Current Trends and Public Policy Issues in Angel Investing

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Public Policy

Strategy

**Facilitate** the development of an early stage market

vs.

**Direct involvement**
General Concept

Public policy should be

• Directed to early stage
• Sustainable over time
• Meet market needs
  – address the issues that exist
Public Policy Initiatives

Country/Province Level Initiatives

• Direct investment programs
Direct investment programs

- allocation of public funds
- government seed venture funds
- primary goal: job creation, economic growth
  secondary goal: financial return

competing or complimenting measures of effectiveness
Public Policy Initiatives

Country/Province Level Initiatives

• Direct investment programs
• Tax Incentives
Tax Incentives

• front end tax credits
• back end capital gains reduction
• loss percentage guarantee – insurance?

different types

type vs. economic geography
measures of effectiveness
Public Policy Initiatives

Country/Province Level Initiatives

- Direct investment programs
- Tax Incentives
- Indirect facilitating approaches
Indirect facilitating approaches

- business development/coaching for entrepreneurs
- screening for angels
- venture forums

High potential
difficult to measure effectiveness
long term vs. short term politics
Public Policy Initiatives

Country/Province Level Initiatives

• Direct investment programs
• Tax incentives
• Indirect facilitating approaches

An Alternative Approach

• Archimedes fund
Give me a lever long enough and a place to stand and I will move the earth
Archimedes Fund

a $10 million pool of private/public sector capital for angels to draw from to complete a deal

• 3 to 1 match

angel complimentary fund
self sustaining
immune to changing political landscape
Public Policy Initiatives

Country/Province Level Initiatives
- Direct investment programs
- Tax incentives
- Indirect facilitating approaches
- Archimedes fund