,092
Total jobs (includes outside Wisconsin).....	3,956
Full-time average salary	\$73,022

Source: Reporting from QNBV-certified companies

SEED ACCELERATOR PROGRAM

In 2019, accelerators supported by WEDC assisted **62** businesses, providing **\$430,500** in funding.

2019 BUSINESS IMPACT

(153 active awards)

TOTAL JOBS

408

TOTAL SALARIES

\$13.3M

ADDITIONAL FUNDING

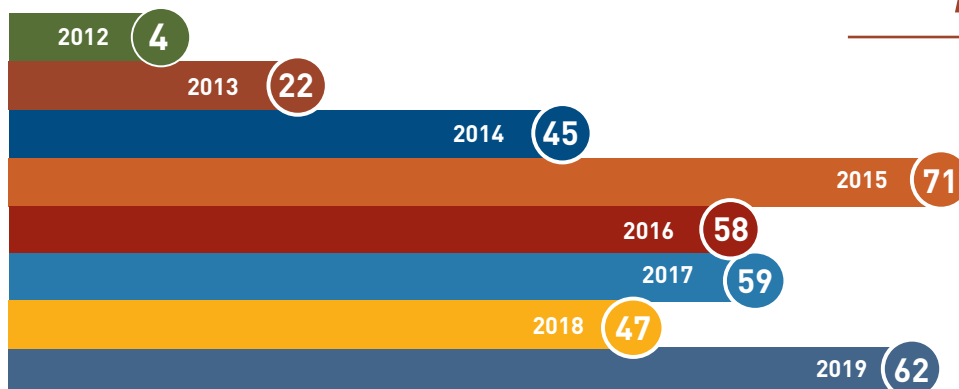
\$10.9M

TOTAL BUSINESSES ASSISTED
2012-2019

368

\$4M+

BUSINESSES ASSISTED PER YEAR



ADDITIONAL BUSINESS FUNDING 2012-2019

GRANTS

\$10.7M

LOANS

\$14.5M

INVESTMENT FUNDING

\$25.5M

TOTAL FUNDING

\$50.5M

TOTAL REVENUE

\$78M

TECHNOLOGY DEVELOPMENT LOANS

2019 PORTFOLIO IMPACT

2019 NEW LOANS

16

TOTALING

\$4.1M

ACTIVE LOANS

101

TOTAL COMPANIES

82

NEW FUNDING

\$97.9M

REVENUE GENERATED

\$175M

TOTAL TDL COMPANY EMPLOYEES

1,577

AVERAGE ANNUAL SALARY

\$62,246

SBIR/STTR MATCHING GRANT PROGRAM

FISCAL YEAR 2019

NEW AWARDS

18

INITIAL FEDERAL SBIR FUNDS

\$1.4M

TOTAL JOBS

88

FISCAL YEAR 2019

TOTAL SALARIES

\$3.6M

**NEW FUNDING SECURED BY RECIPIENTS

\$7.7M

SBIR/STTR PROGRAM FY15-FY19

WEDC funding per award..... \$75K

Businesses assisted *86

Total WEDC funding \$6.5M

Total leverage generated **\$81.1M

*Some businesses received assistance in more than one year

** Does not include initial federal funds

WEDC PARTNERSHIPS



UW-Extension's Center for Technology Commercialization (CTC), which administers the Entrepreneurial Micro-grant, Ideadvance and SBIR Advance programs, in FY19 provided counseling to 474 distinct business clients—activity that assisted in the creation of 54 new jobs and the retention of an additional 29.



*Education • Lending • Coaching
Entrepreneurship
Financial Impact*

The Wisconsin Women's Business Initiative Corporation (WWBIC)

provides micro-loan assistance, quality business education and hands-on consultation to entrepreneurs, with an emphasis on women, people of color and lower-income individuals. In FY19, WWBIC provided 1,084 clients with counseling services, and WWBIC's micro-loan program provided \$7.3 million in loan financing to small businesses, including 52 startups. WWBIC's assistance is expected to facilitate the creation of 310 new jobs and the retention of 251 positions.



The **BrightStar Wisconsin Foundation** is a 501(c)3-designated nonprofit foundation that manages an equity investment fund capitalized by private donations. BrightStar invests primarily in technology-based, high-growth, early-stage businesses to facilitate job creation and increase economic activity statewide. In FY19, BrightStar made investments totaling nearly \$150,000 in 1 early-stage company, and in calendar 2019, supported a total of 7 jobs.



The **Wisconsin Technology Council (WTC)** contributes to the state's high-tech and entrepreneurial economy through its policy work, hands-on work with investors and companies, educational forums and networking events. In 2019, more than 262 entrepreneurs benefitted from key WTC events and from assistance delivered by WTC's Wisconsin Angel Network, receiving training, guidance and unique opportunities to advance their ventures.

ENTREPRENEURSHIP TEAM

For more information about the programs in this report, please contact:

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**QUALIFIED NEW BUSINESS VENTURE
TECHNOLOGY DEVELOPMENT LOANS**

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The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.



**WISCONSIN ECONOMIC
DEVELOPMENT CORPORATION**

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