Full text available at: http://dx.doi.org/10.1561/0300000051

Angel Investing: A Literature Review

Full text available at: http://dx.doi.org/10.1561/0300000051

Other titles in Foundations and Trends® in Entrepreneurship

Start-up Actions and Outcomes: What Entrepreneurs Do to Reach Profitability
Paul D. Reynolds
ISBN: 978-1-68083-228-0

Gender and Entrepreneurship: An Annotated Bibliography
Albert N. Link and Derek R. Strong
ISBN: 978-1-68083-180-1

Business Failure and Entrepreneurship: Emergence, Evolution and Future Research
Grace S. Walsh and James A. Cunningham
ISBN: 978-1-68083-156-6

Agglomeration, Industrial Districts and Industry Clusters: Foundations of the 20th Century Literature
Brett Anitra Gilbert
ISBN: 978-1-68083-122-1

Owner-Level Taxes and Business Activity
Magnus Henrekson and Tino Sanandaji
ISBN: 978-1-68083-104-7

Full text available at: http://dx.doi.org/10.1561/0300000051

Angel Investing: A Literature Review

Linda F. Edelman
Professor-Business Policy and Strategy,
Bentley University,
McCallum School of Business

Tatiana S. Manolova
Professor-Business Policy and Strategy,
Bentley University,
McCallum School of Business

Candida G. Brush
Vice-Provost, Global Entrepreneurial Leadership,
Franklin W. Olin Chair in Entrepreneurship,
Research Director—Arthur M. Blank Center,
Babson College—Entrepreneurship Division,
Arthur M. Blank Center for Entrepreneurship

now
the essence of knowledge
Boston — Delft

Full text available at: http://dx.doi.org/10.1561/0300000051

Foundations and Trends® in Entrepreneurship

Published, sold and distributed by:
now Publishers Inc.
PO Box 1024
Hanover, MA 02339
United States
Tel. +1-781-985-4510
www.nowpublishers.com
sales@nowpublishers.com

Outside North America:
now Publishers Inc.
PO Box 179
2600 AD Delft
The Netherlands
Tel. +31-6-51115274

The preferred citation for this publication is

L. F. Ederman, T. S. Manalova, and C. G. Brush. *Angel Investing: A Literature Review*. Foundations and Trends® in Entrepreneurship, vol. 13, no. 4-5, pp. 265–439, 2017.

ISBN: 978-1-68083-299-0
© 2017 L. F. Ederman, T. S. Manalova, and C. G. Brush

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, mechanical, photocopying, recording or otherwise, without prior written permission of the publishers.

Photocopying. In the USA: This journal is registered at the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923. Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by now Publishers Inc for users registered with the Copyright Clearance Center (CCC). The 'services' for users can be found on the internet at: www.copyright.com

For those organizations that have been granted a photocopy license, a separate system of payment has been arranged. Authorization does not extend to other kinds of copying, such as that for general distribution, for advertising or promotional purposes, for creating new collective works, or for resale. In the rest of the world: Permission to photocopy must be obtained from the copyright owner. Please apply to now Publishers Inc., PO Box 1024, Hanover, MA 02339, USA; Tel. +1 781 871 0245; www.nowpublishers.com; sales@nowpublishers.com

now Publishers Inc. has an exclusive license to publish this material worldwide. Permission to use this content must be obtained from the copyright license holder. Please apply to now Publishers, PO Box 179, 2600 AD Delft, The Netherlands, www.nowpublishers.com; e-mail: sales@nowpublishers.com

Full text available at: http://dx.doi.org/10.1561/0300000051

Foundations and Trends® in Entrepreneurship
Volume 13, Issue 4-5, 2017

Editorial Board

Editor-in-Chief

Albert N. Link
University of North Carolina at Greensboro
United States

David B. Audretsch
Indiana University
United States

Mike Wright
Imperial College London
United Kingdom

Editors

Howard Aldrich
University of North Carolina

Sharon Alvarez
University of Denver

Per Davidsson
Queensland University of Technology

Michael Frese
National University of Singapore

William B. Gartner
Copenhagen Business School

Magnus Henrekson
IFN Stockholm

Michael A. Hitt
Texas A&M University

Joshua Lerner
Harvard University

Jeff McMullen
Indiana University

P.R. Kumar
Texas A&M University

Maria Minniti
Syracuse University

Simon Parker
University of Western Ontario

Holger Patzelt
TU Munich

Saras Sarasvathy
University of Virginia

Roy Thurik
Erasmus University

Full text available at: http://dx.doi.org/10.1561/0300000051

Editorial Scope

Topics

Foundations and Trends® in Entrepreneurship publishes survey and tutorial articles in the following topics:

