The University Entrepreneurship Report

VC and Angel Financing Data to University Alumni, 2007 to 2011

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$12.6 Billion Invested in 559 Deals

The University Entrepreneurship Report is the first-ever effort to track and measure the entrepreneurship activity of top universities. Specifically, this report tracks six universities and the companies founded by or led by their alumni and the venture capital or angel financing they have raised. In total, CB Insights data revealed that these alumni have raised $12.6 billion of financing across 559 financing transactions.

The universities analyzed are detailed below. All of the underlying company & investor data can be found on CB Insights.

- Stanford University
- Harvard University
- University of California, Berkeley
- New York University
- University of Pennsylvania
- Massachusetts Institute of Technology

The University Entrepreneurship report only counts companies that have received financing and which were founded or are led by an alumni one of the above six universities. Below are some of the highlights:

Stanford Alumni Rake It In

Probably not surprisingly, Stanford was the clear winner among the universities we analyzed data for. Stanford alum companies raised $4.1 billion across 203 financings handily beating all the other universities in terms of deal activity. On funding raised, Harvard was a close #2 when Facebook is included (yes – we included dropouts as well in our alum stats). However, if we recognize Facebook as an outlier and strip it from the numbers, Harvard's funding decreases significantly leaving Stanford as the clear #1 registering more than double or triple all the other universities in terms of funding raised. On a percentage growth basis, Harvard and NYU are experiencing the fastest growth rates.

Harvard and Penn Have Most "Alumni Leakage"

When we analyze where alumni companies are based geographically, we see that Stanford and the University of California, Berkeley do the best job of keeping alums in their home state. Given their proximity to Silicon Valley, this is not surprising.

On the flipside, however, U Penn and Harvard saw the lowest percentage of their alumni establishing in-state companies. Both saw 65% of alum companies set up shop elsewhere or what we've termed "alumni leakage". For Penn, the retention of 35% is actually quite respectable given that the state of Pennsylvania is not a VC/angel investment juggernaut as it is typically ranked 6-9th in VC funding and deals in our quarterly reports.

However, for Harvard which is based in Massachusetts, the 65% alumni leakage stat is a bit more alarming as Massachusetts is consistently a top 2 or 3 market for VC deals and funding. The alumni leakage stat becomes even more interesting when Harvard is compared with its neighbor MIT which sees 59% of alum companies set up shop in Mass.

Tech Dominates. UC Berkeley & MIT Most Diverse

As might be expected, tech sees the most deal activity and funding across all universities. Although both still are tech leaning, MIT and Berkeley demonstrated the most industry diversity among the universities analyzed.

Top Investors by University are Very Different

Analyzing the top investors by university highlights that VCs are often building relationships with universities that they find in their backyards.

The two top investors for each university were:

- Stanford – DFJ and Kleiner Perkins
- Harvard – Accel Partners and Google Ventures
- UC, Berkeley – (note: 6 investors tied for first)
- NYU – Union Square Ventures and Spark Capital
- U Penn – MentorTech and Bessemer
- MIT – General Catalyst and Highland Capital

Across all 6 universities, Venrock and Draper Fisher Jurvetson (DFJ) were the most active investors.

What Smart Investors, Bankers and Wealth Managers Use to Get Ahead…

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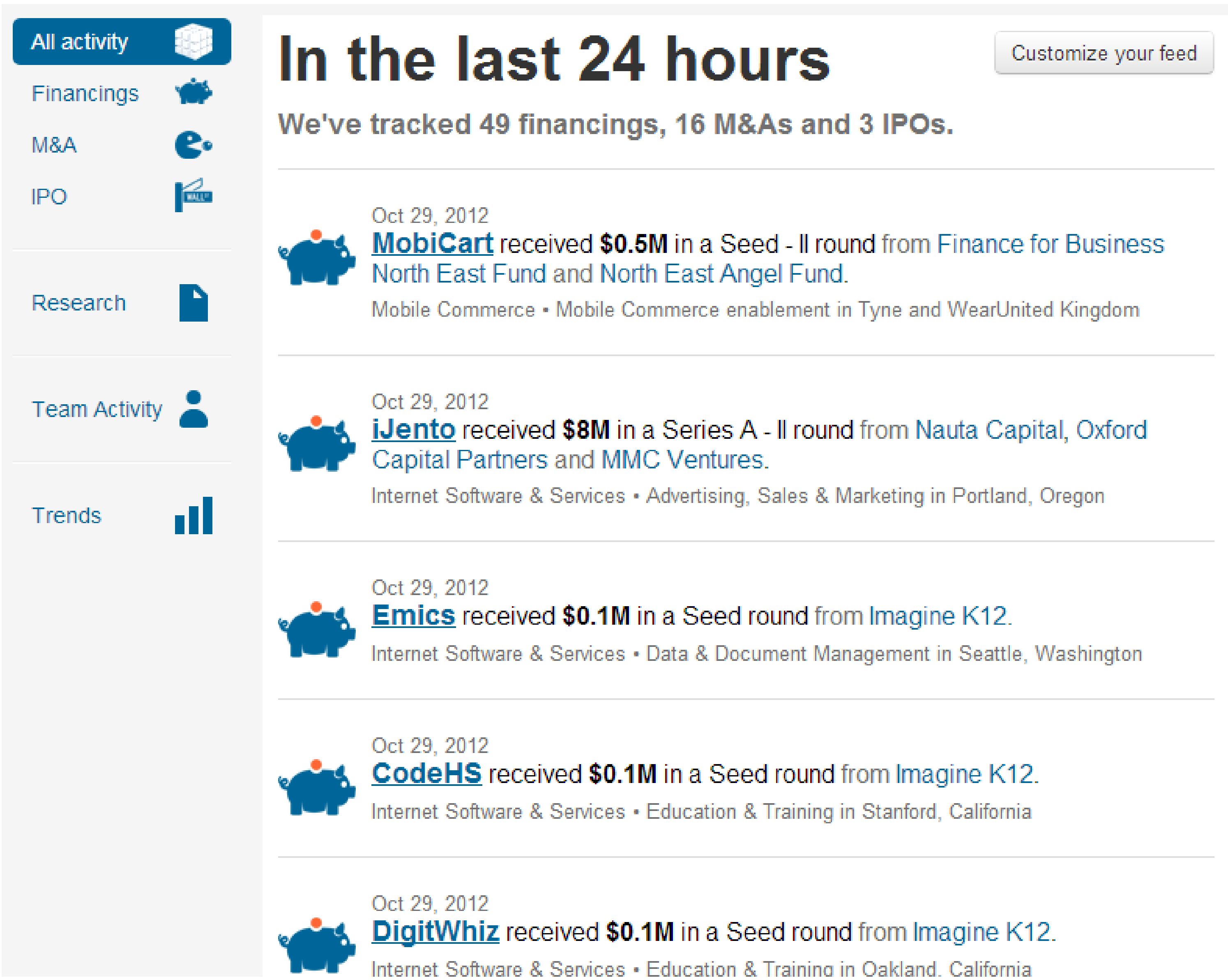
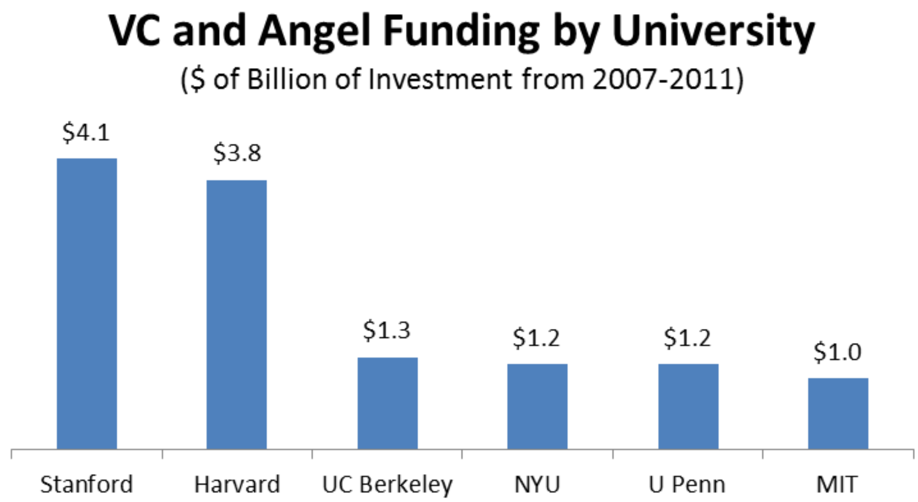


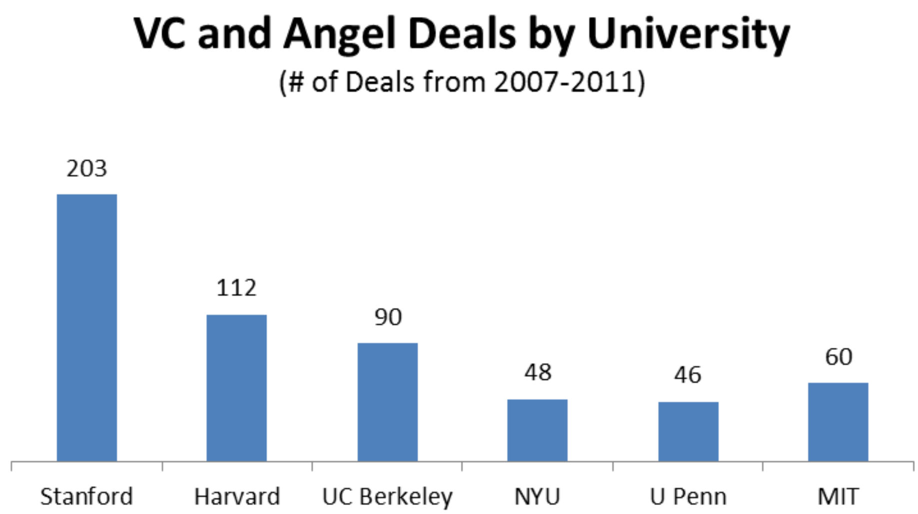
University Entrepreneurship

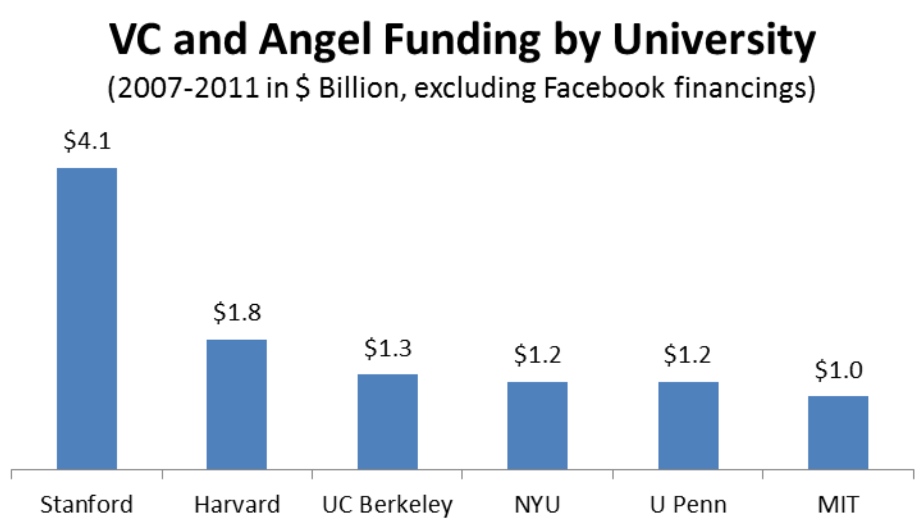
UNIVERSITY COMPARISONS

Stanford Dominates In Terms of Funding & Deals

Based on funding and deals to its alumni startups, Stanford is the clear leader followed by Harvard. Once you strip out Facebook from Harvard's funding total, the difference between Stanford and other universities becomes more stark.



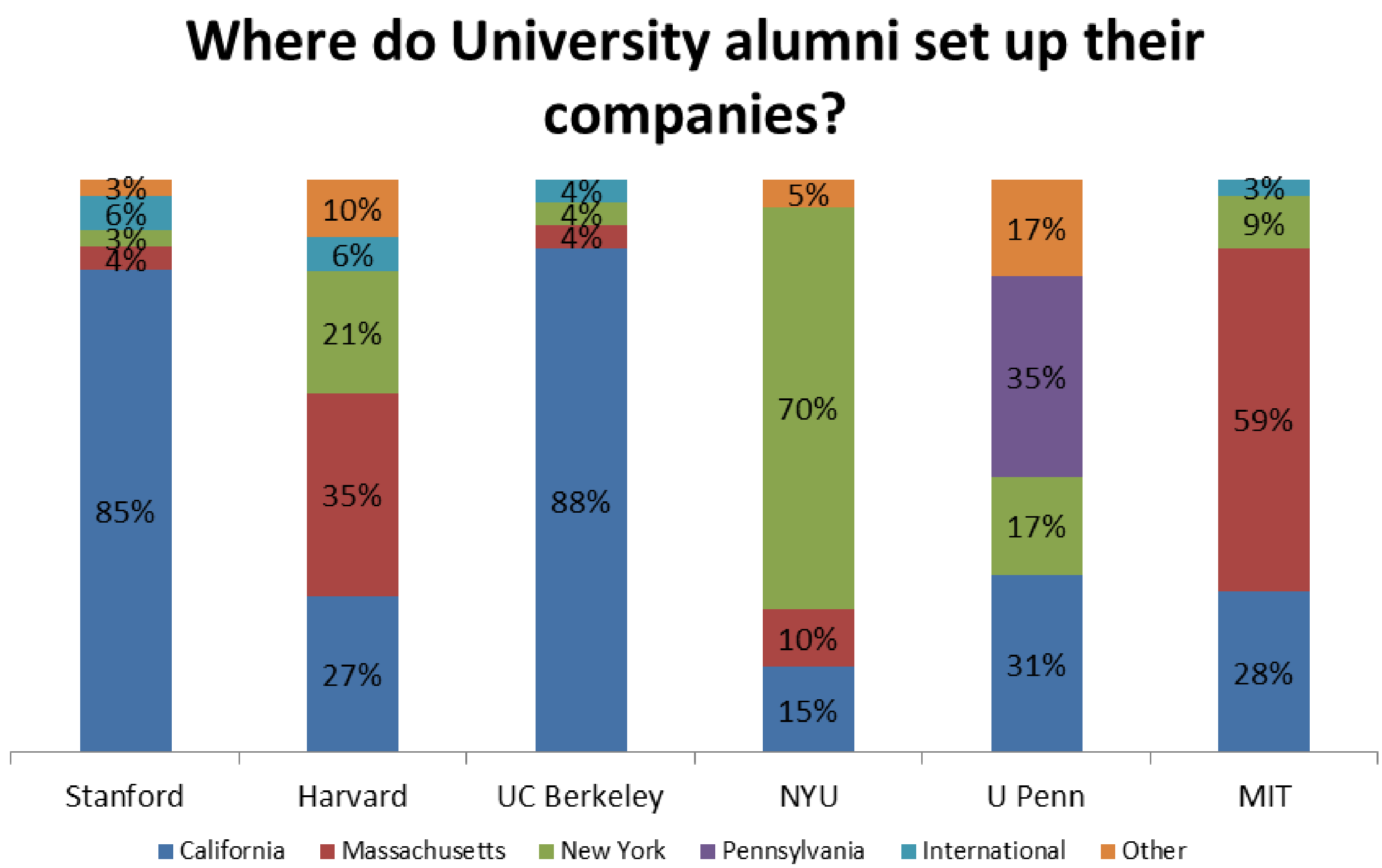




Harvard and Penn Have Most "Alumni Leakage"

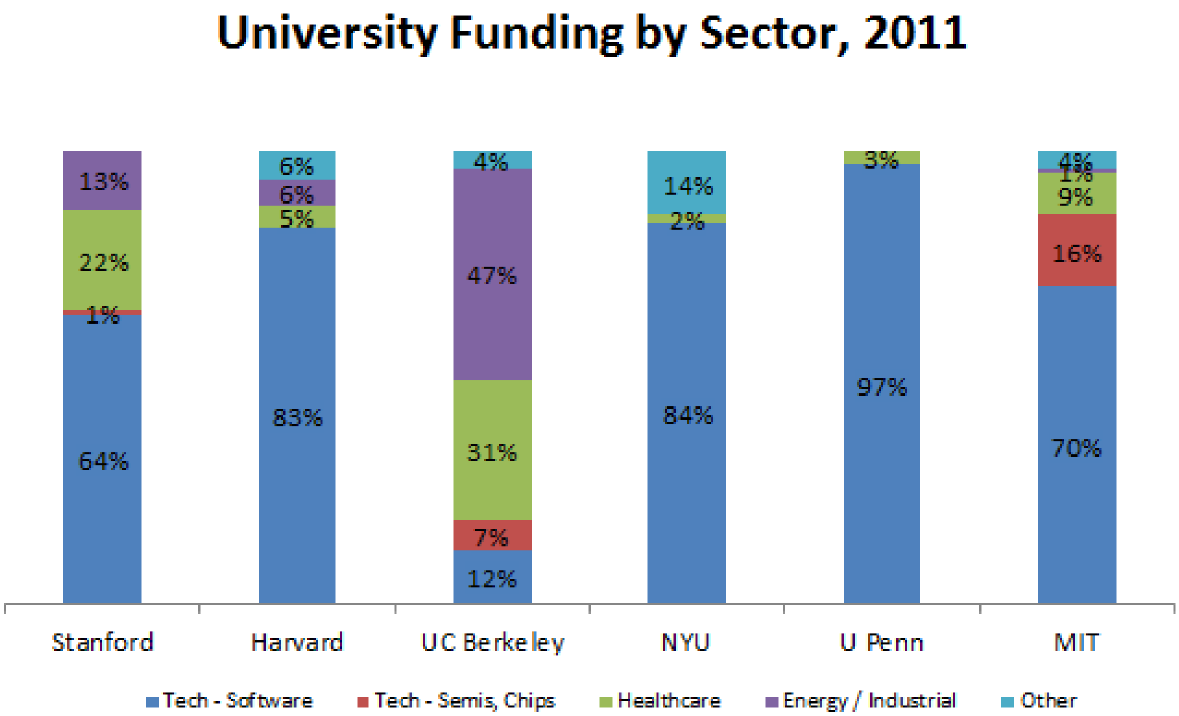
Both schools see almost 2/3 of alumni-founded or led companies set up elsewhere. California schools, Berkeley and Stanford, see the least leakage retaining the vast majority of alumni startups in California.

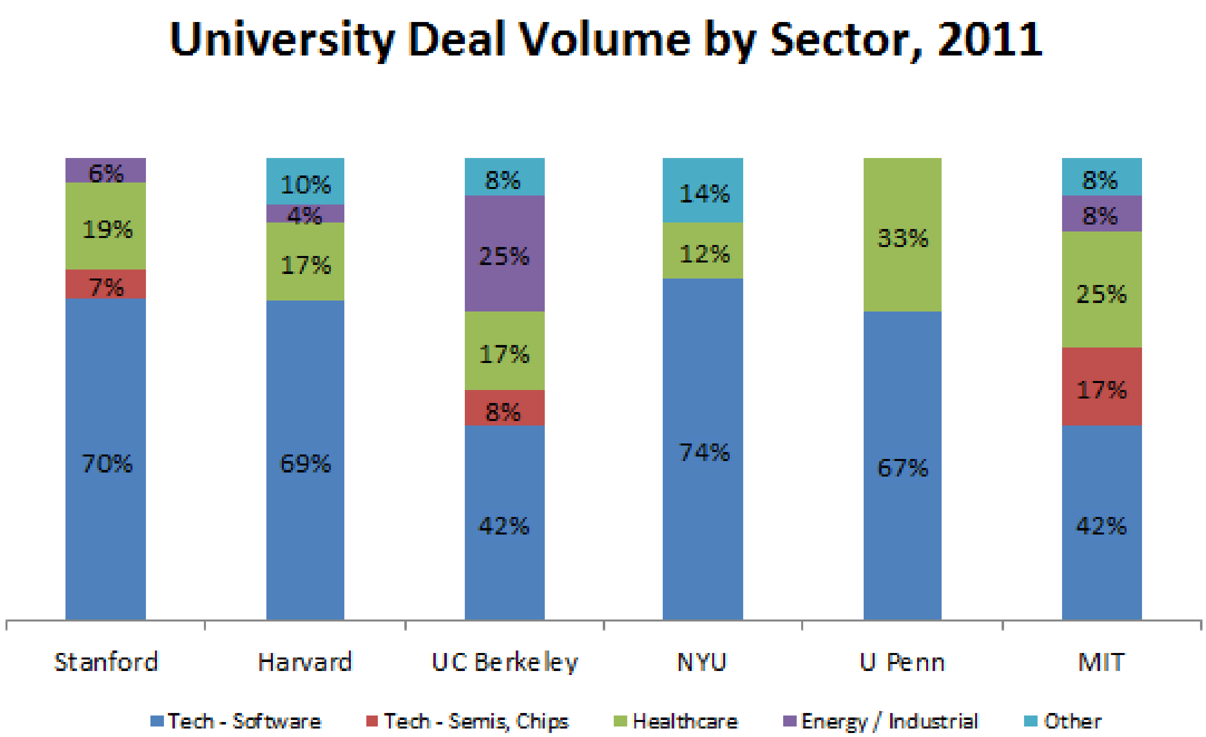
NYU and MIT also do well in retaining alumni startups in New York and Massachusetts, respectively. Harvard startups choose California as their home followed closely by New York. Penn startups display similar behavior although much more clearly preferring Cali to New York.



