

# Oregon Growth Board

## The Rationale

**Program:** Use small % of lottery dollars to invest in Funds, that then invest in Oregon traded-sector start-ups.

**Goal:** Close capital availability gaps for growth companies

**Primary Outcome:** A fair financial return, with some of the gains as dividends to the Education Stability Fund (ESF), with most being reinvested to grow total pool.

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**Secondary Outcomes:** Job creation, businesses helped, private dollars leveraged, serve underserved communities (geography, W/MOE, industry clusters).

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## Lifecycle of a job-creating startup

Oregon funding focus

Highest risk/reward

Oregon  
INC  
SRC's

Medium risk/reward

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Lower risk/reward

Business  
Oregon

Big idea/innovation

Germination

Will it work?

Make it into a product

Development

Will customers engage?

Multiple repeat customers

Growth

Can the business scale?

Capital & People Needs

**Smaller \$**, equity

Handful of people

Deep domain knowledge

Start-up mentoring

**Medium \$**, equity

10's of people

Functional & domain knowledge

Ramp up mentoring

**Larger \$**, equity & debt

100's of people

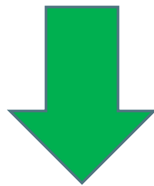
Well-trained workforce

Business consulting

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## Filling the Top of the Funnel is the Key

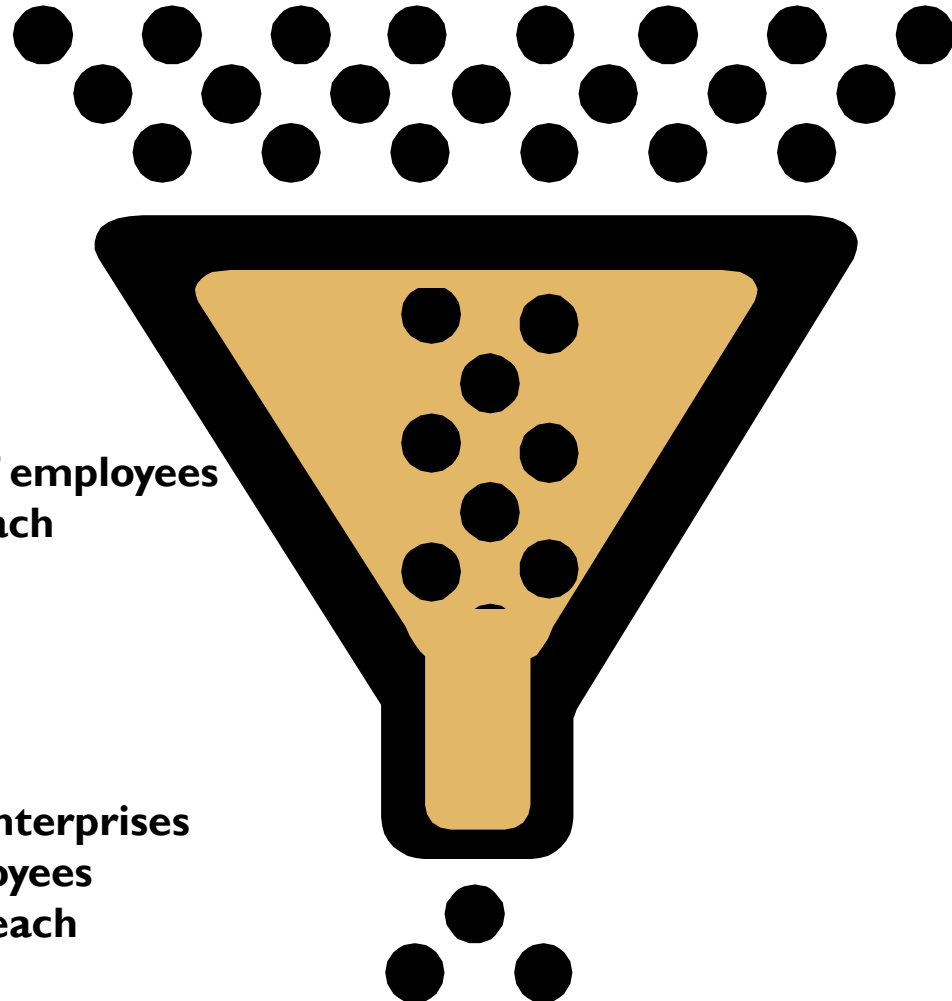
**Need 100's of startups**  
**Each with low 10's of employees**  
**\$100K's of investment \$ in each**



**To generate 10's of companies**  
**Each with high 10's / low 100's of employees**  
**With \$1M's of investment \$ in each**