- Nascent and start-up entrepreneurs
- Opportunity recognition
- New venture creation process
- Business formation
- Firm ownership
- Market value and firm growth
- Franchising
- Managerial characteristics and behavior of entrepreneurs
- Strategic alliances and networks
- Government programs and public policy
- Gender and ethnicity
- New business financing:
  - Business angels
  - Bank financing, debt, and trade credit
  - Venture capital and private equity capital
  - Public equity and IPOs
- Family-owned firms
- Management structure, governance and performance
- Corporate entrepreneurship
- High technology:
  - Technology-based new firms
  - High-tech clusters
- Small business and economic growth

Information for Librarians

Foundations and Trends® in Entrepreneurship, 2017, Volume 13, 4 issues. ISSN paper version 1551-3114. ISSN online version 1551-3122. Also available as a combined paper and online subscription.

Full text available at: http://dx.doi.org/10.1561/0300000051

Contents

1 Introduction **3**
1.1 Introduction and Definitions 3
1.2 Comparing Early-stage Investment Modes: Angel Investors and Venture Capital 6
1.3 The Focus of the Monograph 8
1.4 Article Collection Methodology 12
1.5 Moving Forward 13

2 Angel Investor Characteristics: Developed and Developing Economies and Women and Micro Angels **16**
2.1 Demographic profiles 38
2.2 Characteristics of the Angel Investment Market 40
2.3 Women in Angel Financing 43
2.4 Micro-angels 45
2.5 Conclusion 48

3 Angel Investor Characteristics: Angel Networks and Public Policy **50**
3.1 Angel Networks 50
3.2 Angel Investing and Public Policy 53
3.3 Conclusion 69

Full text available at: http://dx.doi.org/10.1561/0300000051

4 Angel Investment Profiles **71**
4.1 Investment Profiles 71
4.2 Conclusion 93

5 Entrepreneur and Entrepreneurial Firms Seeking Angel Investments **94**
5.1 Networks and Early Stage Financing 94
5.2 New Technology Firms 103
5.3 Choice of Financier and Exit 104
5.4 The Darker Side of the Entrepreneur-Angel Relationship: Trust and Conflict 105
5.5 Firms in Emerging Markets 107
5.6 Conclusion 107

6 Angel Investor Decision Making **109**
6.1 The Supply Side: Looking at the Angels 110
6.2 The Demand Side – Focusing on the Entrepreneur 129
6.3 Conclusion 131

7 Performance **134**
7.1 Angel Investment Performance 134
7.2 Investee Performance 140
7.3 Conclusion 141

8 Methodology, Future Research and Conclusions **143**
8.1 Research Methods 143
8.2 Future Research Opportunities 148
8.3 Conclusion 157

Acknowledgements **158**

Full text available at: http://dx.doi.org/10.1561/0300000051

Angel Investing: A Literature Review

Linda F. Edelman[a], Tatiana S. Manolova[b] and Candida G. Brush[c]

[a] *Professor-Business Policy and Strategy, Bentley University, McCallum School of Business, 175 Forest Street, Waltham, MA 02452; ledelman@bentley.edu*

[b] *Professor-Business Policy and Strategy, Bentley University, McCallum School of Business, 175 Forest Street Waltham, MA 02452; tmanolova@bentley.edu*

[c] *Vice-Provost, Global Entrepreneurial Leadership, Franklin W. Olin Chair in Entrepreneurship, Research Director—Arthur M. Blank Center, Babson College—Entrepreneurship Division, Arthur M. Blank Center for Entrepreneurship, 246 Forest Street, Wellesley, MA 02457; cbrush@babson.edu*