Berkeley and MIT Show Most Industry Diversity

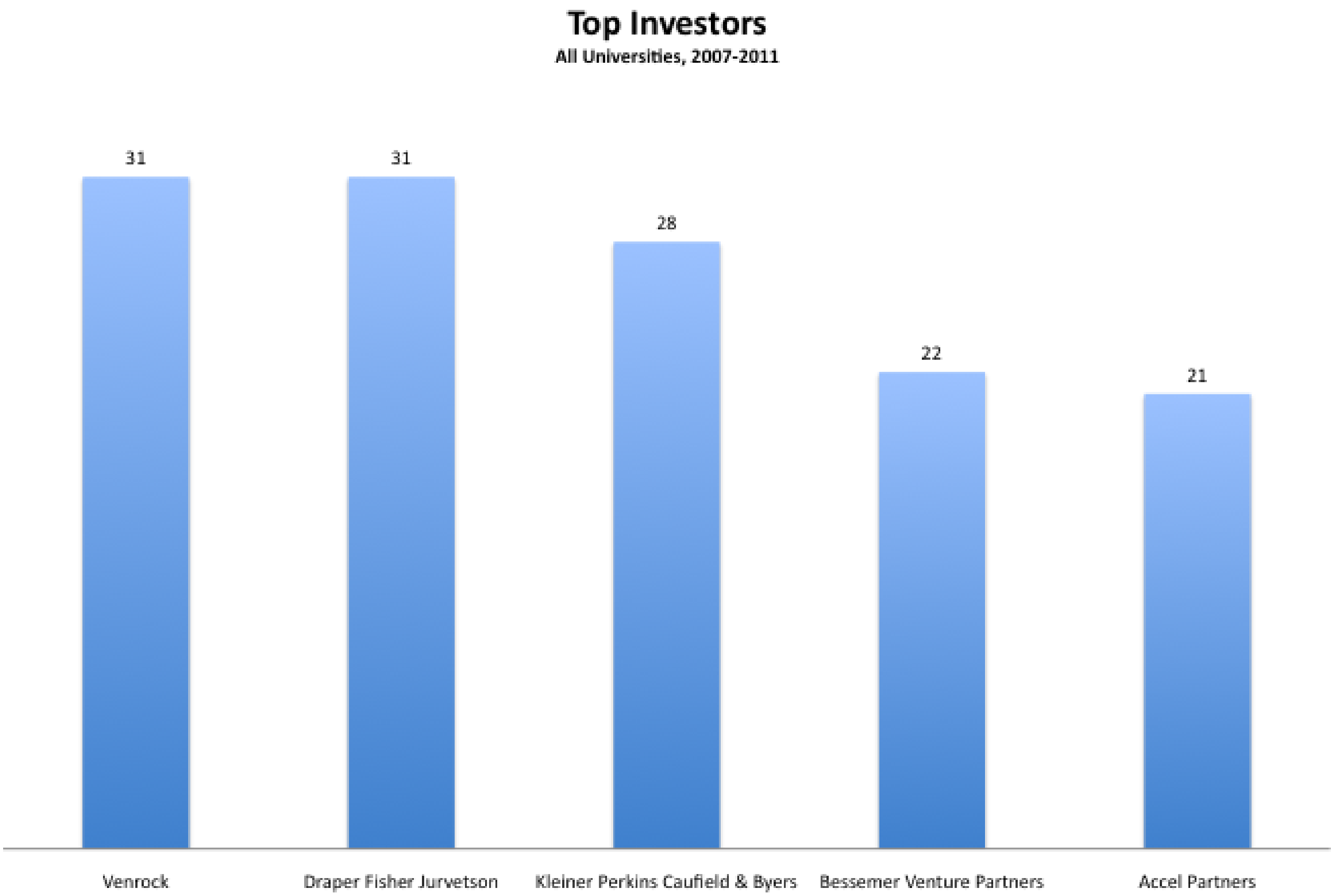
UC Berkeley and MIT see most varied selection among industries. Stanford, MIT and Harvard are Tech driven and generally less diverse in terms of industry.





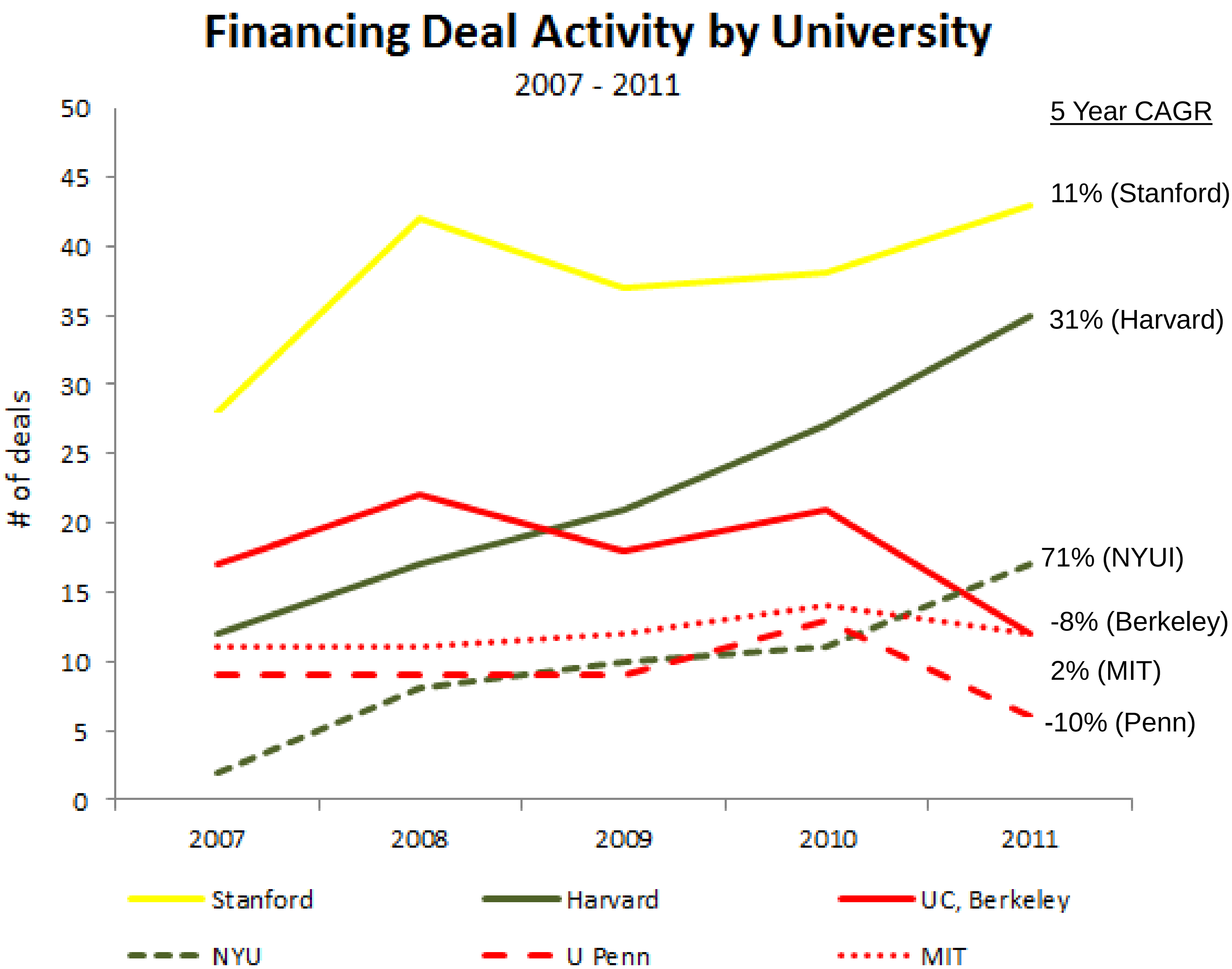
Top Investors in University Entrepreneurs

Venrock and Draper Fisher Jurvetson were the most active investors in the 6 universities analyzed participating in 31 financing transactions each



Harvard and NYU Experiencing Most Growth

On a percentage growth basis, NYU and Harvard are growing fastest with NYU benefitting from its low starting position. Stanford, already the biggest by a significant margin on an absolute deals basis, steadily climbed as well. Penn and Berkeley registered negative deal volume growth and MIT stayed relatively flat over the five year span analyzed.



CAGR = Compounded Annual Growth Rate

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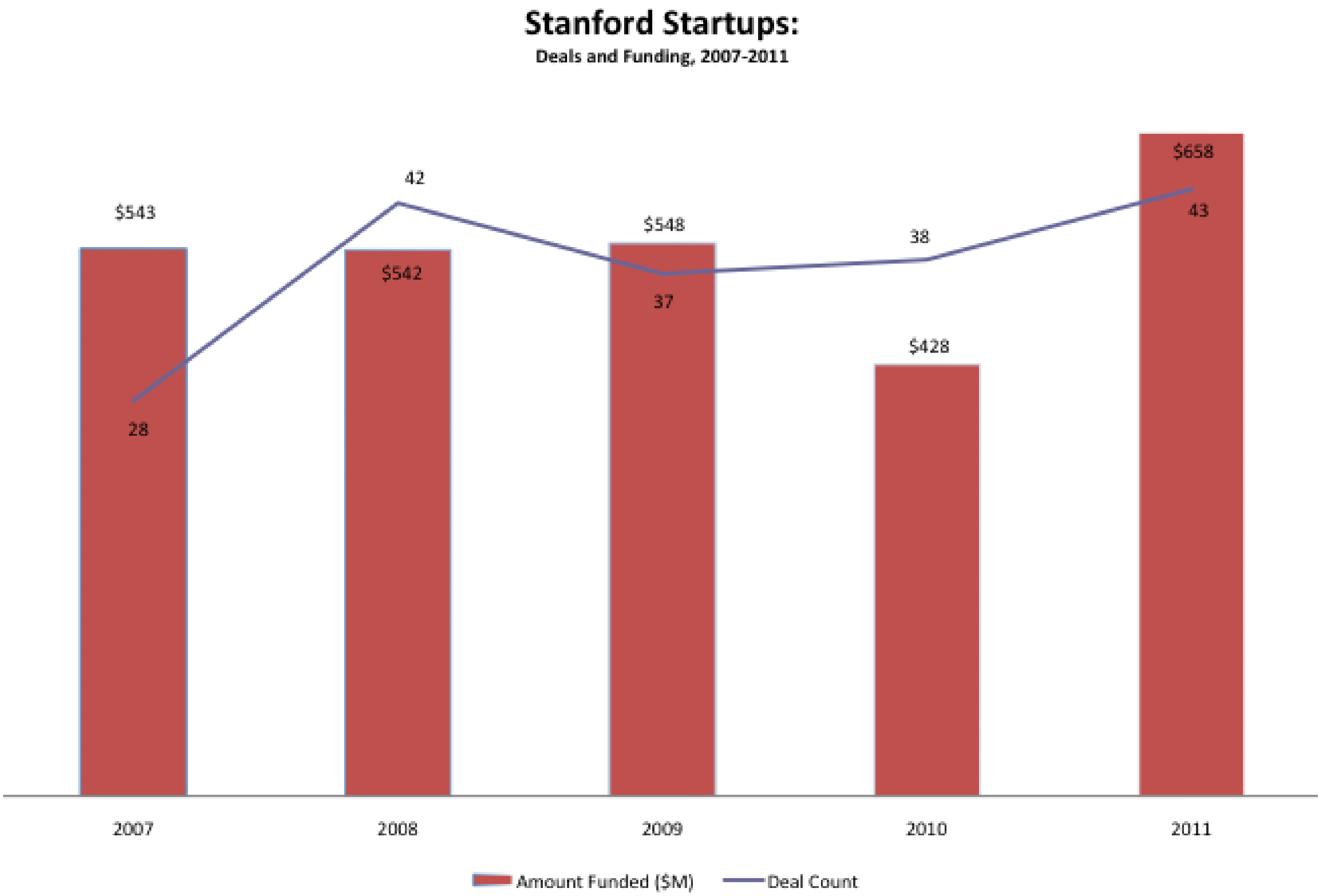
University Entrepreneurship

STANFORD UNIVERSITY

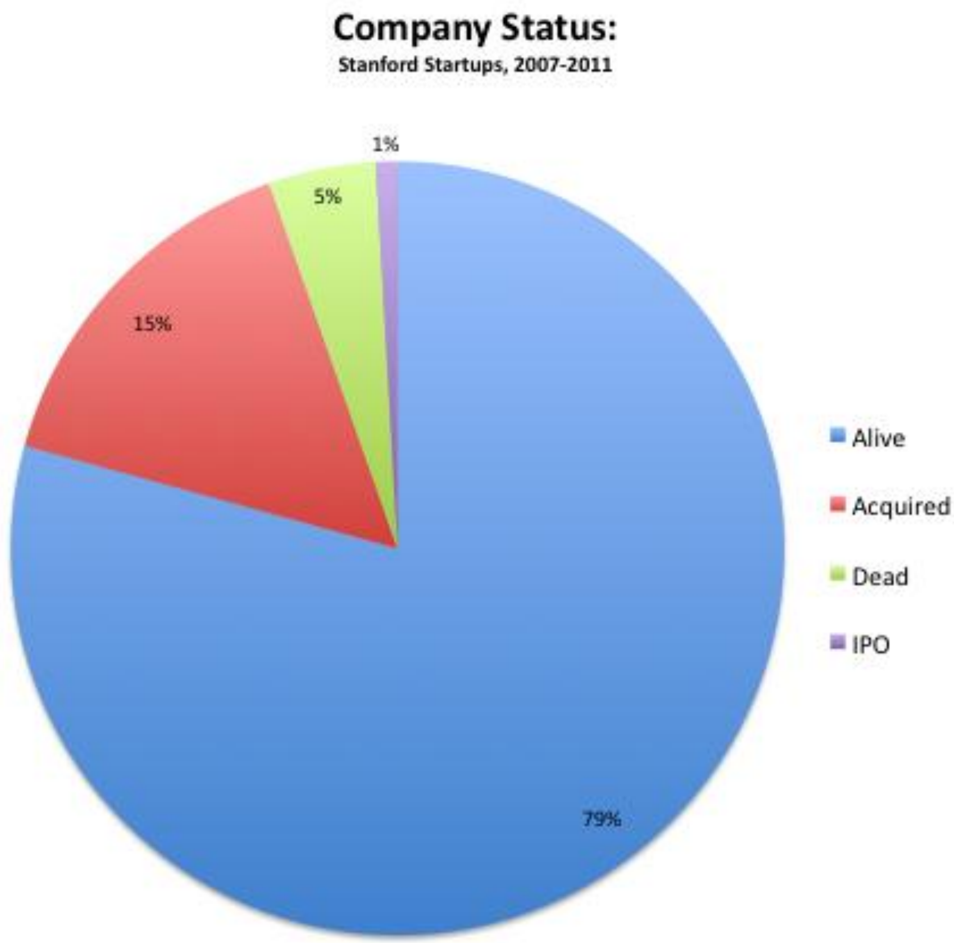
Stanford University - Deal Count & Funding Amount

$4.1 billion invested in 203 financing transactions from 2007 to 2011



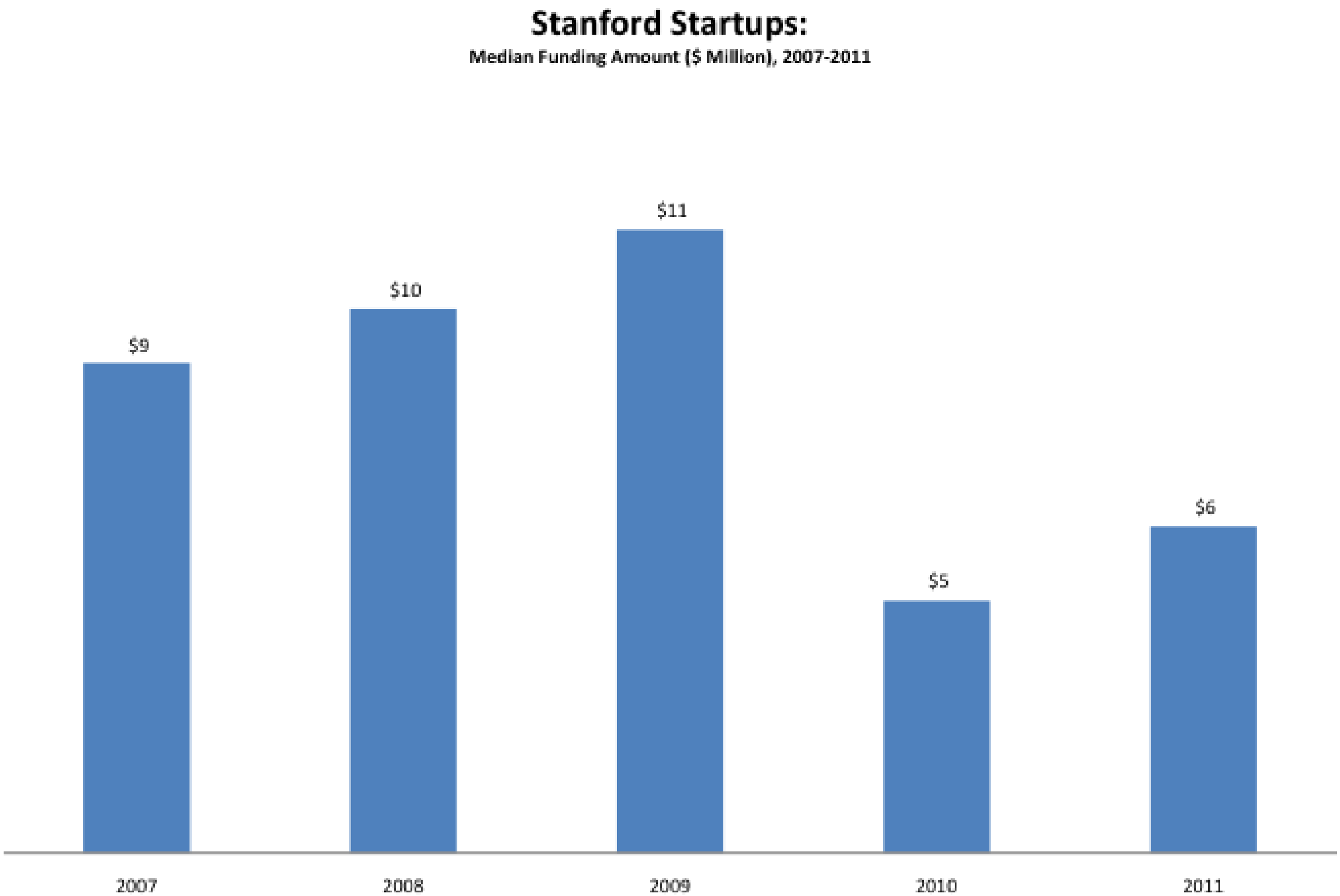
Stanford University - Company Statuses

79% of companies are alive, while 16% were acquired or went public



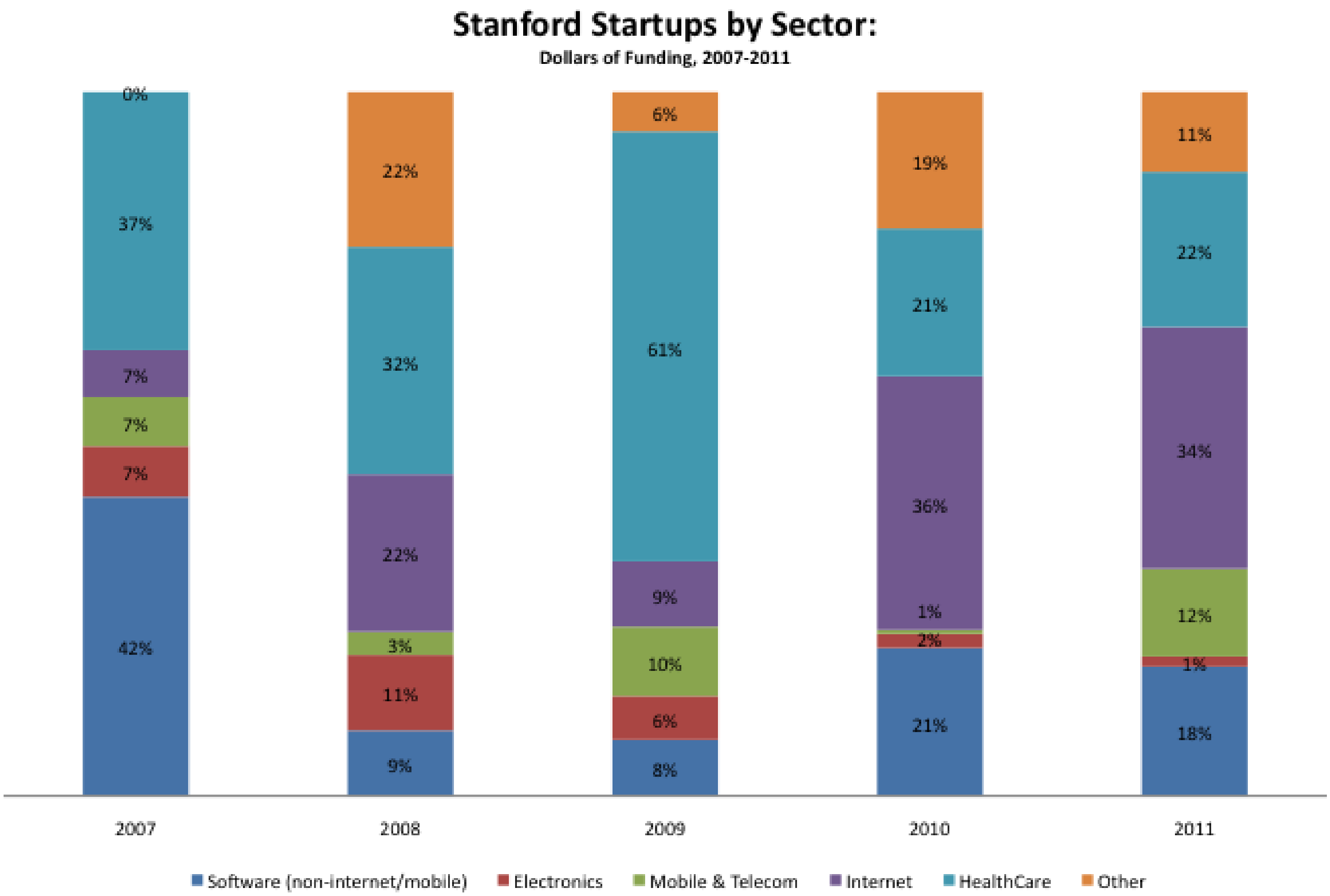
Stanford University - Median Funding Amount

Overall, Stanford alum companies have a median funding amount of $8 million per financing transaction.