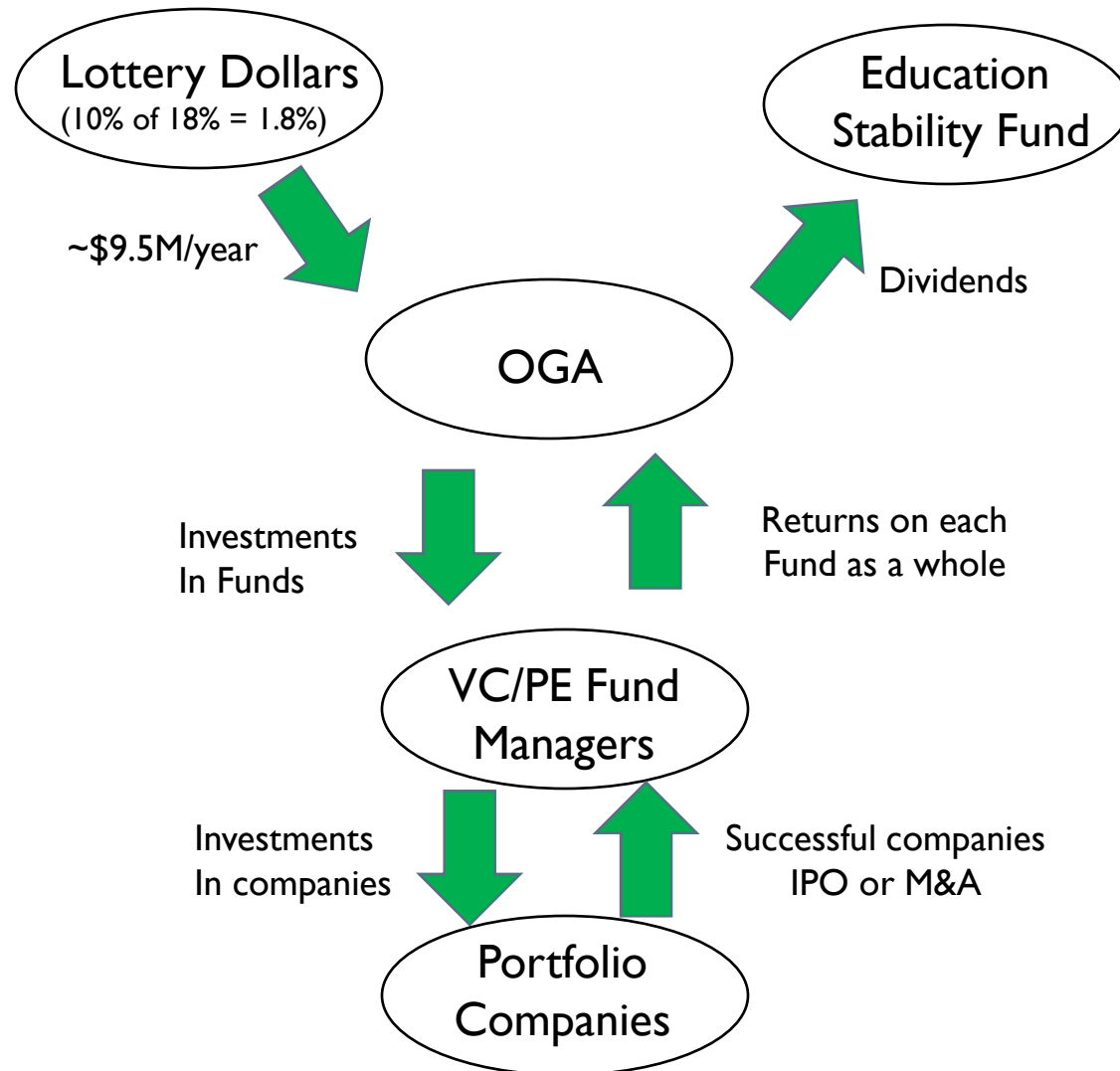


**To result in a handful of major enterprises**  
**Each with 500 to 1000's of employees**  
**With \$10M's of investment \$ in each**



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## The Primary Funds Flow Model



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## Results: 1998-2014

- It's working very well:
  - **>2000 Oregon jobs** created
  - **>120 Oregon companies** funded (avg. ~ \$10M each)
  - **\$1.2B dollars leveraged** (~10x OGB investments)
  - **>\$23M Oregon taxes** generated
  - **at no net cost to the State** (Fund is in the black)
  - **\$23M returned** to Education Stability Fund
  
- And with new objectives, in 2014 OGB backed:
  - Albina Opportunities Corp, Craft 3 (NW coastal focus), Women's VC Fund, Cascade Angels & Seven Peaks VC, EcoTrust Forests

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## OGB allocation and investing goals