ABSTRACT

Even though scholars have amassed a large body of research on angel investors, few systematic and comprehensive reviews are available. The purpose of this monograph is to review this literature and then to offer suggestions for future investigation. To that end, we compiled a set of journal articles on angel investing. We start with Wetzel's (1983) seminal article describing the characteristics of angel investors and end with the work published more recently. In total, we have 152 articles that we review. For parsimony, we chose to focus our review only refereed journal articles, thereby excluding conference proceedings, books and book chapters, industry reports, and dissertations. This implies that there is additional work that has been done on the topic

Linda F. Edelman, Tatiana S. Manolova and Candida G. Brush (2017), "Angel Investing: A Literature Review", Foundations and Trends® in Entrepreneurship: Vol. 13, No. 4-5, pp 265–439. DOI: 10.1561/0300000051.

Full text available at: http://dx.doi.org/10.1561/0300000051

of angel investing that is not covered by our monograph. For this, we offer our apologies. However, we did include studies using data from the Global Entrepreneurship Monitor (GEM) because these capture early stage financing globally. GEM defines angel investment a little differently than we do in the monograph, in that in GEM they include early stage family and friends money as angel investment. This is likely due to the international nature of the GEM data collection and the lack of a robust angel investment community internationally. In the final chapter, we have included a table that breaks out the GEM studies, to better represent the data.

Full text available at: http://dx.doi.org/10.1561/0300000051

1

Introduction

1.1 Introduction and Definitions

The early 1980's marked a transition in the U.S. from a declining industrial/manufacturing economy to an emerging entrepreneurial/innovation driven economy (Sohl, 1999). This shift has had profound implications. Where previously large firms were the economic drivers, now small firms account for 55% of all business sales and 66% of new jobs according to the US Small Business Administration and there is evidence that new firms are even more productive in terms of job creation (Haltiwanger *et al.*, 2010; U.S. SBA, 2017). Concurrently, there was a quiet revolution in the way in which small and new businesses were financed. Angel investors, the less well-known sibling in early stage financing, increased in importance during the last two decades. The Center for Venture Research estimates that in 2014, angels invested $24.1 billion, in 73,400 deals. The best estimates are that approximately 300,000 individuals made angel investments in the US over the past two years, investing an average of $83,000.[1] By way of comparison, the National Venture Capital Association reported that in 2014, venture capitalists invested

[1] http://www.angelcapitalassociation.org/faqs/

Full text available at: http://dx.doi.org/10.1561/0300000051

$48 billion in 4,356 deals.[2] At the time, there were approximately 1,562 active venture capital firms in the US who had a little more than 5,000 investment professionals, and the median deal size was $11 million (Brush *et al.*, 2014; Venture Capital Insights-2013 Year-End, E&Y, 2014). Hence, angel investors overall invested about half of the amount of capital, yet in smaller proportions, to 20 times more ventures.

Angel investment is not limited to the United States. In 2015, the European Business Angel Network (EBAN) reported that angel investment grew 8.3% from 5.5 billion euros in 2012 to 6.1 billion euros in 2015. The best estimates are that there are approximately 303,650 angel investors across Europe, with the most activity in the United Kingdom (96 million Euros) followed by Spain (55 million Euros) and then Germany (44 million Euros) (www.eban.org/eban-2015-statistics-compendium-angel-investment-grows-to-e61-billion). In addition to Europe, there is evidence of robust start-up activity in the Middle East and Africa, however, in these regions most early stage investment comes from friends and family. Asia also reports start-up activity but little information is available on early stage financing (www.gern.co/gern/resources). However, despite the size of the angel investment phenomenon, research on venture capital has continually overshadowed research on angel investing.

Angel financing is defined as "[i]nformal venture capital-equity investments and non-collateral forms of lending made by private individuals . . . using their own money, directly in unquoted companies in which they have no family connection" (Mason and Harrison, 1999, p. 95). This definition specifically excludes friends and family money or "love" money. Mason and Harrison (2000) argue that investments made by close relatives and friends are based on considerations and criteria other than those used by that external investors, and therefore, family-related investments should be excluded.[3]

[2] http://www.nvca.org

[3] It should be noted that while we adopt the definition of angel investor from Mason and Harrison (1999) in this review, we include studies that use Global Entrepreneurship Monitor (GEM) data. GEM defines "business angels" and "informal investors" as friends, family and foolhardy strangers.