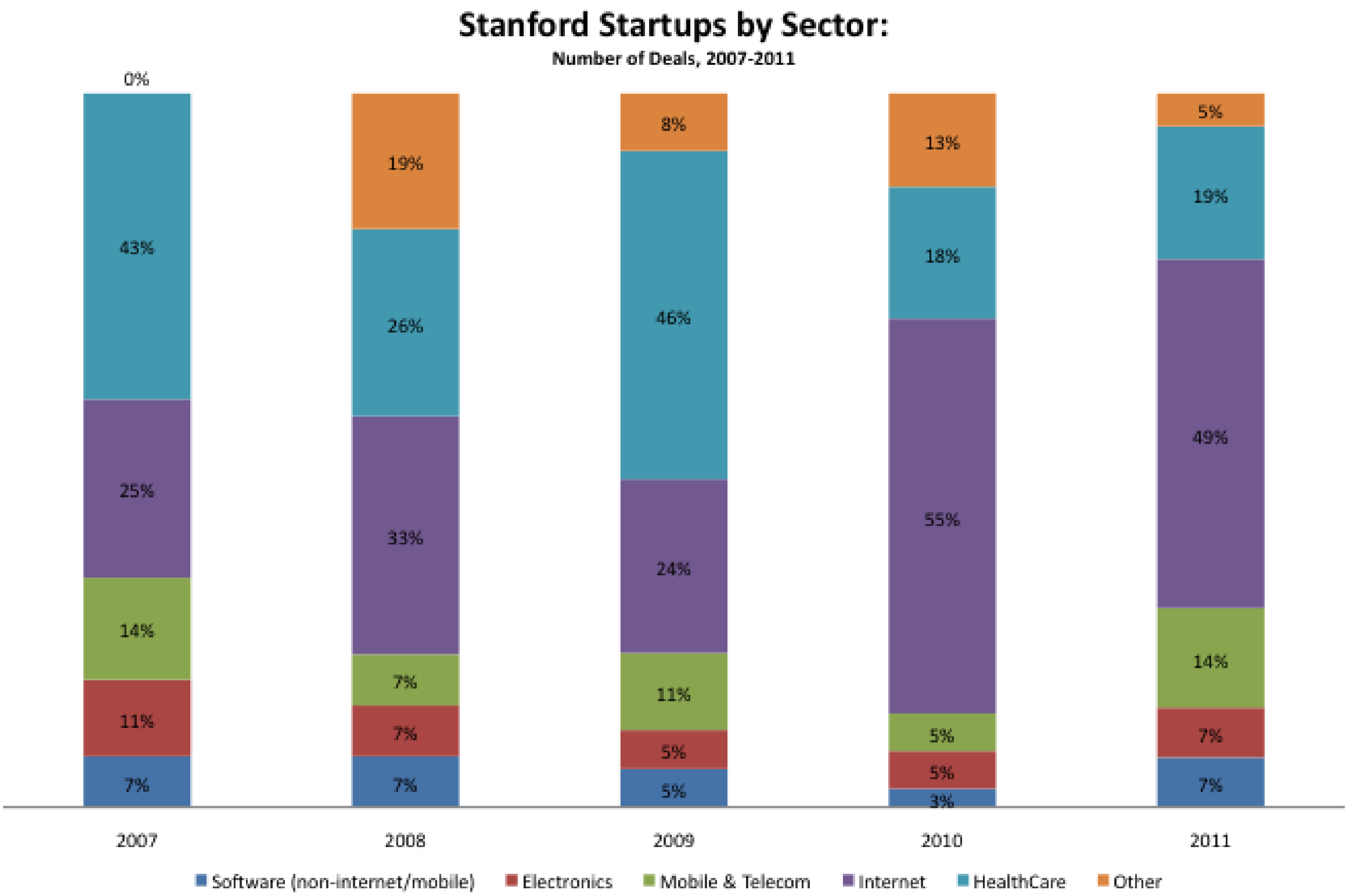
Stanford University - Funding Amount by Sector

Overall, healthcare took 35% of the total funding while Internet continues to grow its share of funding.



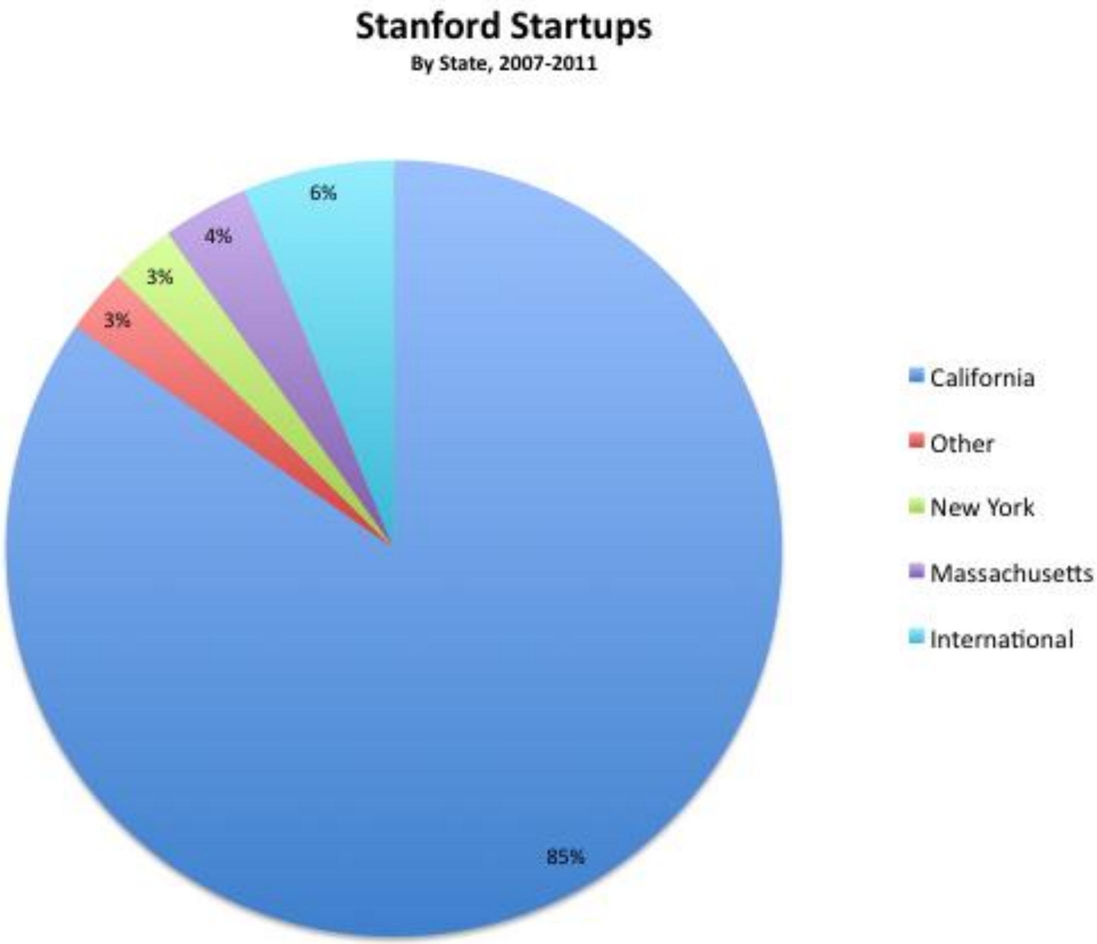
Stanford University - Deal Count by Sector

Internet companies have taken the most deals since 2007



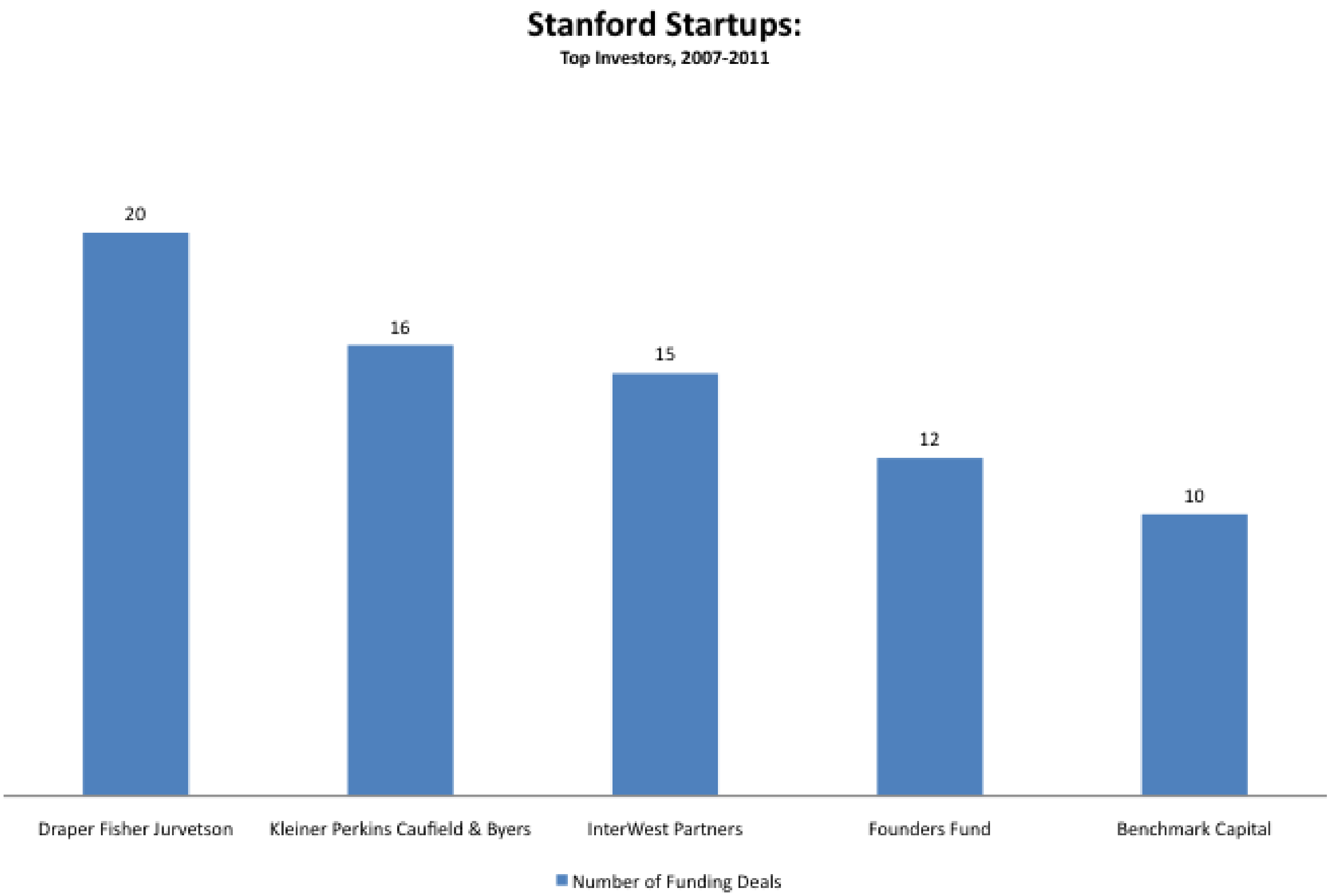
Stanford University - Startups by State

85% of the startups continue to have headquarters in California



Stanford University - Top Investors

Draper Fisher Jurvetson participated in 20 financing transactions

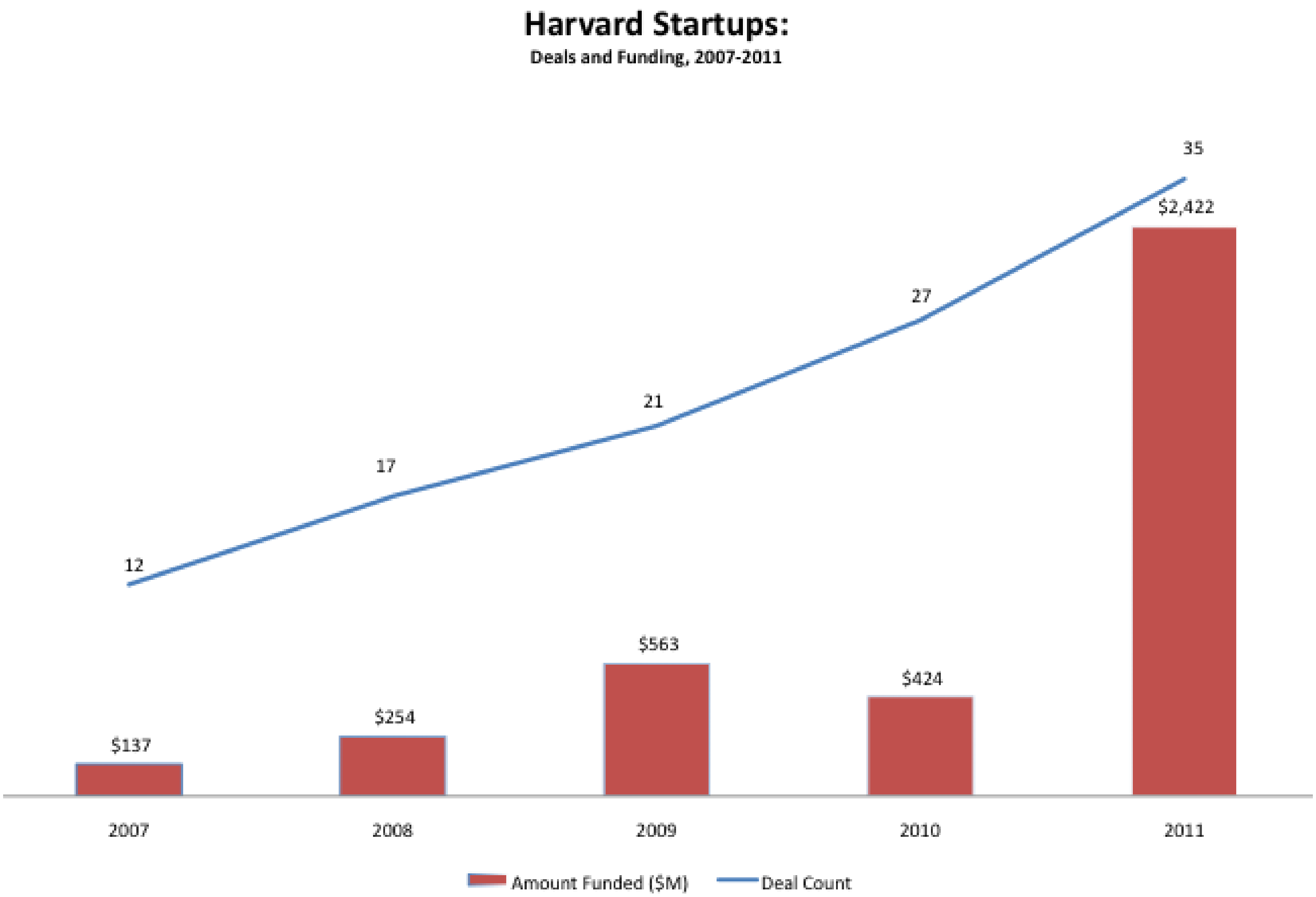


University Entrepreneurship

HARVARD UNIVERSITY

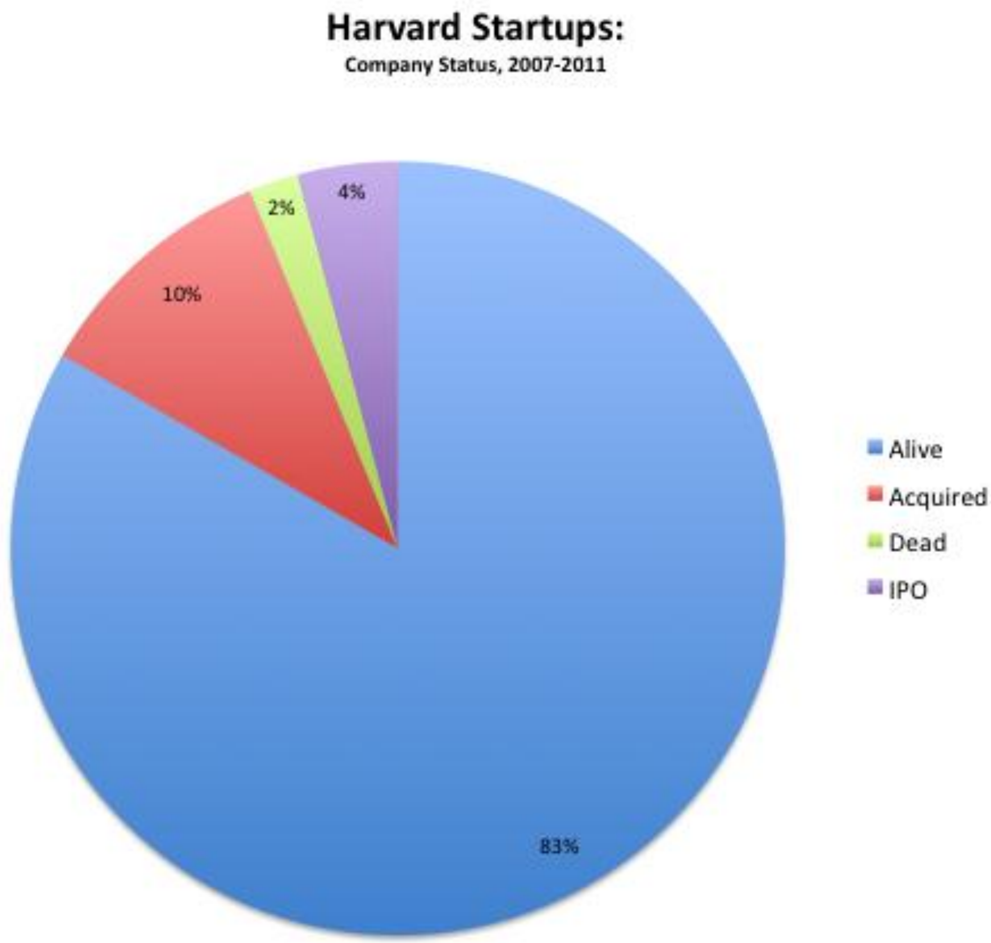
Harvard University - Deal Count & Funding Amount

Startups from Harvard raised $3.8 billion on 112 deals. Facebook inflates funding totals (big time).



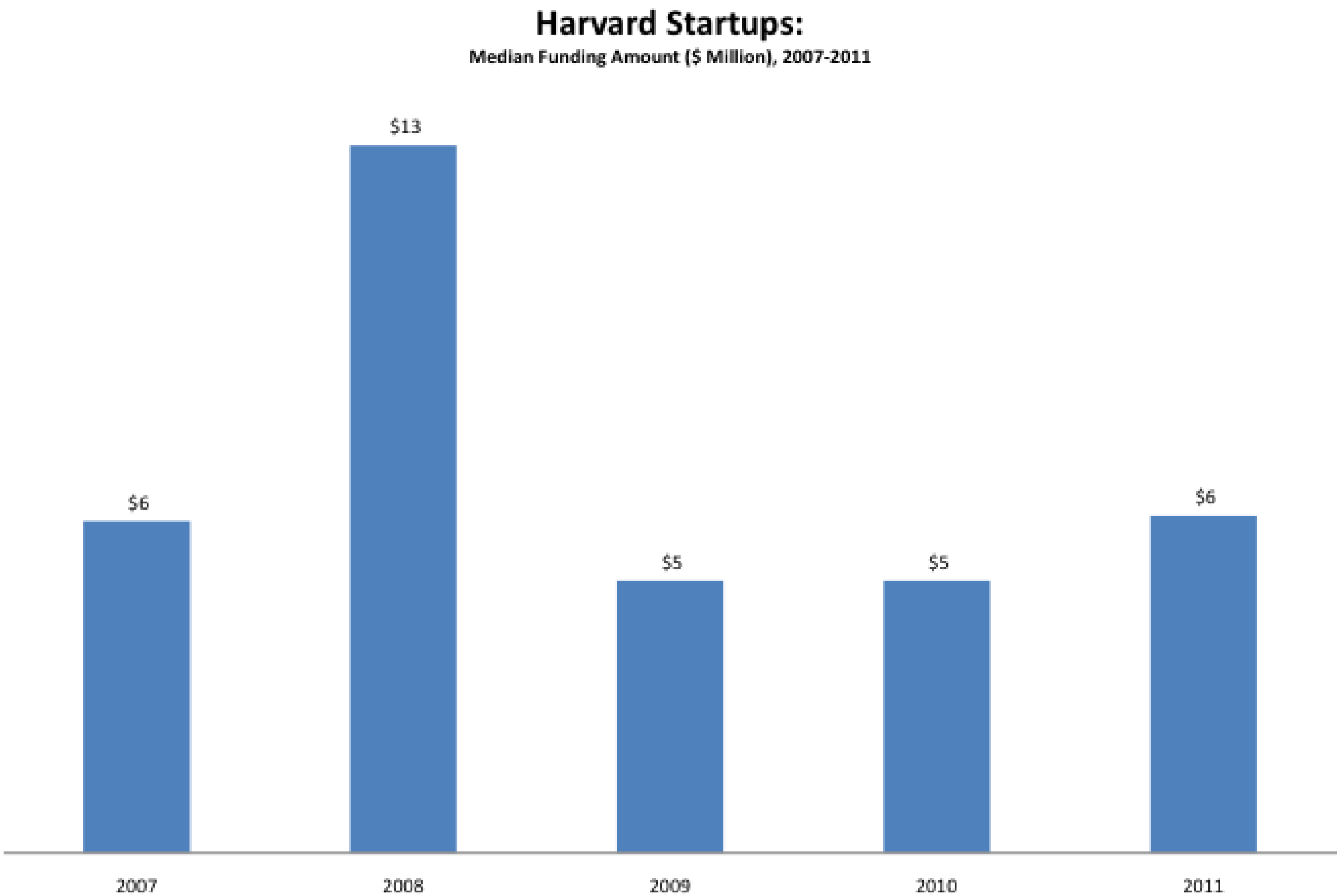
Harvard University - Company Statuses

83% of companies are alive, while 14% have seen an exit



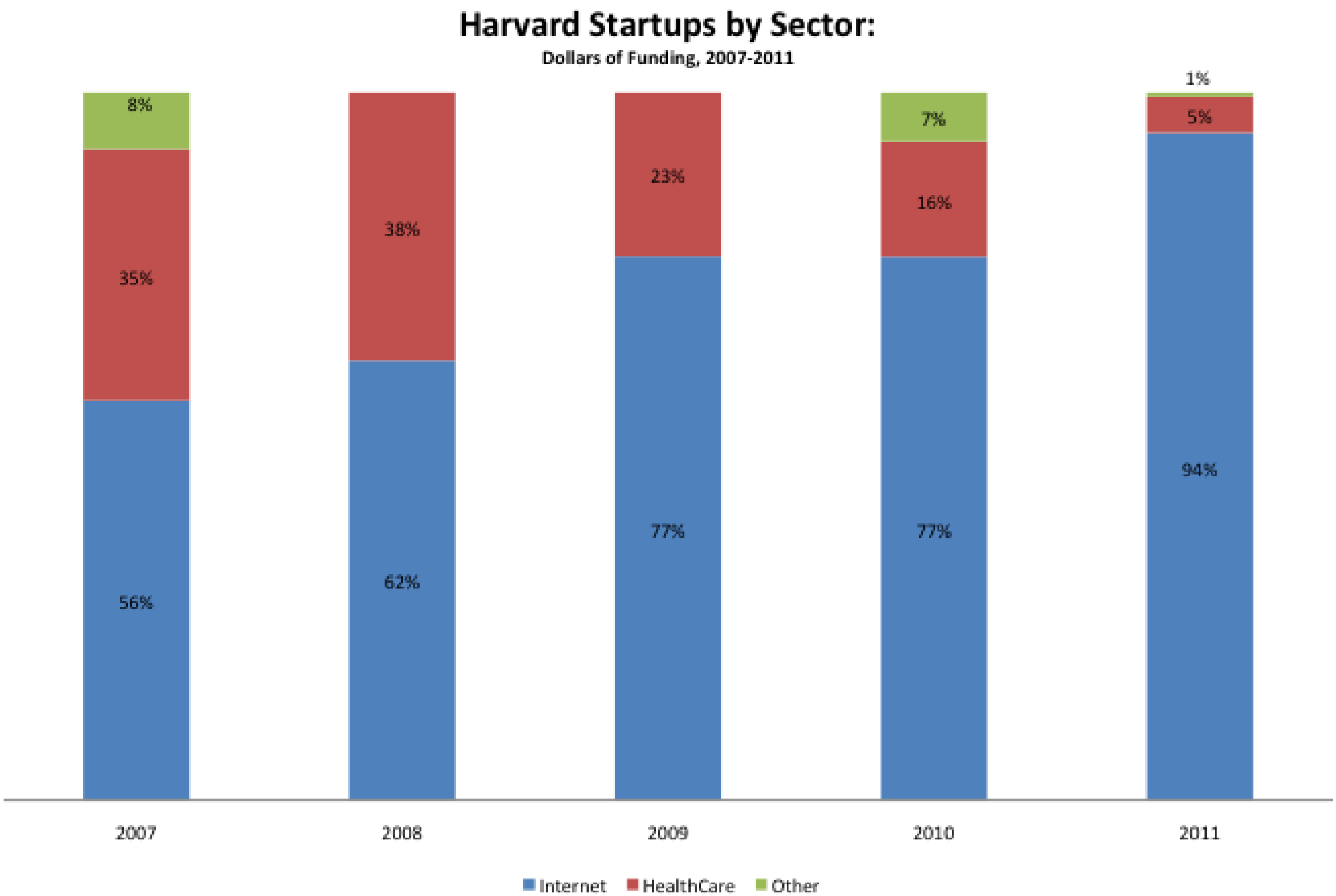
Harvard University - Median Funding Amount

Median Funding amount topped out at $13 million in 2008 but have otherwise stayed largely range-bound in the $5-6 million range.



