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## **Launch NY Receives \$300k from Economic Development Administration for New Investor Network**

*Funds support development of entrepreneurial ecosystem & investor education in collaboration with Buffalo Angels*

Buffalo, N.Y., February 20, 2019 – Launch New York (Launch NY), Upstate New York’s first and only venture development organization to help provide pro bono mentoring and capital access to high-growth potential startup businesses across the 27 westernmost counties of the state, has been awarded \$300,000 from the Economic Development Administration (EDA), a bureau within the U.S. Department of Commerce, through the 2018 [Regional Innovation Strategies \(RIS\) program competition](#) to support the launch of the Investor Network, a new financing program to fuel Upstate NY’s most promising startups. The funding will also go toward a brand new internship and investor education program in collaboration with the [Western New York Venture Association](#) (WNYVA), a non-profit whose mission is to elevate the region’s economic growth through its angel investor base, and [Buffalo Angels](#), a division within WNYVA for accredited investors.

Launch NY was one of only [40 organizations](#) in 28 states to receive EDA funding. This new grant is the fifth EDA award Launch NY has received since 2010, and it is the second EDA RIS program award specifically from the Seed Fund Support Grant (SFSG), which is designed to increase capital access for startups. After being awarded its first SFSG award of \$245,000 in 2016, Launch NY is the first organization in the country to receive a second award from this program. Notably, Launch NY’s second award came immediately after successfully completing its first SFSG award that helped establish the most active seed funds in New York State and one of the most active in the United States. Fueled by grants and donations, the non-profit Seed Fund is designed to be “evergreen,” meaning that all returns on investments by the fund are recycled to support more future startups. Since 2016 Launch NY has invested \$1.6 million in 35 companies which have attracted more than \$20 million in additional investor capital and created 160 jobs. As compared to other entrepreneurship programs that recruit companies into the region, all Launch NY’s portfolio companies are required be located in the region when they receive investment, and 100 percent of them still remain in Upstate New York today.

Earlier this month, Launch NY’s introduced its new *Invest Local* financing programs at the inaugural Invest Local Summit & Expo that hosted over 200 attendees including dozens of Launch NY portfolio and client companies, investors, and other funders supporting expansion of its financing programs. Participants included the Ralph C. Wilson, Jr. Foundation, Local Initiatives Support Corporation, New York State Energy Research and Development Authority and Viaduct. The Investor Network is a key piece of the new financing programs which will

increase equity capital access in Upstate New York by augmenting traditional equity capital sources. A vital partner in this project is the Buffalo Angels and WNYVA. With this collaboration, the grant will fund the launch of a new internship program to train new talent in Launch NY's funding programs and processes, including due diligence, portfolio management and a wide variety of client and investor engagement and educational activities.

“As the go-to resource in Upstate New York for high-growth potential startups, we have already attracted over 130 co-investors. Now this grant will help us leverage our well-established investment pipeline and processes to build an even more robust investor network to support our innovative local startups,” said Marnie LaVigne, President and CEO, Launch NY. “This network will connect accredited investors with deal flow that meets their interests and expertise. We believe in the power of investing locally, and we are inviting accredited investors in the community and beyond to join us to do the same.”

The Investor Network's objective is to make connections between investors who are passionate about making an impact in the Upstate NY entrepreneurial ecosystem and early stage seed companies looking for investment. The Investor Network will allow Launch NY to provide an on demand marketplace matching the interests of accredited investors with Launch NY's robust pipeline of investment opportunities. The Investor Network provides funders a steady stream of curated deals comprised of companies who have ongoing support from Launch NY's well-established mentorship services, due diligence, deal formation and portfolio management. Investors can fund individual companies for as little as \$10,000 through a special purpose vehicle that will help startups raise as much as \$1 million. The Investor Network is targeted to include more than 300 accredited investors over the next two years with an ultimate goal of 1,000. Accredited investors can learn more about the Investor Network at Launch NY's [website](#).

According to LaVigne, Launch NY's portfolio companies have raised over \$20 million in follow on funding with its 130 co-investors, and Launch NY has led over 75 percent of those deals. Launch NY expects 12 companies to receive funding via special purpose vehicles in the first two years, with up to 56 new and follow-on investments in the Investor Network's first five years.

“This award from the EDA will increase our impact across the community through angel education and our new internship program,” said Jack McGowan, Executive Director of the WNYVA and the Buffalo Angels. “Our educational programming will both engage a new audience and increase the capabilities and confidence of existing angel investors, with a goal to increase investment in entrepreneurs in our community. Additionally, we will grow an exciting internship program which will provide students in our community first-hand experience in the world of angel and venture capital investing. Now is the time for this investment to be happening in our city, and we are excited to be a part of it with Launch NY.”

For more information about Launch NY, its programs, including its Investor Network, Seed Fund and other entrepreneurial opportunities, visit [www.launchny.org](http://www.launchny.org), and follow Launch NY on its [Facebook](#), [Twitter](#) and [LinkedIn](#) pages.

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**About Launch New York:**

The mission of Launch New York, Inc. (Launch NY), the only U.S. Treasury-designated Community Development Financial Institution (CDFI) directly funding businesses in New York State, is to identify, support and invest in high-growth, high-impact companies, and catalyze the entrepreneurial culture in the 27 counties comprising the western half of Upstate New York. Launch NY is a 501(c)(3) non-profit venture development organization that promotes economic development through best practices, including business mentoring and access to seed capital in order to create investment-ready companies which have the promise to create significant economic impact and jobs for our region.

Launch NY uniquely fills the gap in connecting all of Upstate New York's entrepreneurship resources to a pathway to success via unique proof-of-concept capital and high-quality pro bono mentoring support through 24 experienced local entrepreneurs-in-residence and its National Mentor Network of 2,000 industry, business and investment experts. Launch NY was formed as a result of a collaboration between private and public stakeholders in Upstate New York to create long term strategies that foster a robust, self-sustaining entrepreneurial ecosystem built on regional collaboration. Launch NY is headquartered in Buffalo and has regional co-locations with partner organizations in Binghamton, Ithaca, Rochester, and Syracuse. It has served over 915 companies comprising more than 3,300 jobs, attracting over \$408 million in additional capital, and producing \$83 million in annual revenues with 172 companies reporting.