



OFFICE OF THE MAYOR  
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**CHICAGO NAMED NATION'S TOP CITY FOR RETURN ON STARTUP INVESTMENT**

*Seattle-Based Pitchbook Analyzed Returns on Venture Investment in Startups Over Last Ten Years*

Mayor Rahm Emanuel today highlighted a new report that builds on Chicago's reputation of offering new startup companies the best environment to grow and succeed. The report found that Chicago's startups generate the highest rate of return for investors when the companies were later sold or went public.

"Chicago has become is a global hub for innovation and industry, and a place where big concepts can become big companies and provide big opportunities for the people of this city," Mayor Emanuel said. "This research shows that the work we are doing is generating returns to support the next big ideas coming out of Chicago, boosting our economy and our neighborhoods."

Seattle-based Pitchbook [recently reviewed](#) data from over 10 years for venture-funded startups that raised \$500,000 or more and later sold or went public. According to the research, Chicago had a higher rate of return on the initial investment than anywhere else in the country.

More than 80 percent of the venture-backed startups in Chicago generated three to 10 times the initial investment. Forty-five percent of the businesses generated more than 10 times the initial investment.

"Pitchbook's research confirms the bottom-line B2B mindset that we are instilling every day with our members at 1871 and throughout Chicago," Howard Tullman, CEO of 1871 said. "Profitability, job creation and sustainability are a solid foundation for securing the city's future. If you bring together abundant capital, world-class talent, and generous mentorship and a diverse and growing community, and surround it with a vibrant, supportive city, amazing things will continue to happen."

In April, Mayor Emanuel hosted the second Chicago Venture Summit. The event brought together nearly 150 investment firms and 230 venture capitalists – representing more than \$20 billion in capital – to network and build relationships with Chicago's startups.

The summit built on the success of the first Venture Summit in 2014, which raised more than \$220 million of investment into Chicago area tech companies. Of the 30 participating startups in 2014, 23 have since received funding and two were acquired by larger companies.

Chicago's tech sector is employing more than 54,000 people, according to Built In Chicago, an 11 percent increase over 2014. The city's digital technology hub, 1871, recently unveiled its latest

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on to more than 115,000 square feet in the Merchandise Mart. In addition, the city's more than 90 co-working spaces and incubators including MATTER (healthcare IT), University of Chicago's Chicago Innovation Exchange and Blue1647 continue to thrive and create jobs.

According to a recent DJX VentureSource report, \$177.5 million in venture capital was invested in Chicago in the first quarter of 2016, a significant increase from the \$97.6 million raised in the first quarter of 2015. Investment rounds were also up, with 20 rounds in the first quarter of 2016 compared to 13 in 2015.

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