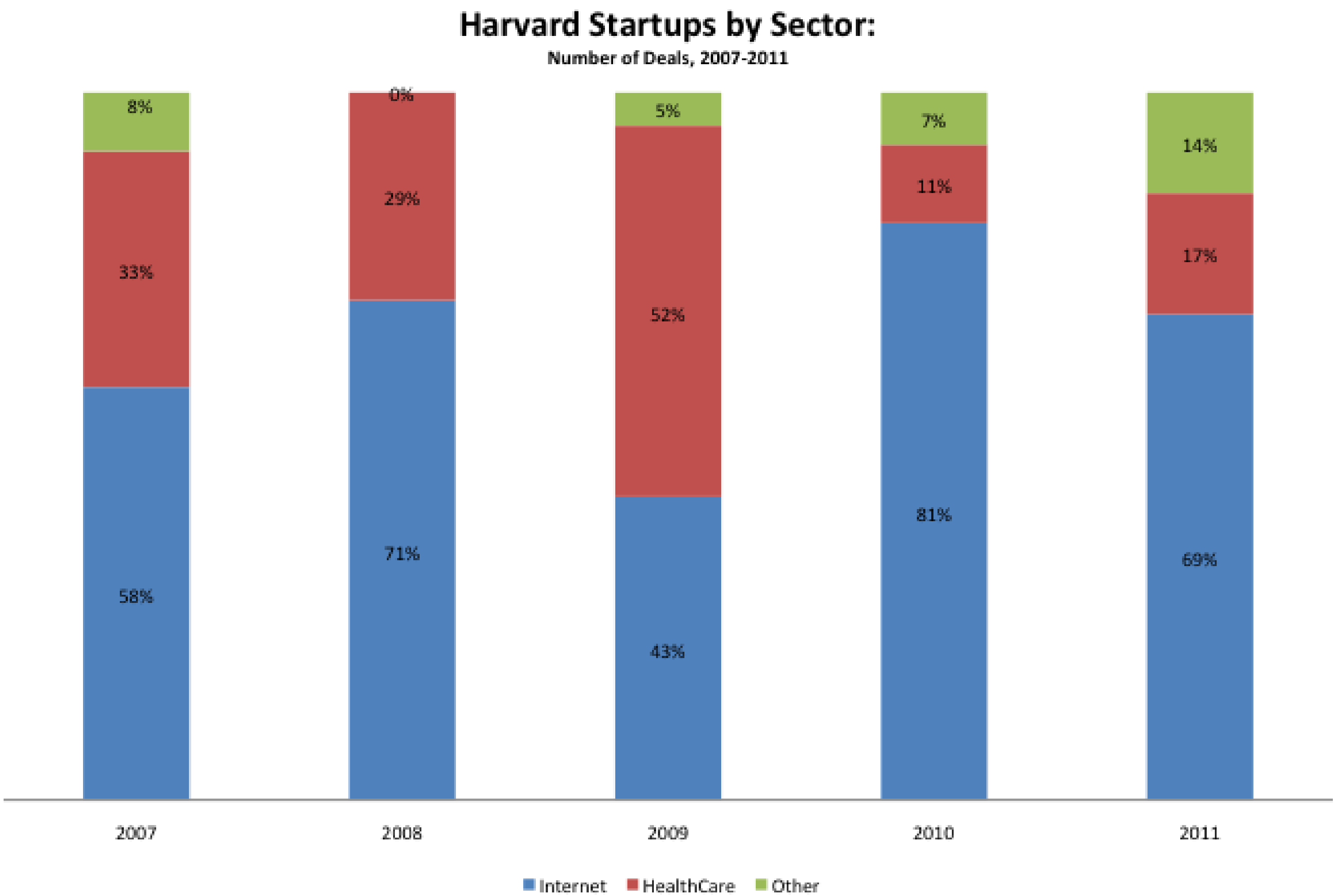
Harvard University - Funding Amount by Sector

Internet continued it's growth, increasing its share of funding each year.



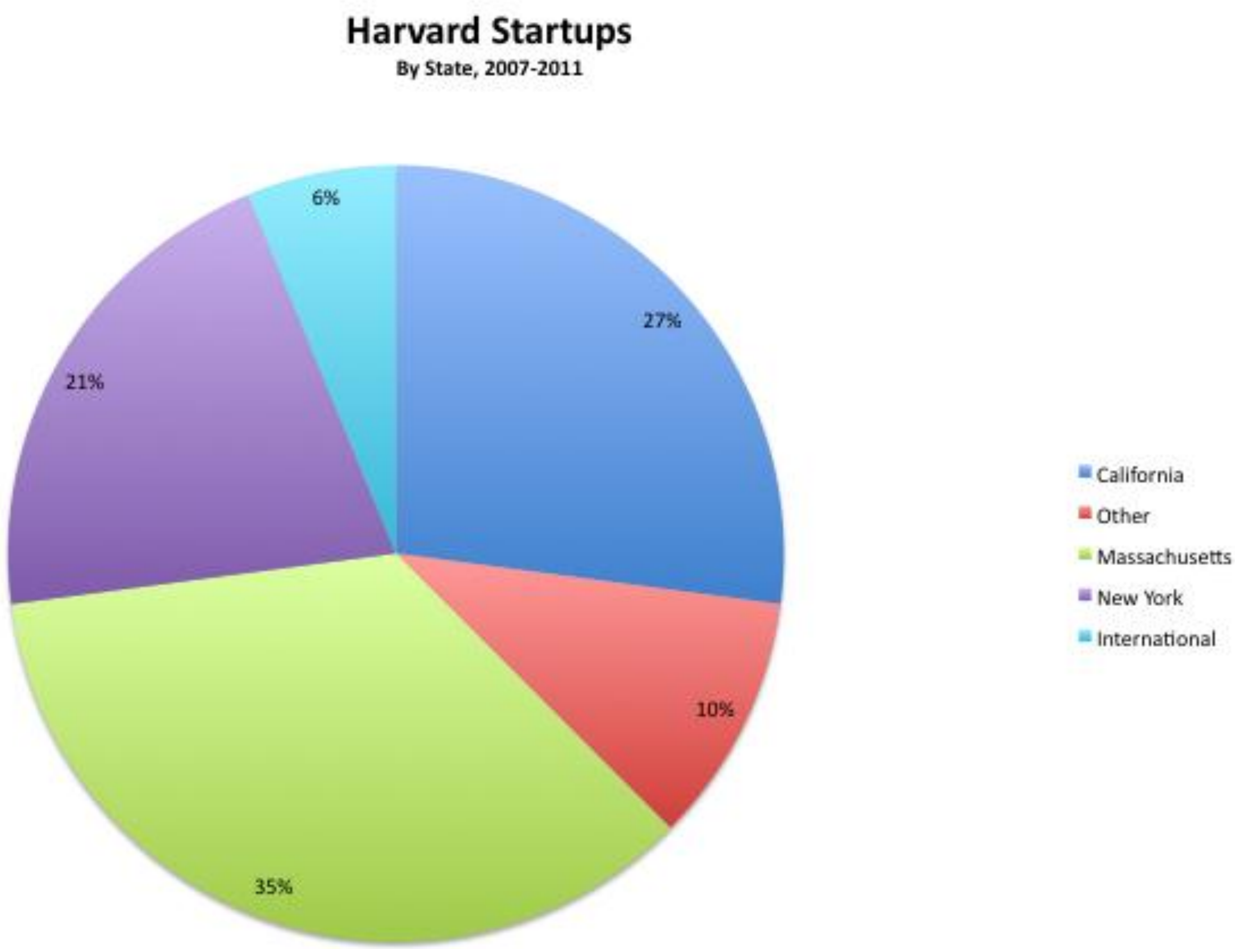
Harvard University - Deal Count by Sector

Internet sector dominated deal count and was followed by Healthcare



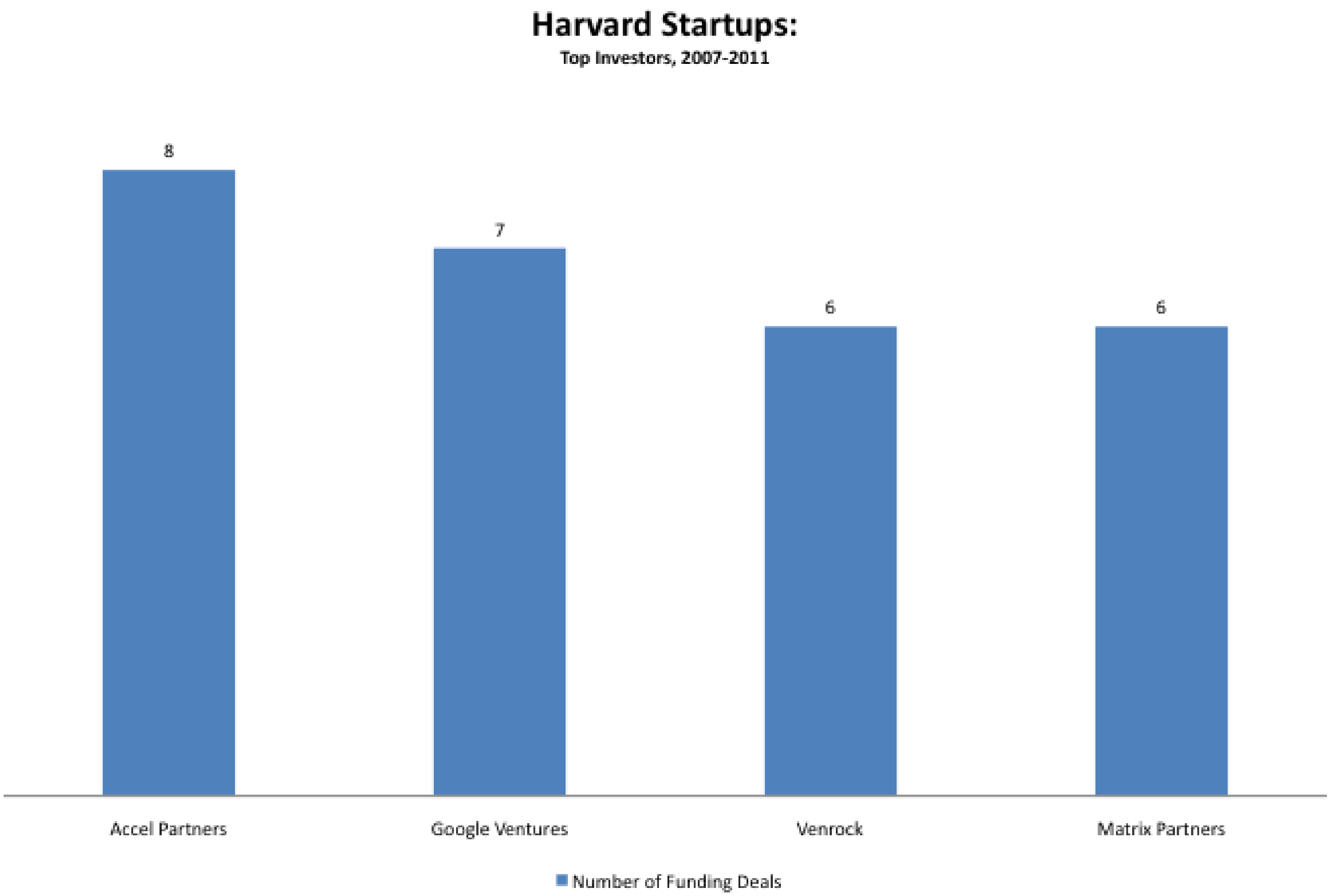
Harvard University - Startups by State

65% of startups relocated headquarters outside of Mass



Harvard University - Top Investors

Accel Partners and Google Ventures participated in the most financing transactions involving Harvard startups

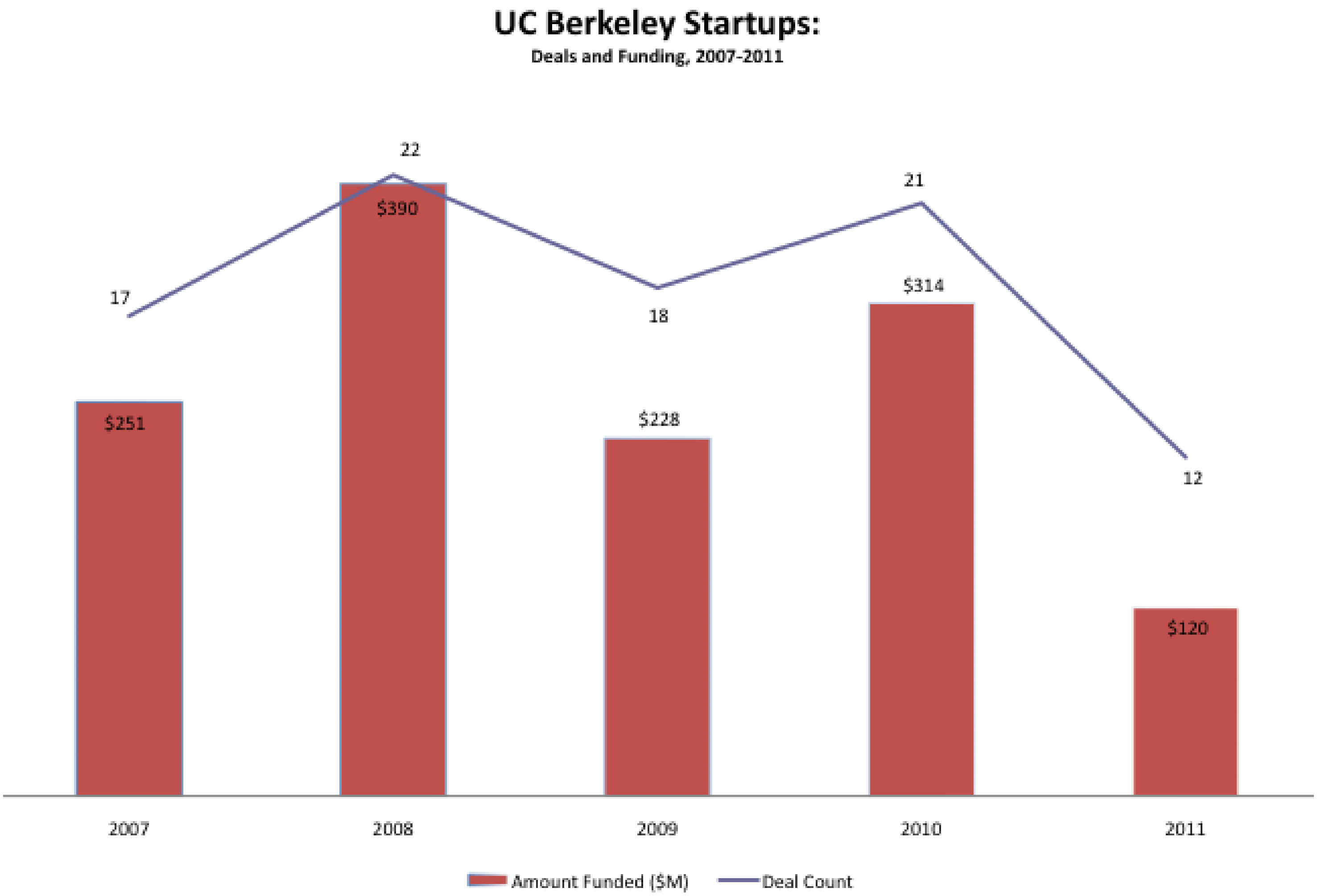


University Entrepreneurship

UNIVERSITY OF CALIFORNIA, BERKELEY

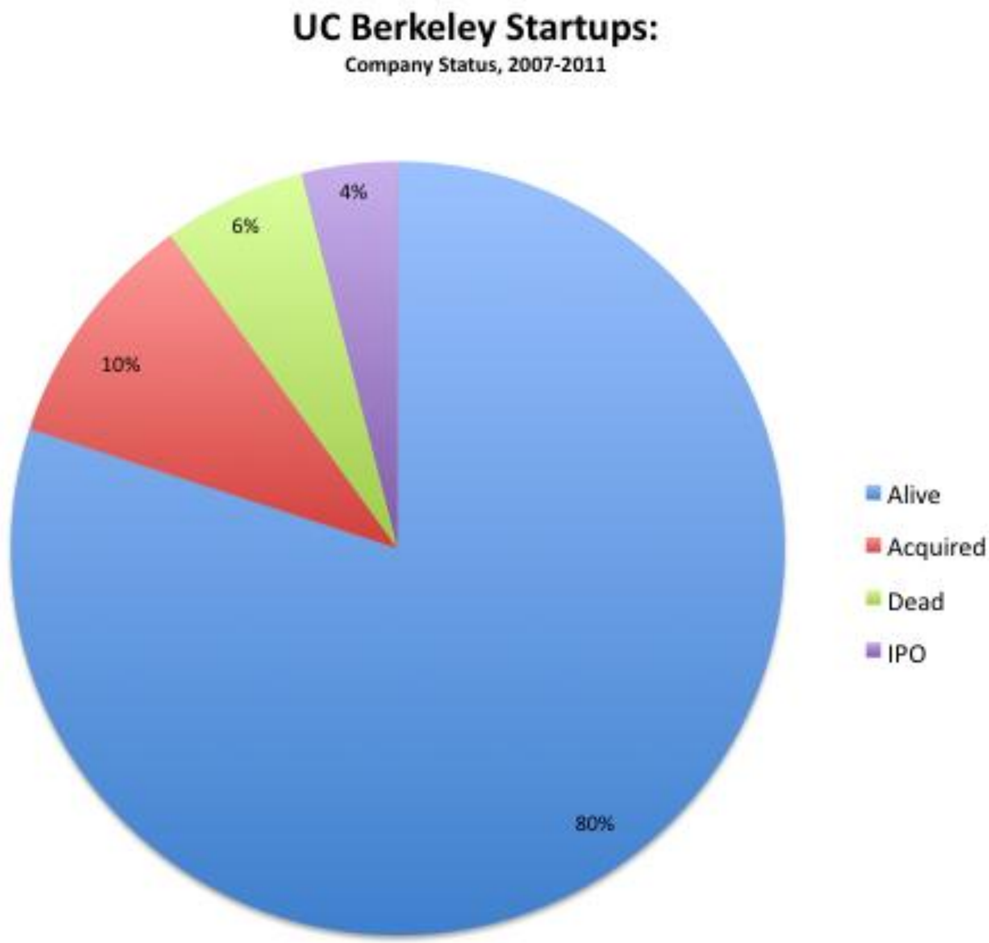
UC Berkeley - Deal Count & Funding Amount

$1.3 billion on 90 deals over the past five years



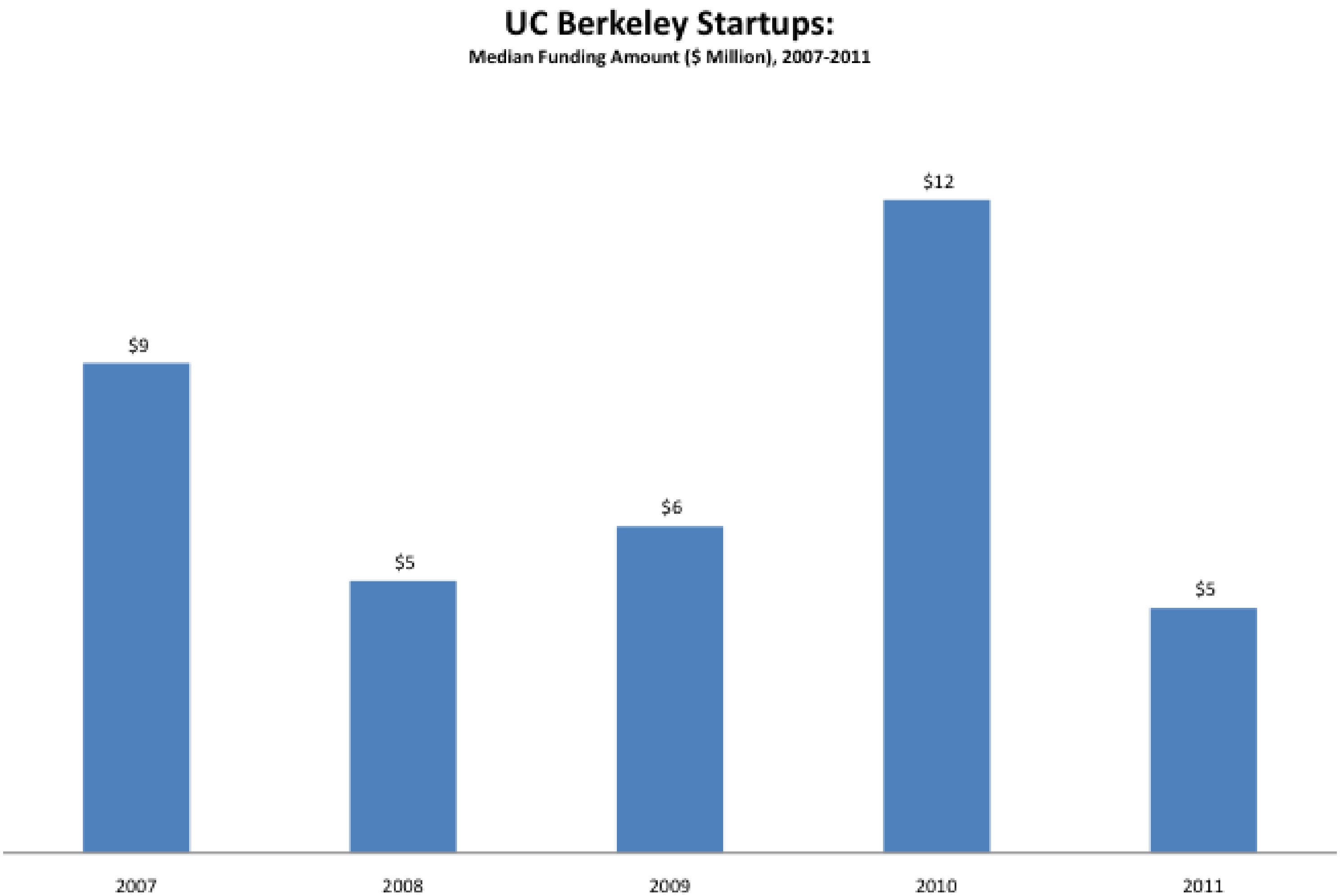
UC Berkeley - Company Statuses

80% of companies still alive, 14% acquired or went public



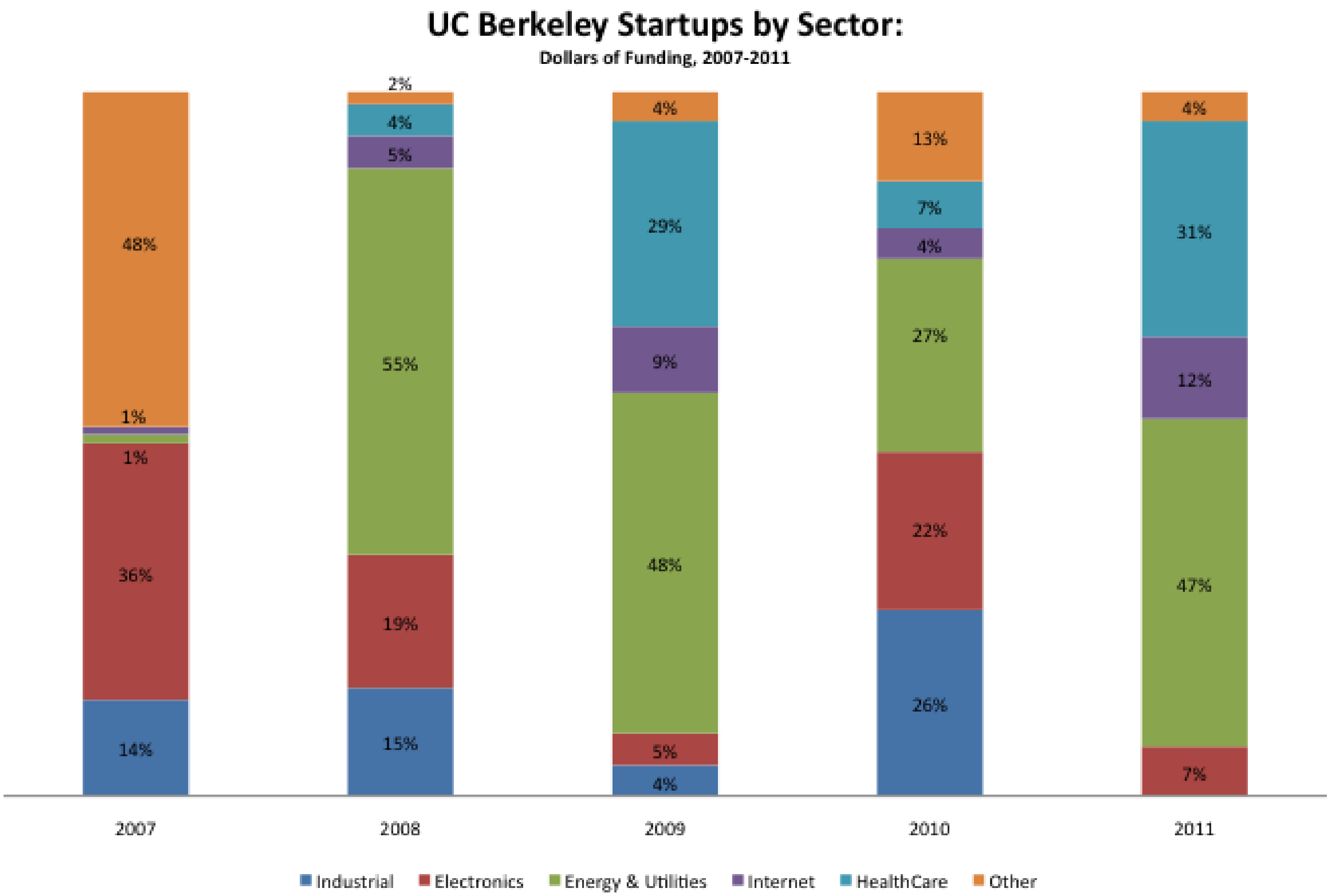
UC Berkeley - Median Funding Amount

$6 million median funding overall with a peak of $12 million in 2010



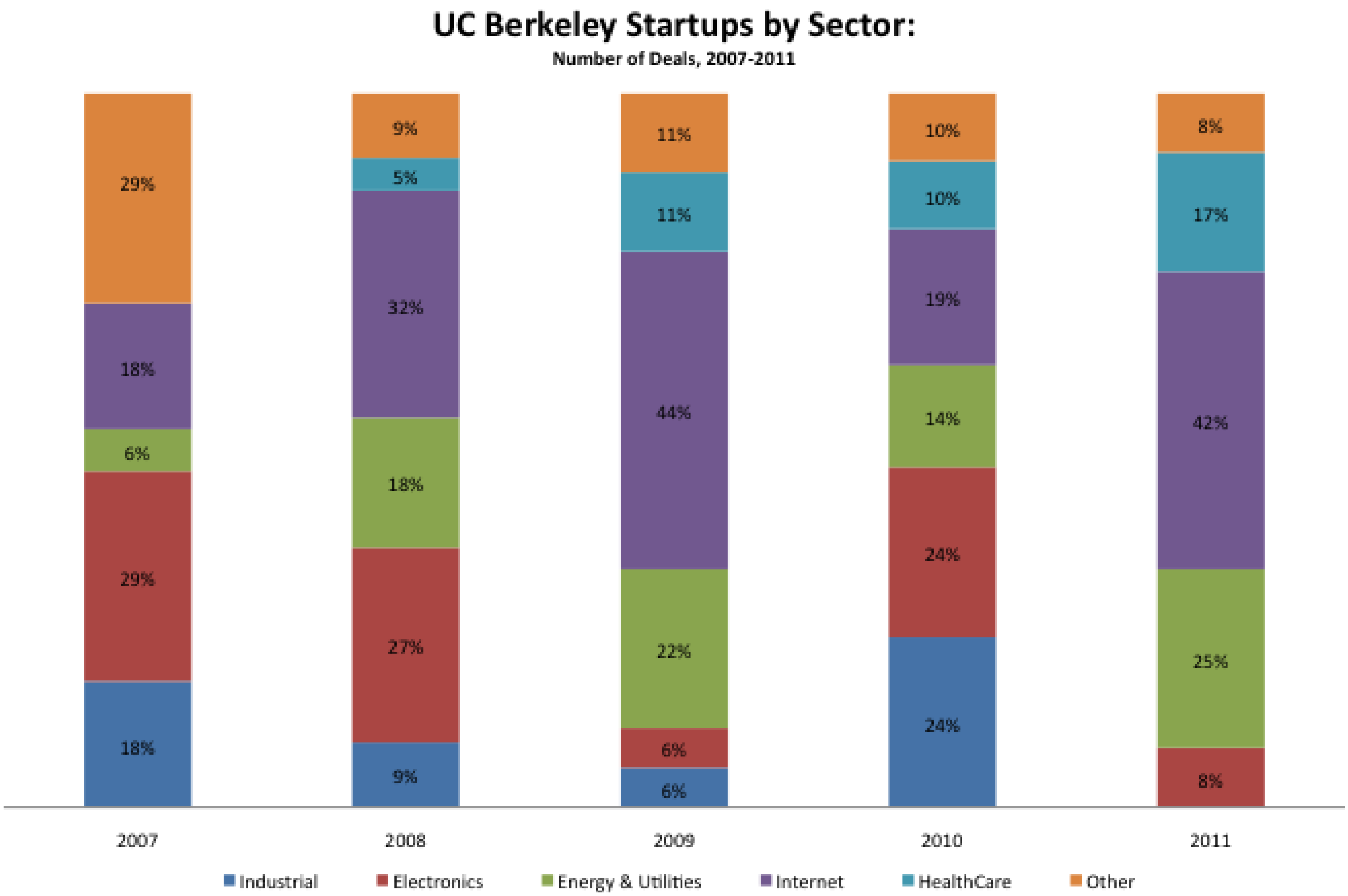
UC Berkeley - Funding Amount by Sector

Energy & Utilities receives most amount of funding bucking tech trend seen at other universities



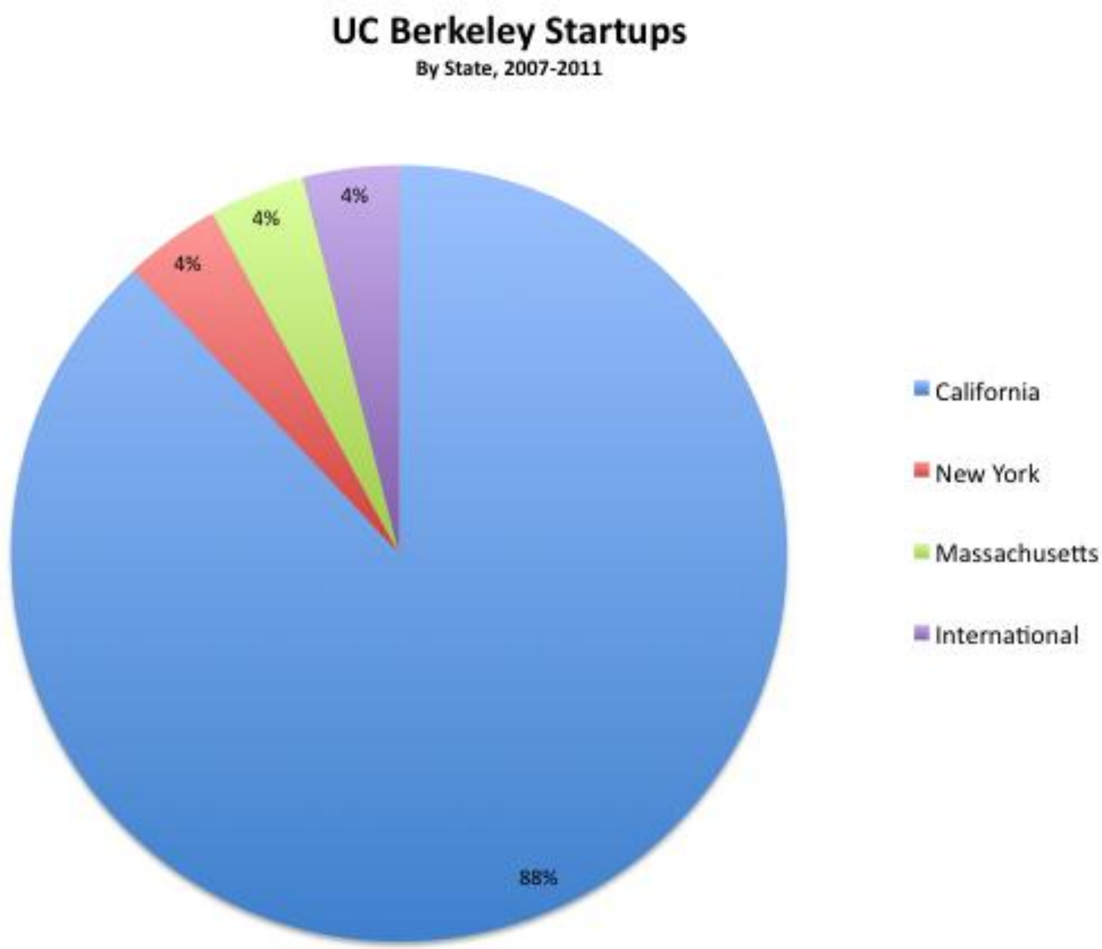
UC Berkeley - Deal Count by Sector

Balanced deal count overall. Healthcare has grown its share over the last several years.



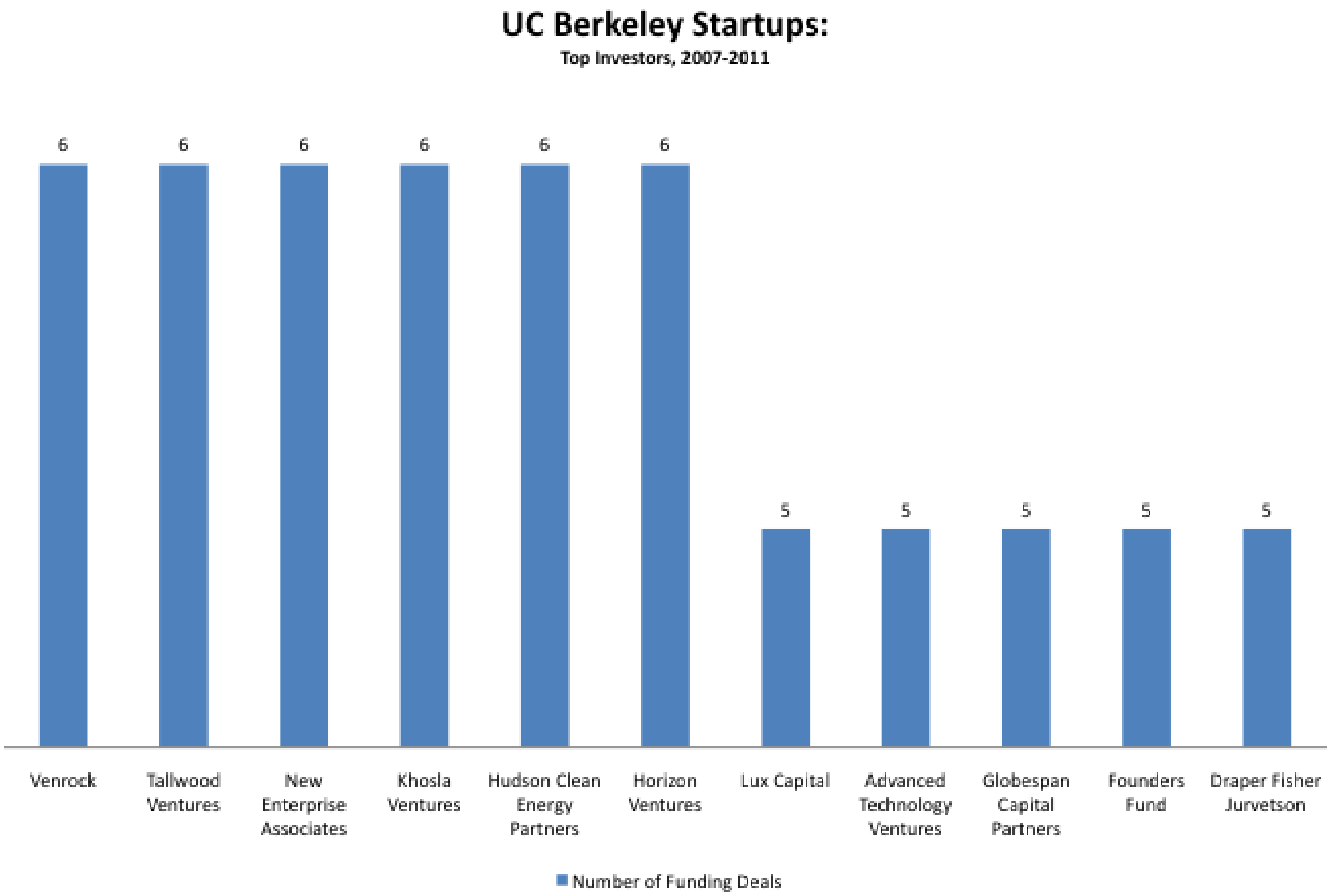
UC Berkeley - Startups by State

88% of startups stayed in California



UC Berkeley - Top Investors

A diverse group of investors lead the investment league table at Berkeley

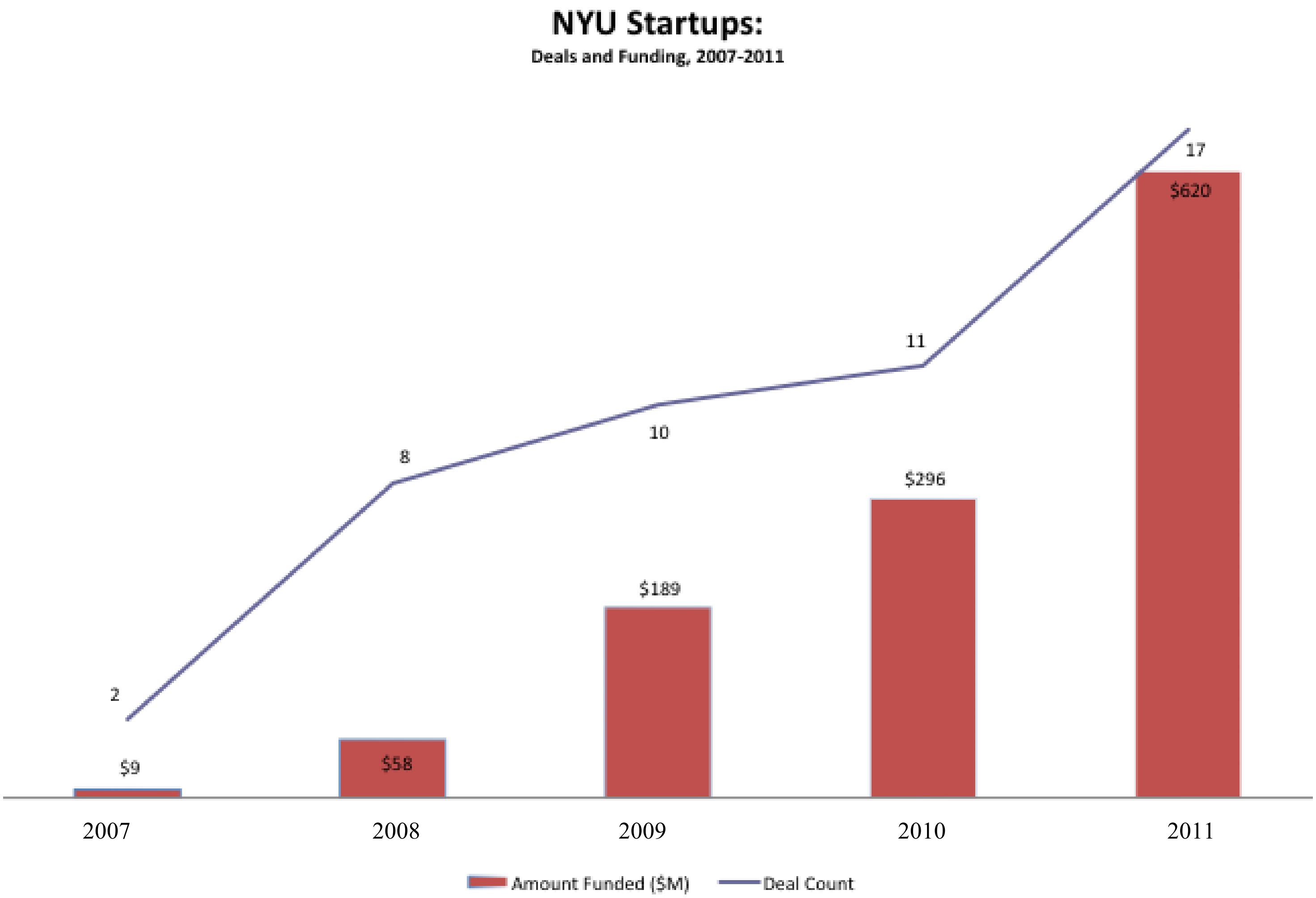


University Entrepreneurship

NEW YORK UNIVERSITY (NYU)

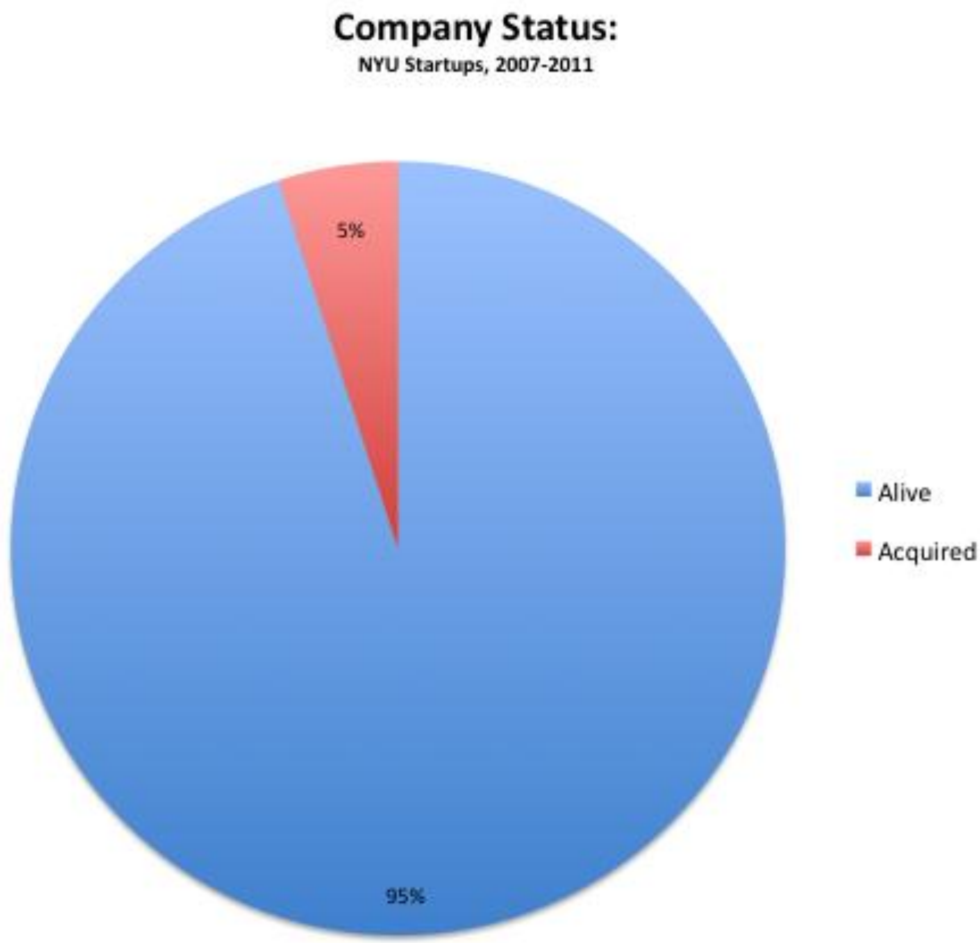
NYU - Deal Count & Funding Amount

NYU companies raised $1.2 billion in 48 funding transactions



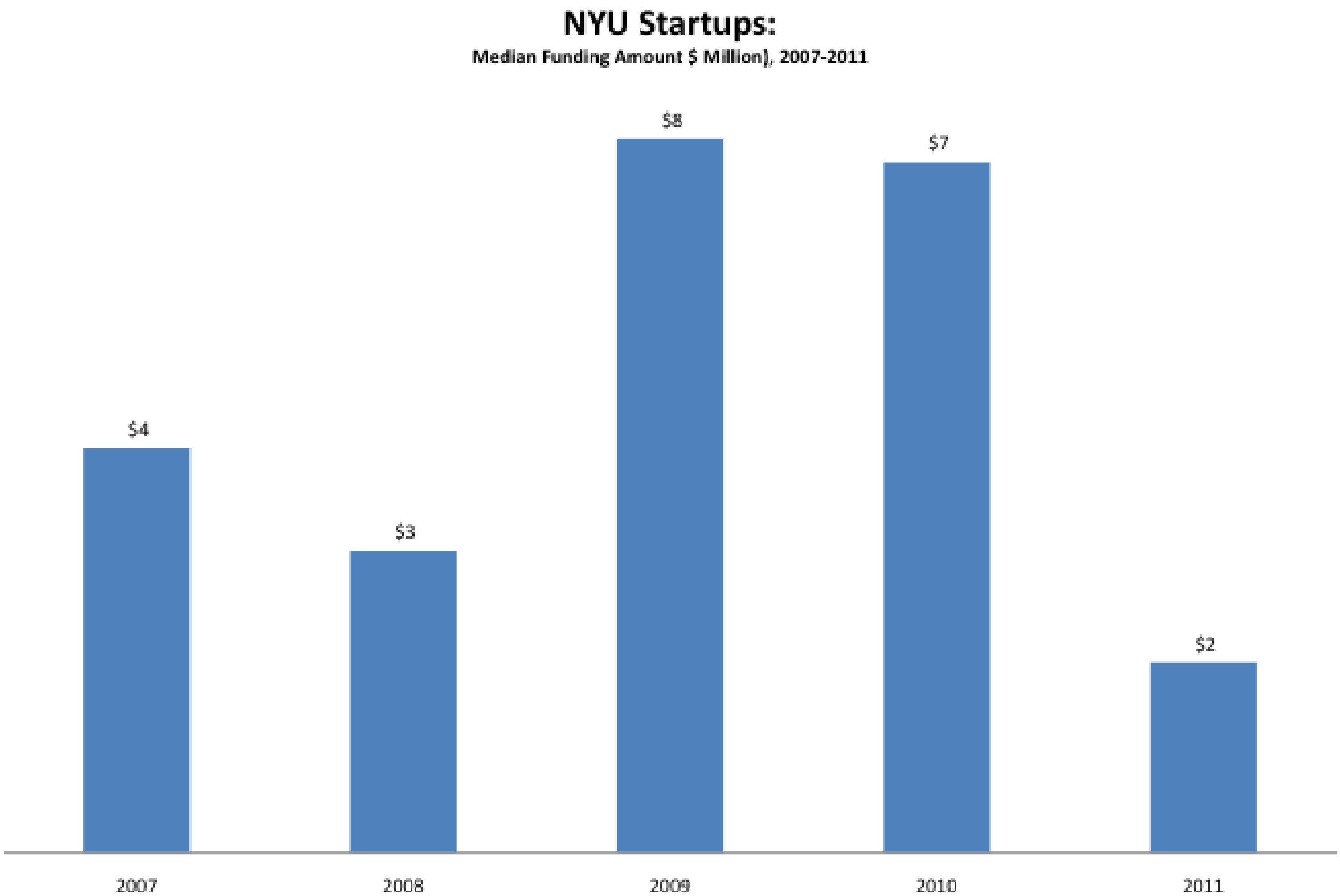
NYU - Company Statuses

95% of NYU startups are still alive



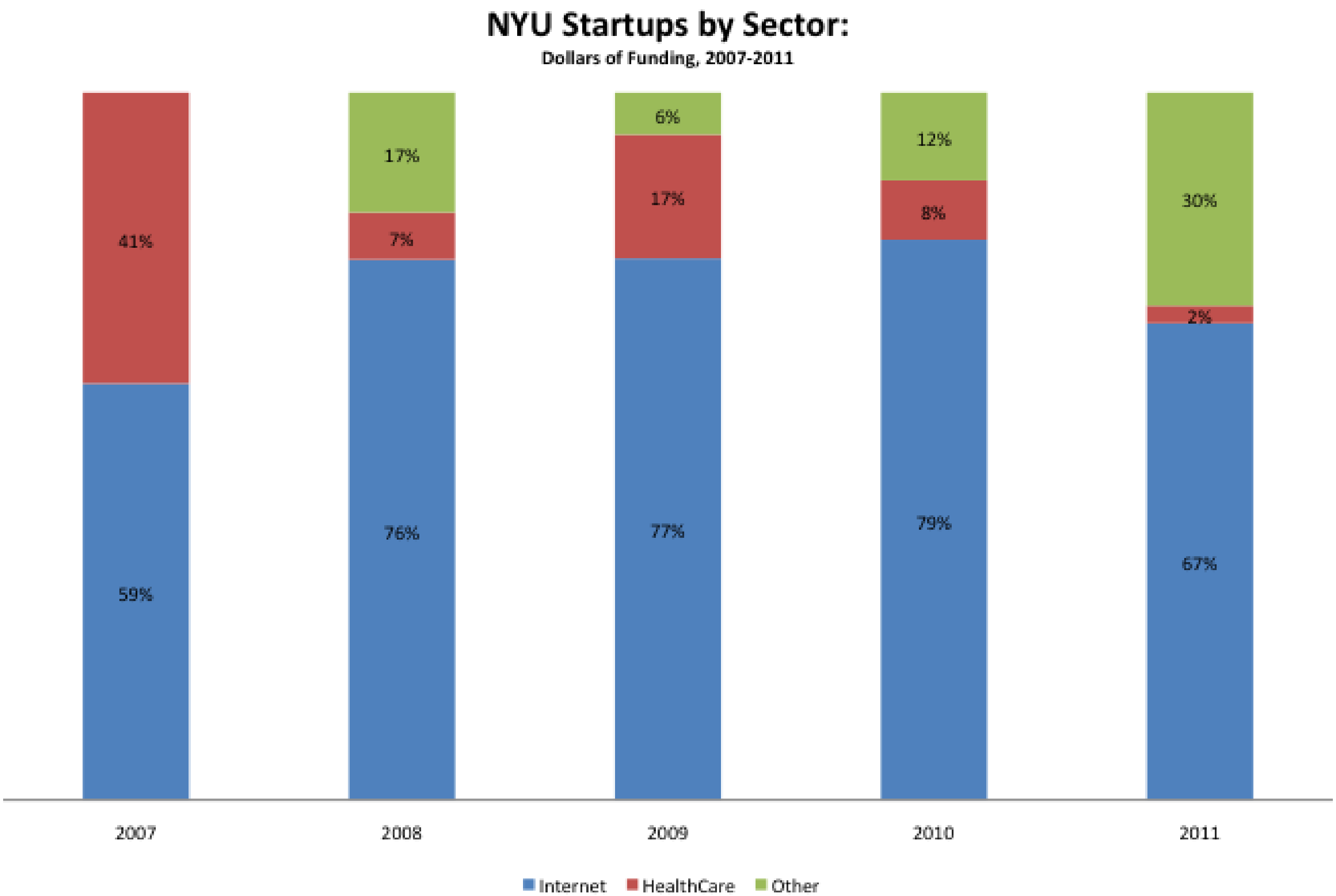
NYU - Median Funding Amount

Companies raised a median of $4 million over the five years from 2007 to 2011



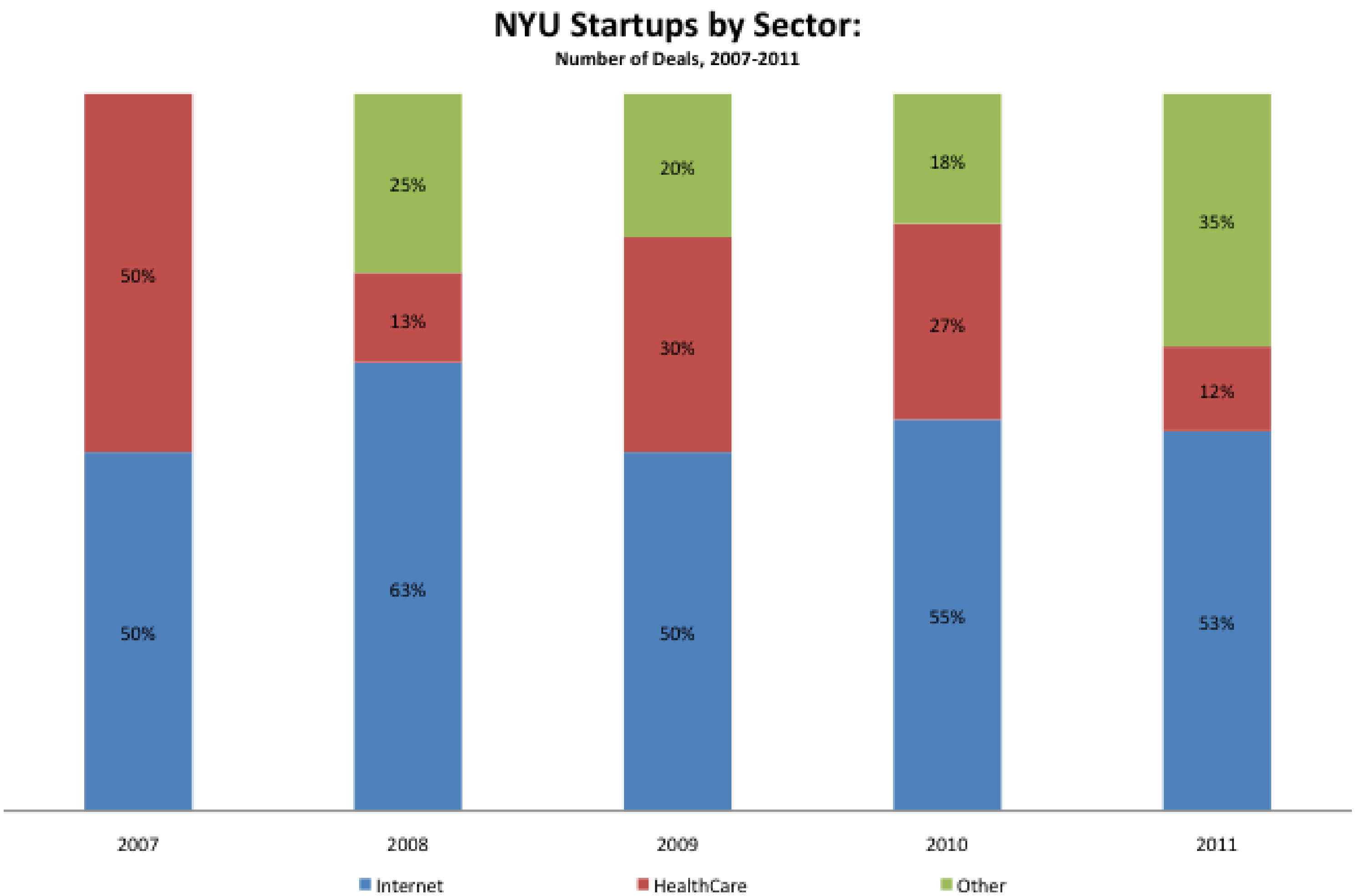
NYU - Funding Amount by Sector

Internet companies picked up most of the funding



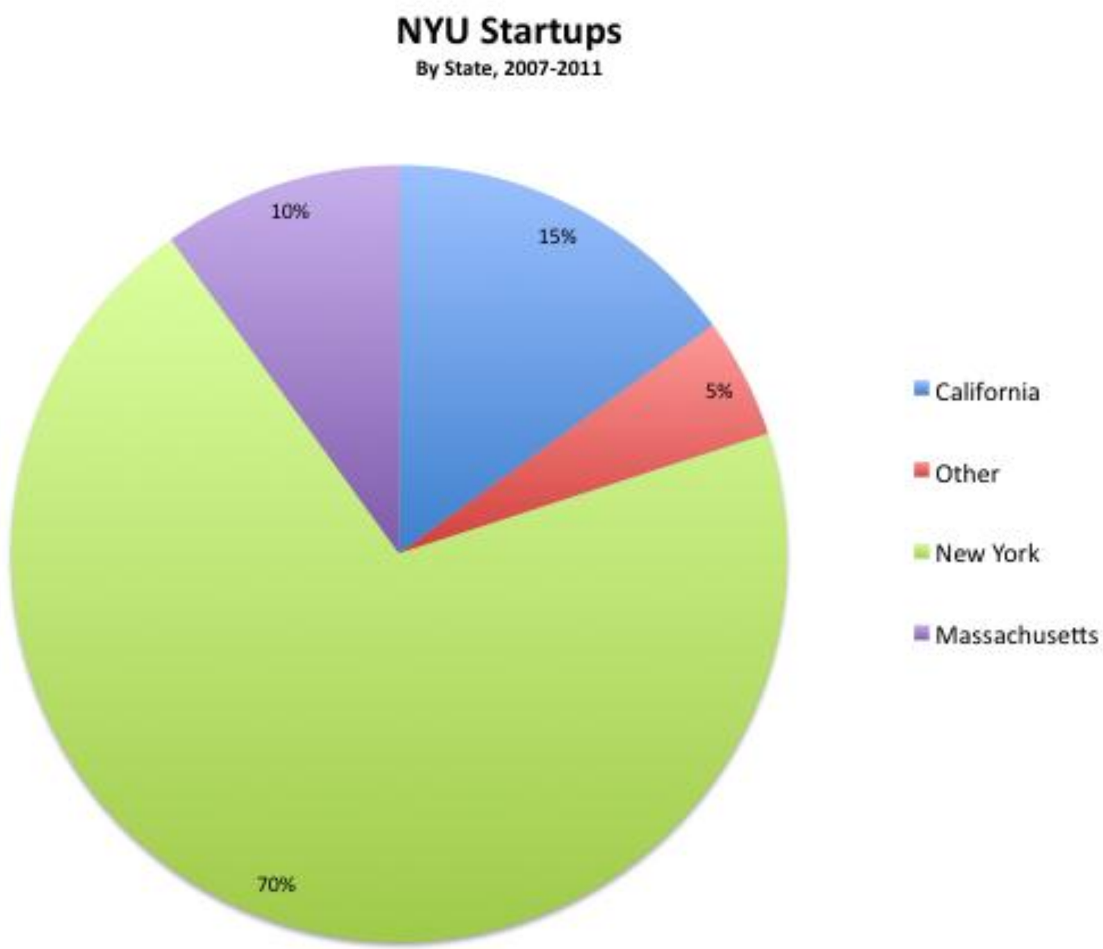
NYU - Deal Count by Sector

More than half of deals going to the Internet sector



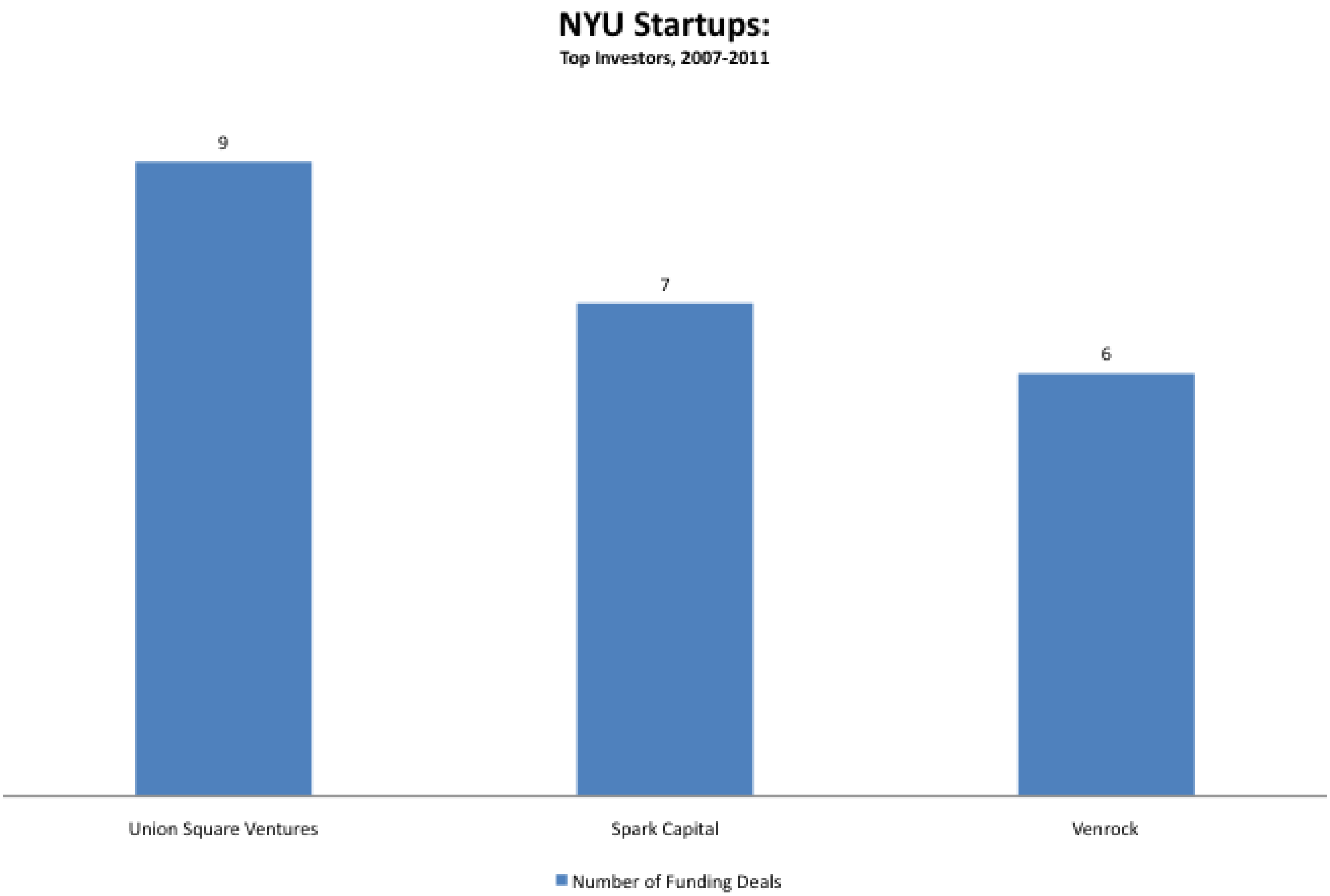
NYU - Startups by State

70% of startups continued to conduct business in New York



NYU- Top Investors

NYU deals were led by local investor Union Square Ventures

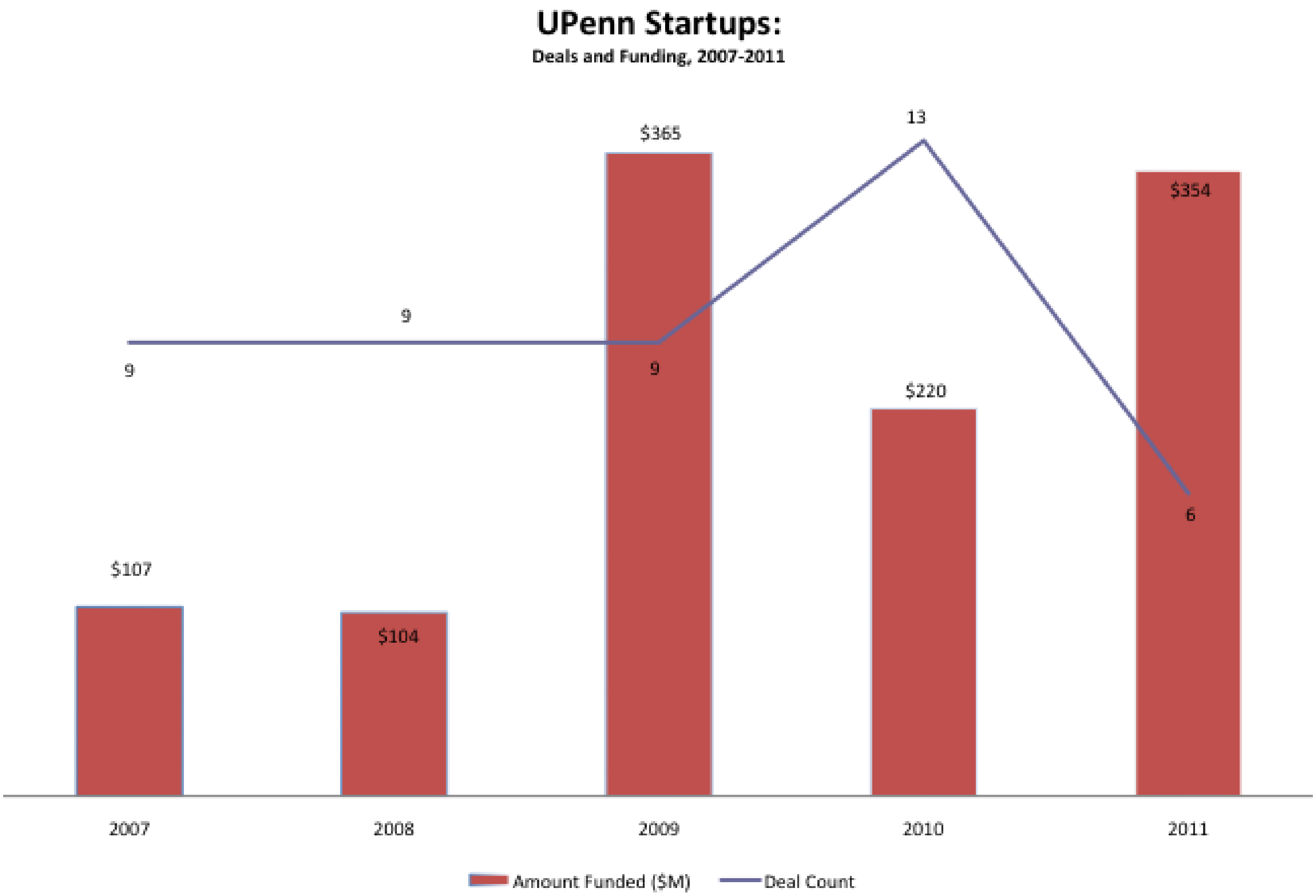


University Entrepreneurship

UNIVERSITY OF PENNSYLVANIA (PENN)

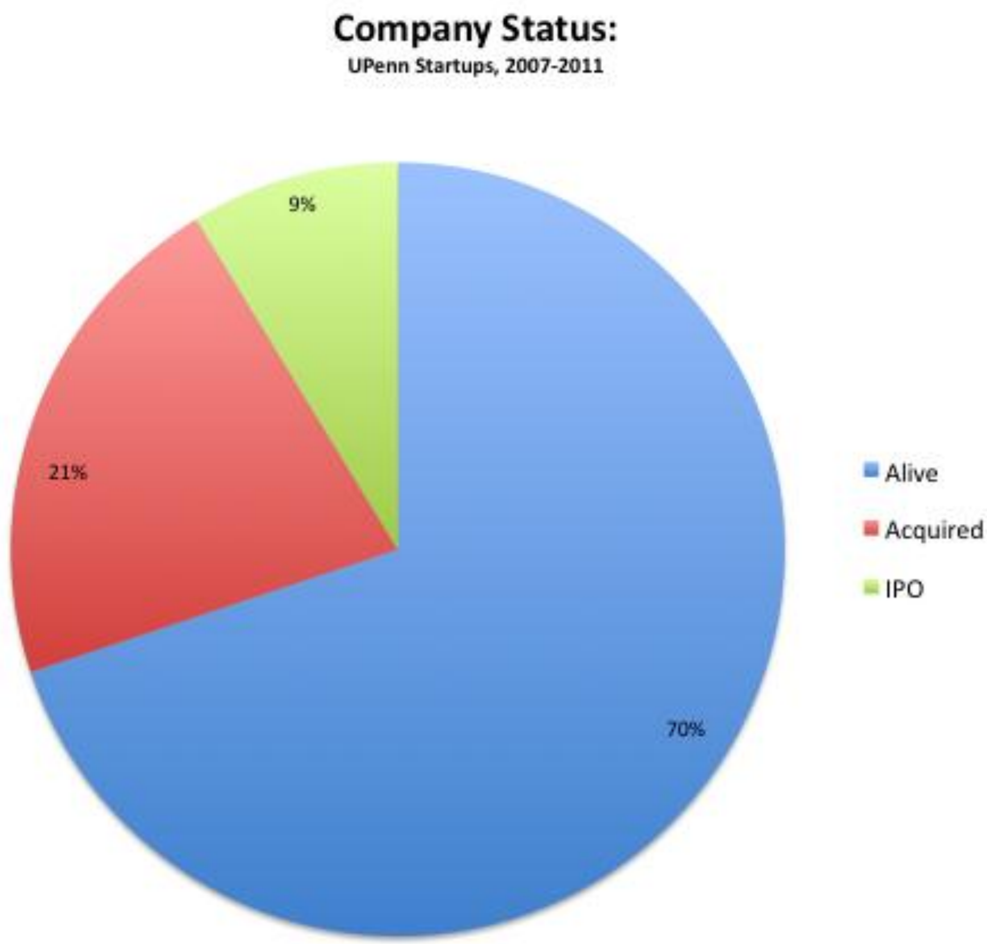
University of Pennsylvania - Deal Count & Funding

$1.2 billion invested in 46 deals



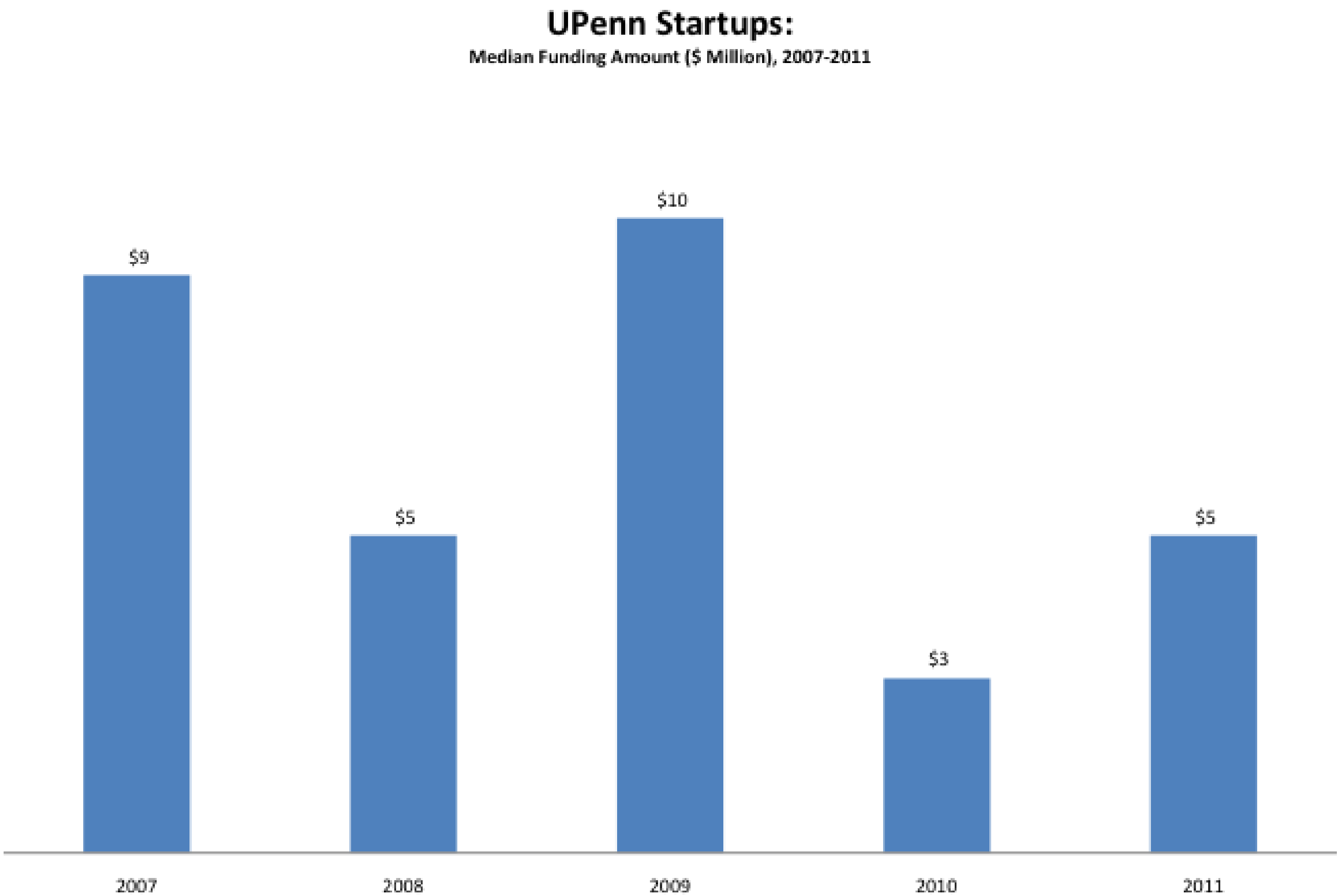
University of Pennsylvania - Company Statuses

30% were acquired or went public, while the rest stand independently



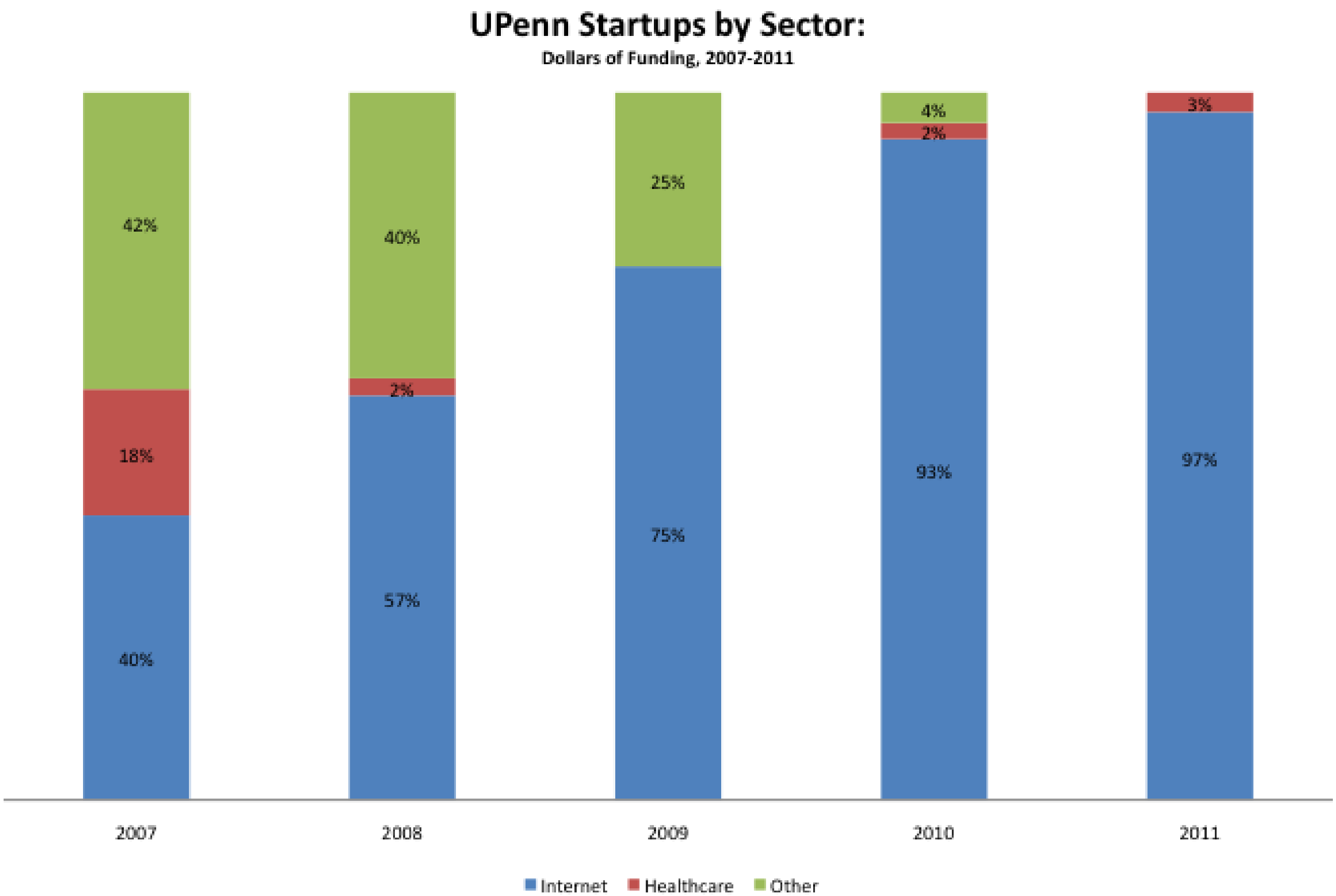
University of Pennsylvania - Median Funding

Median funding of $5 million per transaction from 2007 to 2011

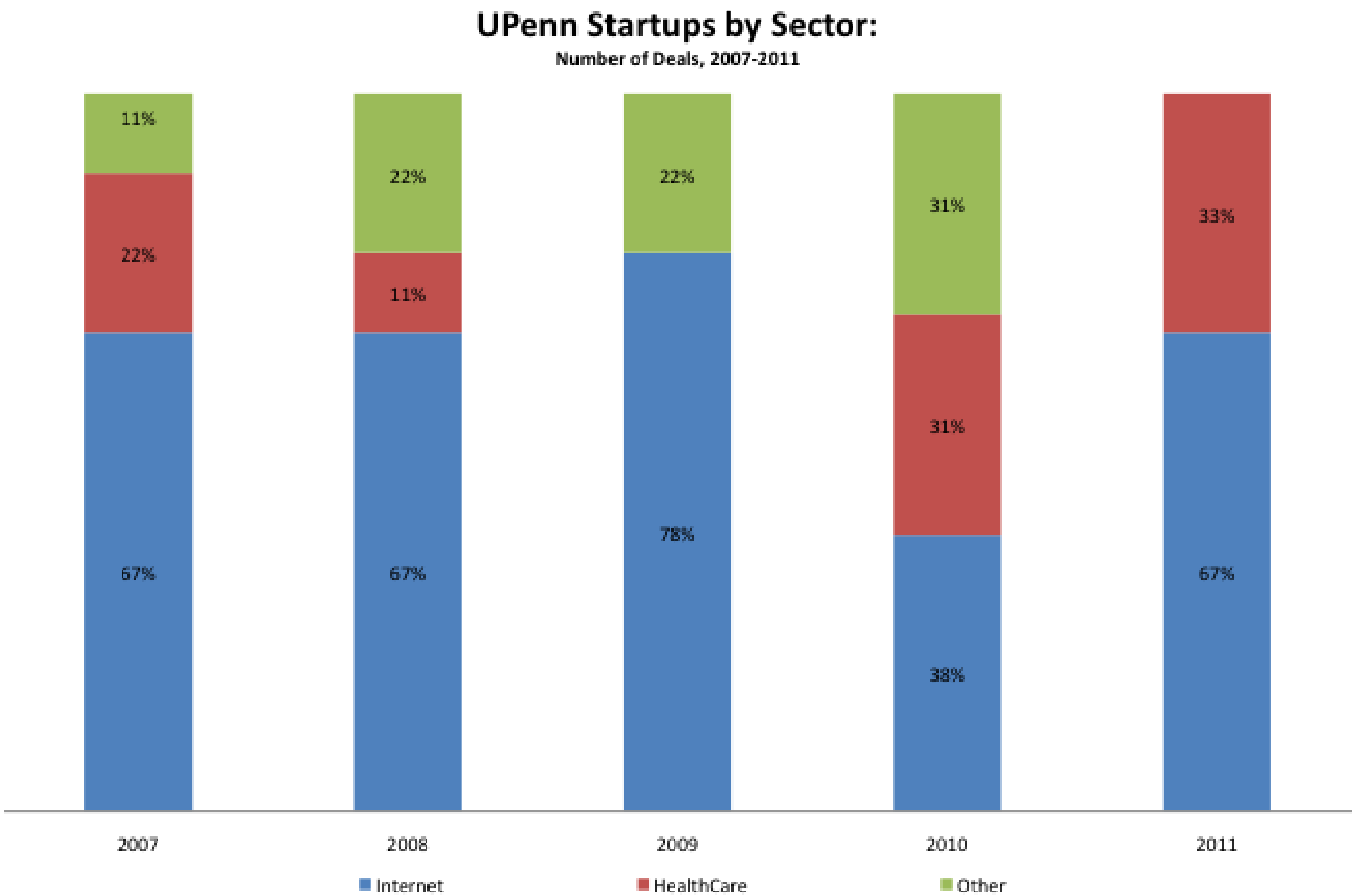


University of Pennsylvania - Funding by Sector

Internet sector grew steadily and collected most amount of funding

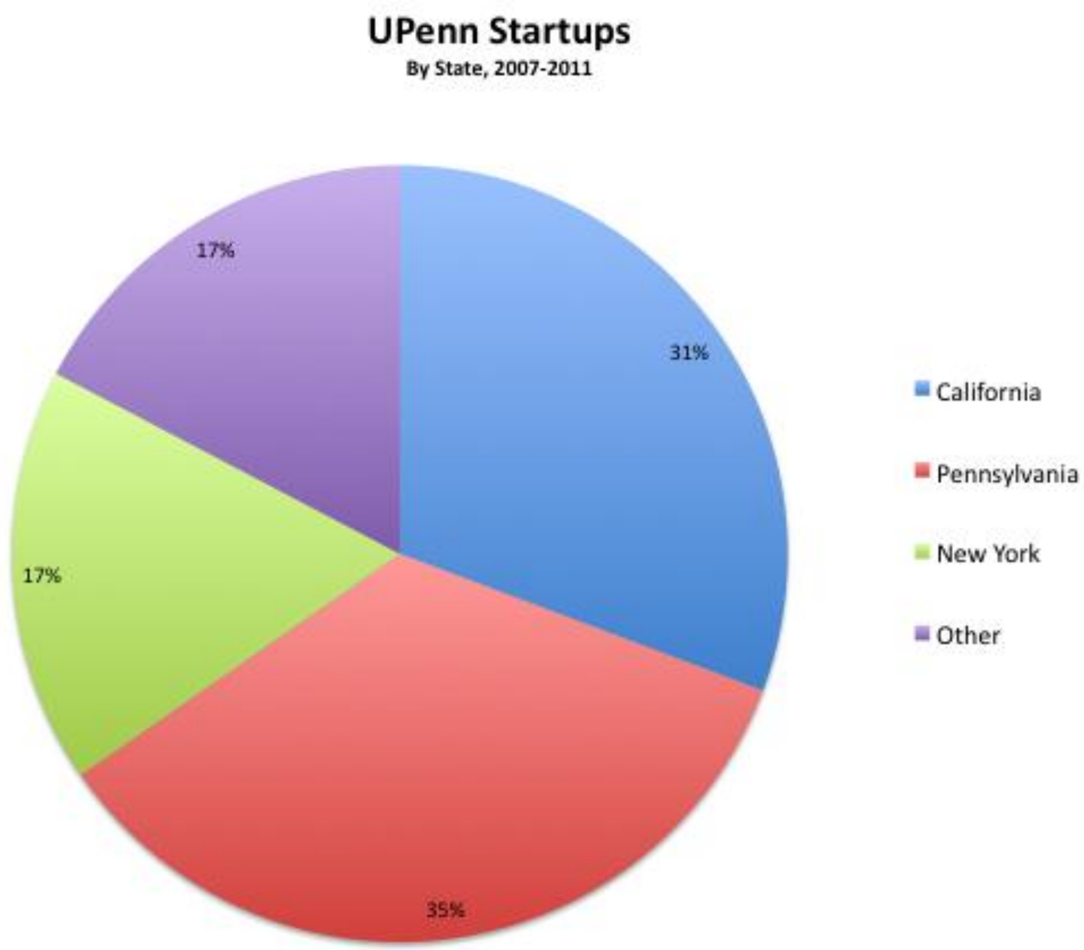


University of Pennsylvania - Deal Count by Sector



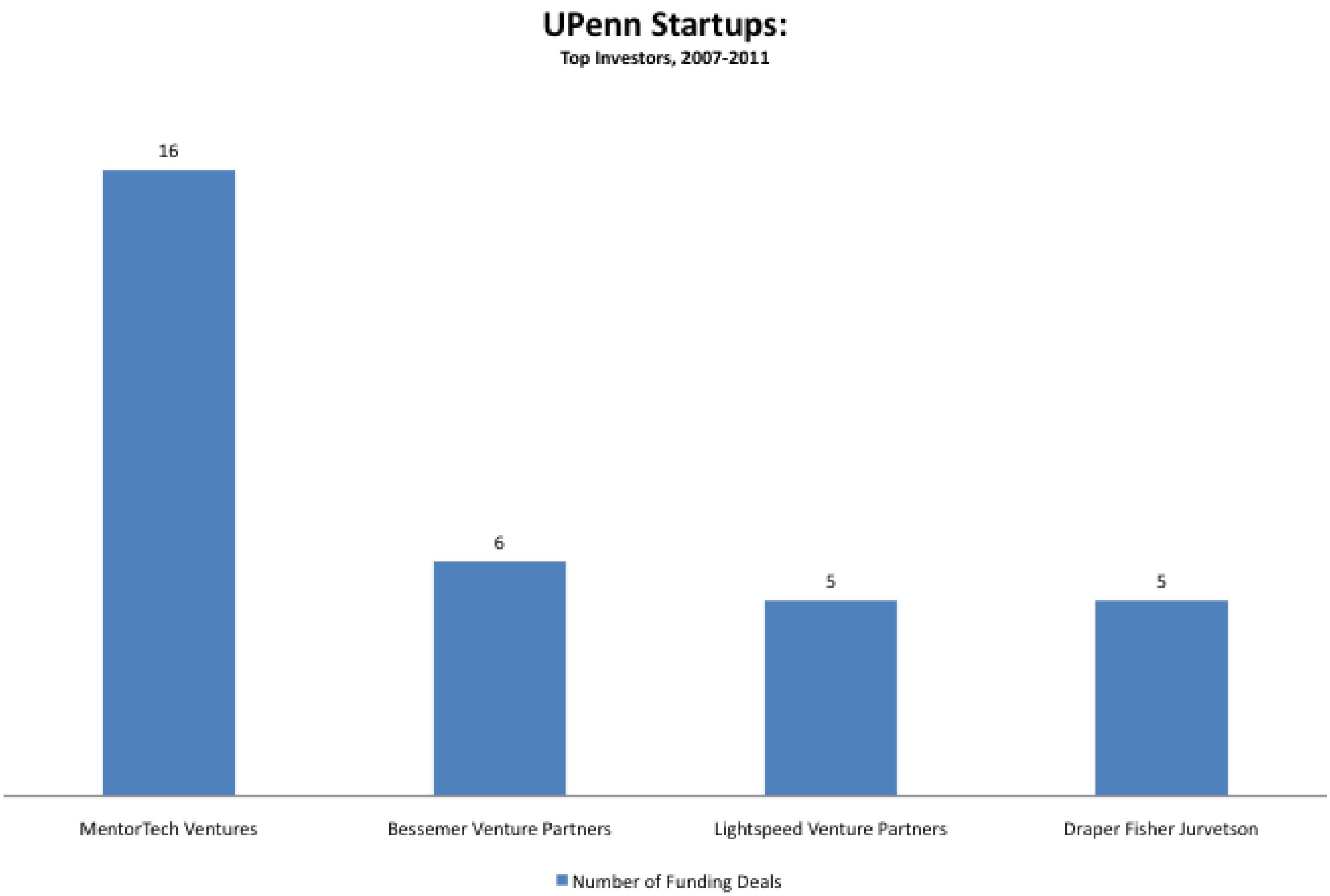
University of Pennsylvania - Startups by State

35% of alumni startups stayed in Pennsylvania with remainder leaking out to other locales.



University of Pennsylvania - Top Investors

MentorTech Ventures was the leading investor in Penn startups

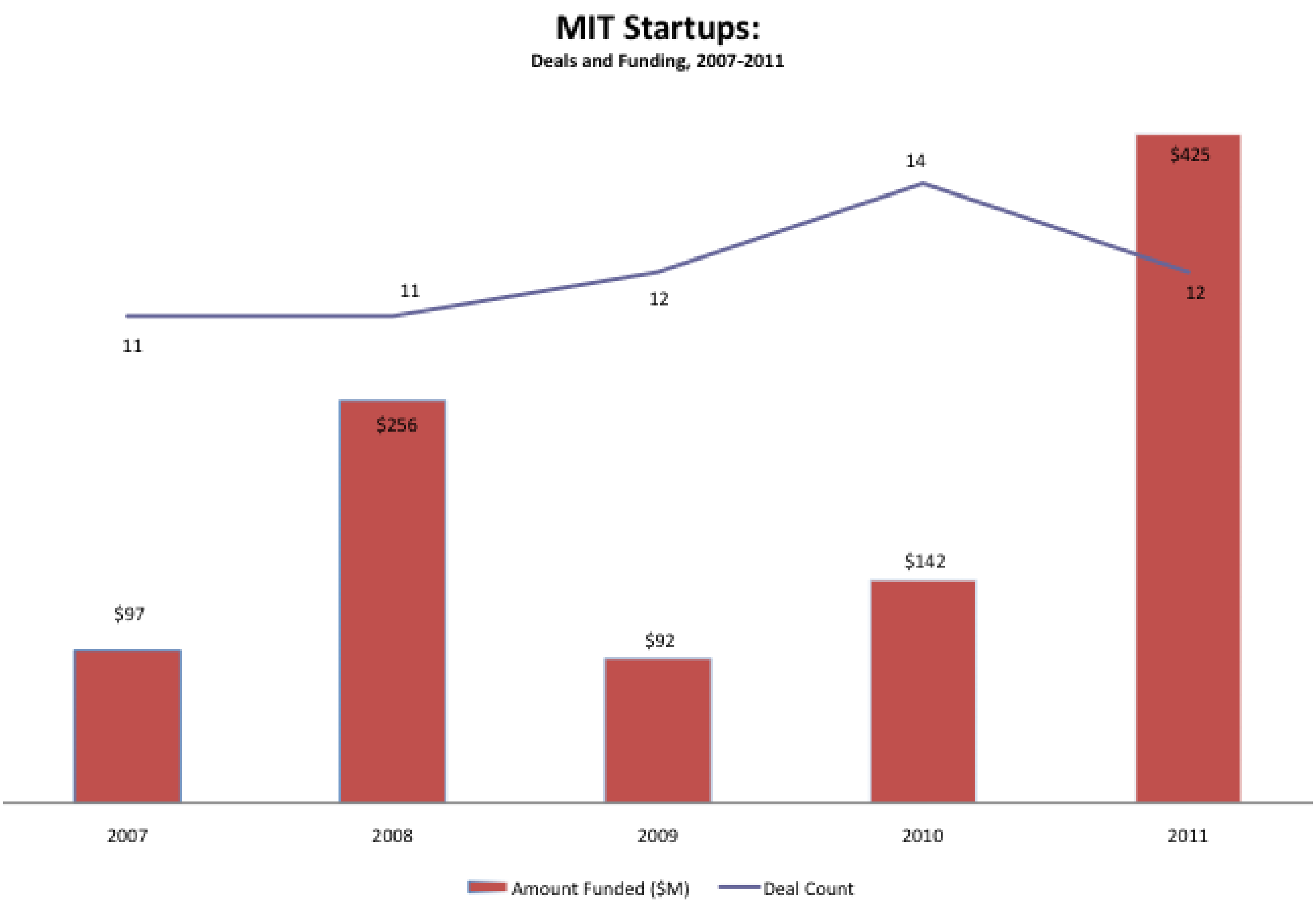


University Entrepreneurship

MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT)

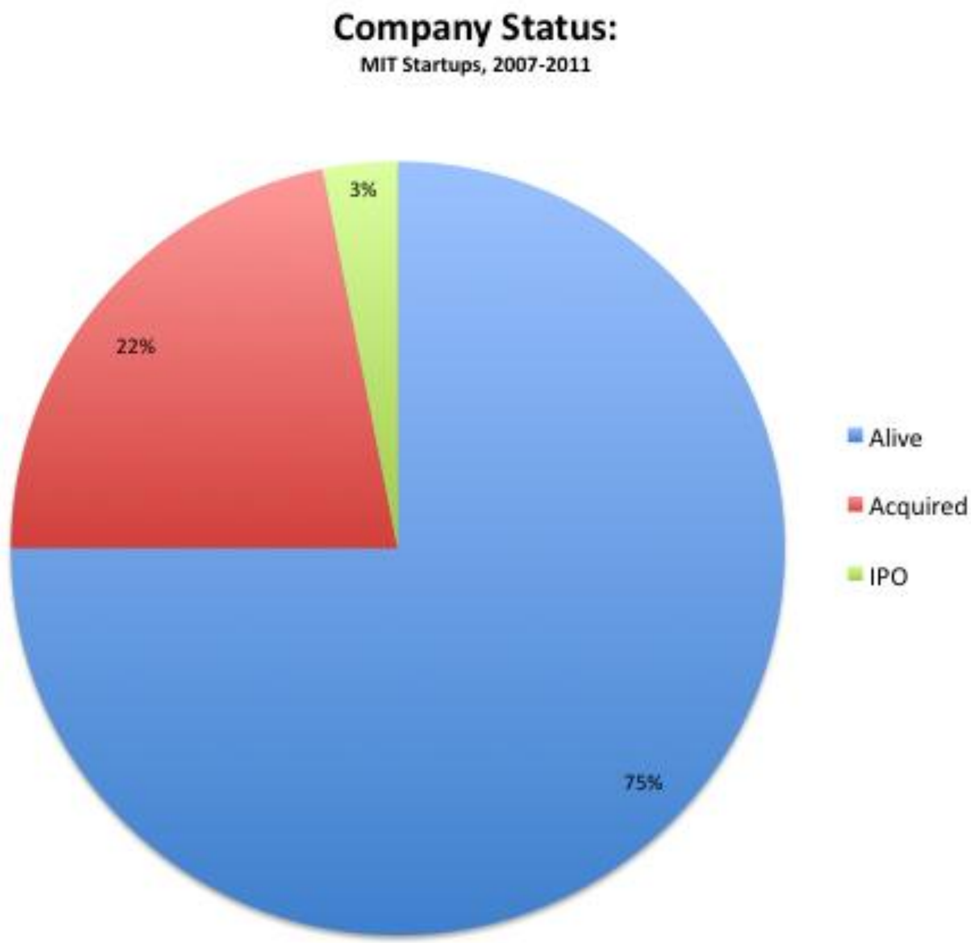
MIT- Deal Count & Funding Amount

MIT startups raised $1 billion on 60 deals



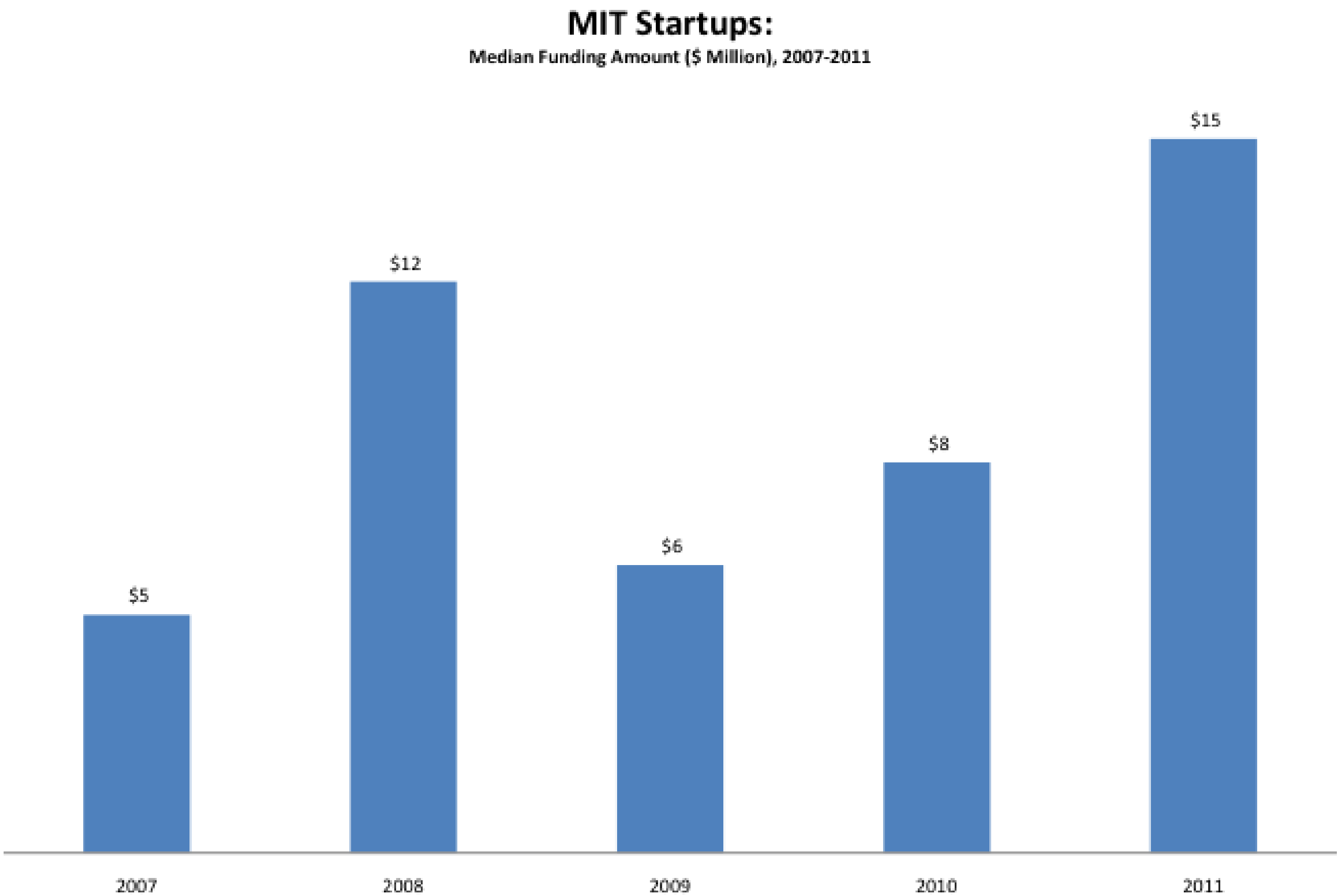
MIT- Company Statuses

75% of companies are alive, while 22% were acquired or went public



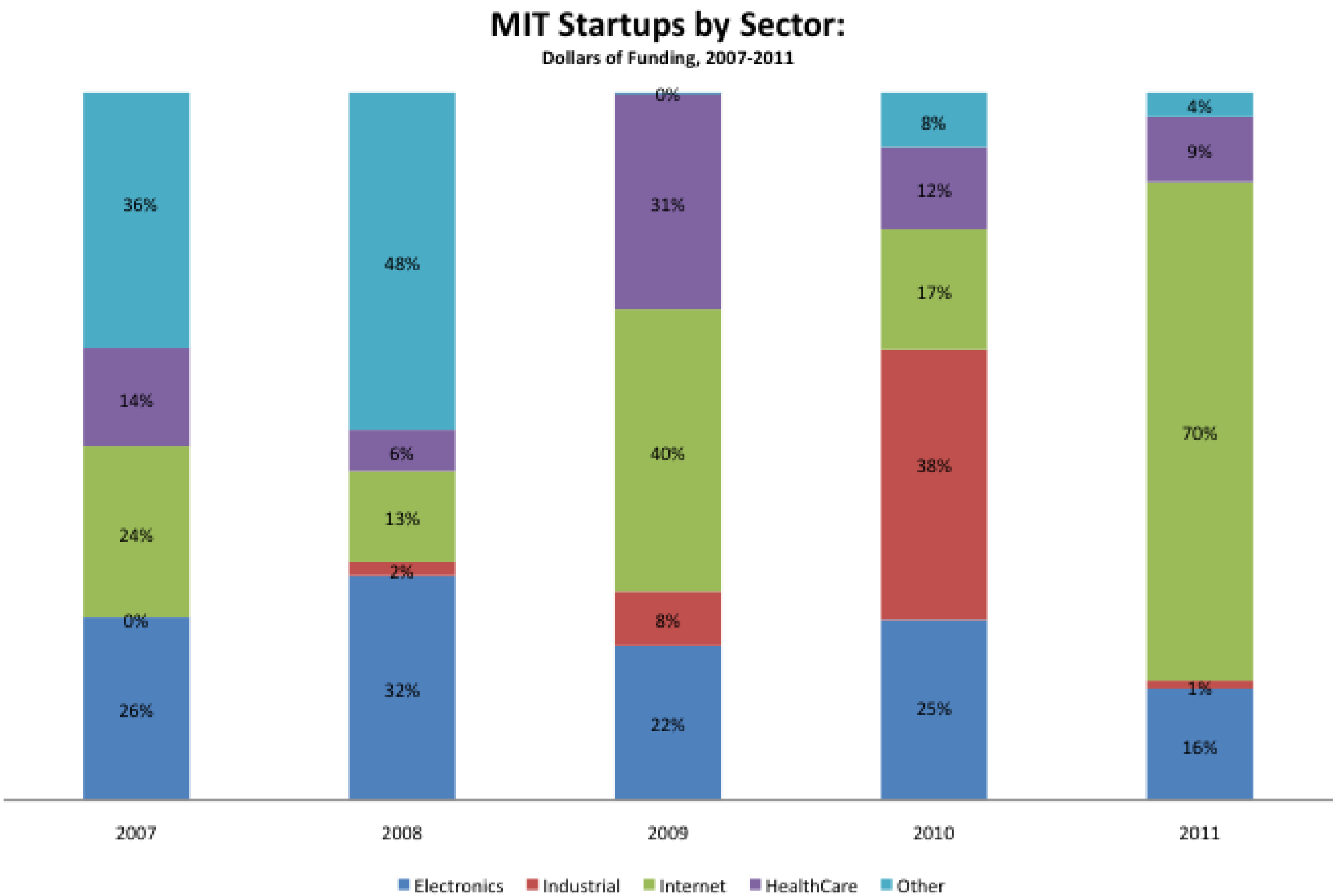
MIT- Median Funding Amount

The median funding amount per deal from 2007 to 2011 was $8 million



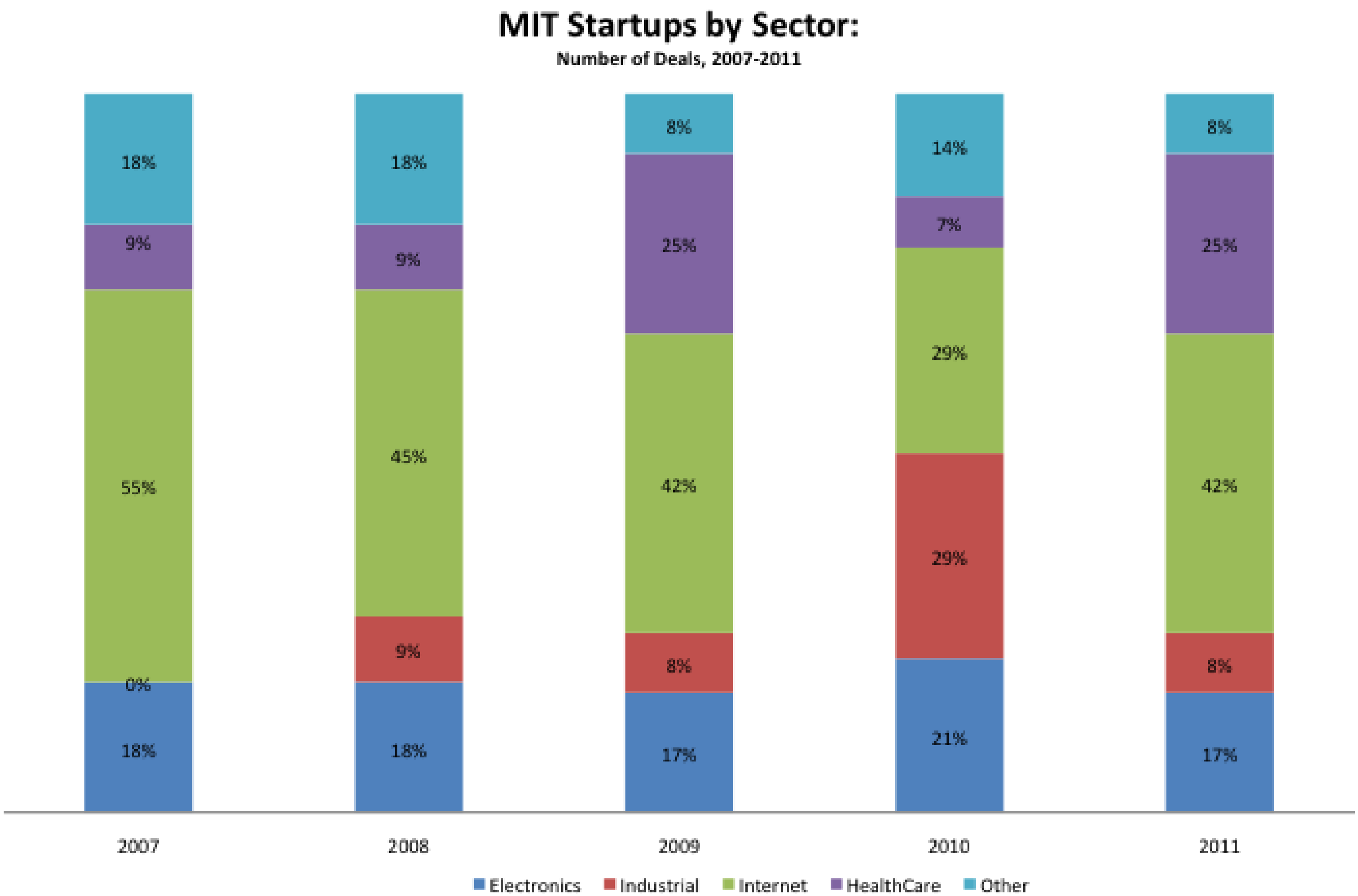
MIT - Funding Amount by Sector

Electronics (chips, semis, robotics) were strong throughout but internet saw a funding boom in 2011



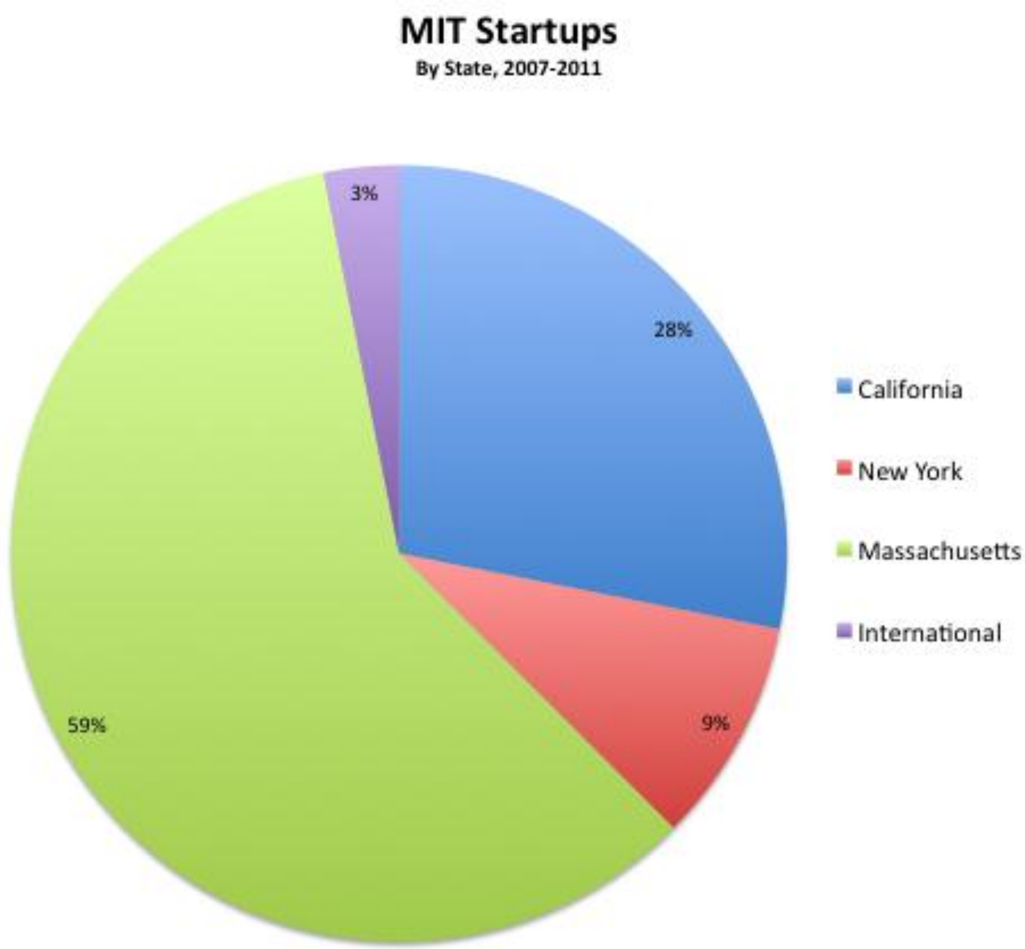
MIT - Deal Count by Sector

Industry diversity throughout with internet seeing more than 4 of 10 deals over the five year period analyzed.



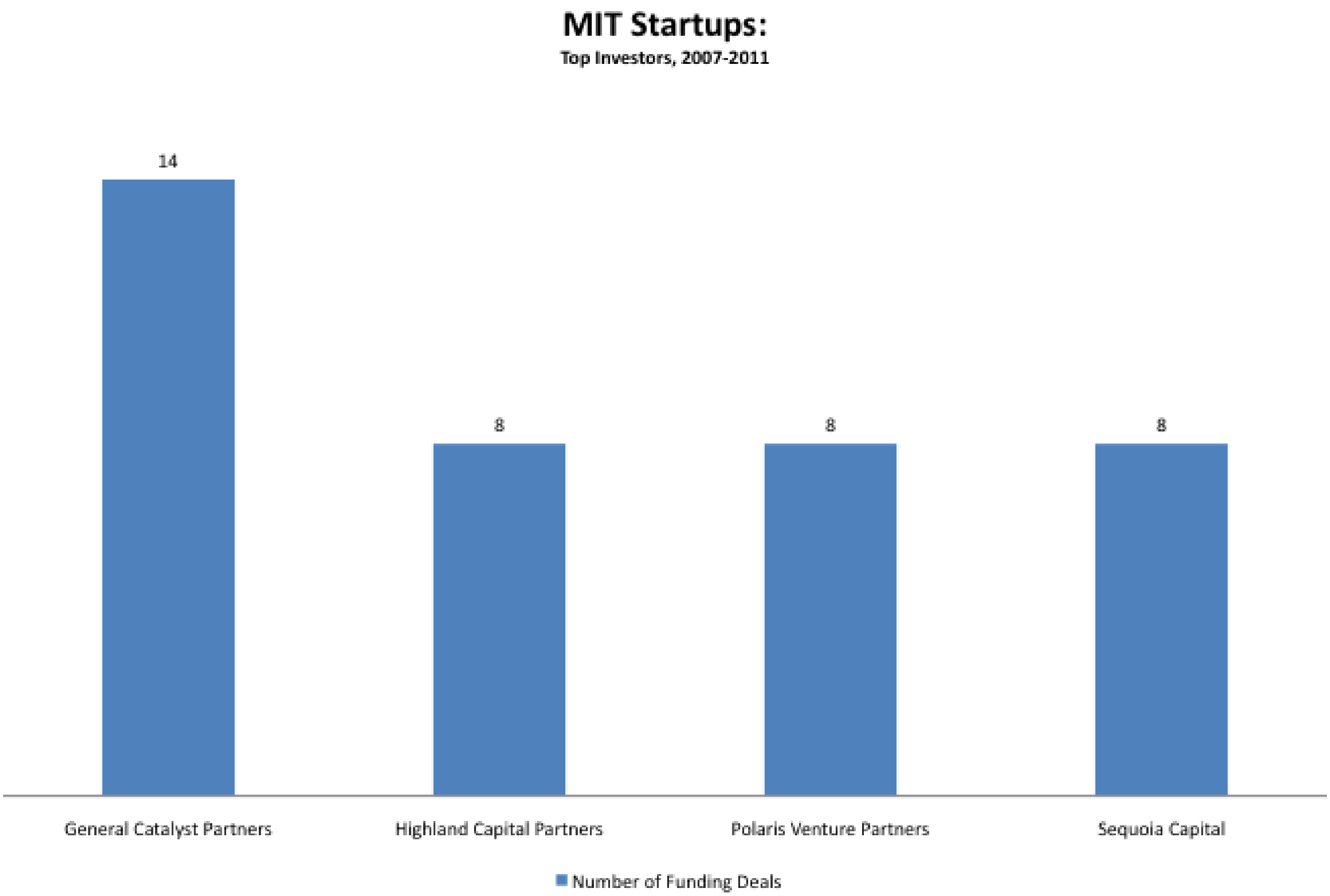
MIT - Startups by State

59% of startups founded by or led by an MIT alum call Massachusetts home



MIT - Top Investors

General Catalyst Partners was the leading investor with 14 deals



What Smart Investors, Bankers and Wealth Managers Use to Get Ahead…

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