Full text available at: http://dx.doi.org/10.1561/0300000051

Business angels are high net worth individuals who invest a proportion of their assets in high-risk, high-return entrepreneurial ventures (Freear *et al.*, 1994; Avdeitchikova *et al.*, 2008). The capital they provide can be a one-time injection of seed money or ongoing support. There are two general types of angel investors, affiliated and nonaffiliated. An affiliated angel is someone with whom the entrepreneur is acquainted or has some type of relationship. Affiliated angels include business associates such as suppliers, customers, employees, or competitors. A nonaffiliated angel investor is an angel who has no connection with either the entrepreneur or the business. These include lawyers and accountants, consultants, managers and any other high net-worth individual that the entrepreneur does not personally know. Several authors have created typologies of angels – ranging from five types- corporate, entrepreneurial, enthusiastic, micromanagement and professional (Evanson, 1998) to ten- the godfather, peers, cousin Randy, Dr. Kildare, corporate achievers, Daddy Warbucks, high-tech angels, the stockholder, and very hungry angels (Gaston, 1989).

One characteristic of angel investing is the rising prominence of angel groups or business angel networks. Angel groups are individual angels who join together to evaluate and invest in entrepreneurial ventures. While they make their own investment decisions, angels typically pool their capital in groups to make larger investments. It is estimated there are approximately 400 angel groups in the US.[4] Angel groups meet regularly to evaluate business proposals where they hear presentations from selected entrepreneurs, work together to conduct due diligence, evaluate plans and the team, then decide whether to invest in businesses. The average angel group has approximately 42 members, invested about $2.42 million in 9.8 deals in 2015, and reviews about 80 deals per month. The average angel round investment in a business is $700,000 to $800,000.[5] Further, angel groups vary widely in terms of size, investment focus and process. For instance, some groups are small and locally focused, while others, such as the Kieretsu Forum are national with

[4] http://www.angelcapitalassociation.org/faqs/

[5] http://angelresourceinstitute.org/research/report.php?report=_100&name=_2015%20Annual%20Halo%20Report

Full text available at: http://dx.doi.org/10.1561/0300000051

several locations. Some angel groups focus on only women-led ventures (e.g., Golden Seeds), while others focus only on technology (e.g., Walnut Venture Associates). Angel groups may have a fund whereby everyone invests a certain amount and decides collaboratively to invest, while others may require a certain amount or number of investments per year as part of the membership requirements.

1.2 Comparing Early-stage Investment Modes: Angel Investors and Venture Capital

In the world of entrepreneurial finance, angel investing comes between money from friends and family and venture capital (Sohl, 1999; Mason and Harrison, 2000). Traditional wisdom posits that initially new ventures bootstrap and raise what money they can from their own personal sources of funding, and from investments made by their friends and family, popularly referred to as the three-F's: friends, family and fools (Kotha and George, 2012). When those sources of finance are exhausted, entrepreneurs turn to angel money for what is typically a larger investment. If, at a later stage even more capital is needed, entrepreneurs seek venture capital investors. Research shows that most firms that obtain venture capital financing, previously obtained angel money (Van Osnabrugge, 2000; Madill *et al.*, 2005).

However, there are a number of possible complementarities between angel investors and venture capitalists. Consider situations where angel investors or venture capitalists may share information around deals that may be of a size that is inappropriate for the other party. Alternatively, angels may co-invest in deals with venture capitalists, thereby gaining the expertise of a professional investor, or albeit in relatively rare cases, even invest as a limited partner in a venture fund (Mason and Harrison, 2000). Finally, investment by an angel investor may send a signal to the venture capital that the entrepreneur is not going to "take the money and run," thus mitigating possible moral hazard issues (Elitzur and Gavious, 2003) in future VC investments.

Angel investing also shares a number of similarities with venture capital. Like venture capital, angel investing is a financial intermediary (Van Osnabrugge, 2000). However, unlike other intermediaries such as

Full text available at: http://dx.doi.org/10.1561/0300000051

banking or institutional investing, where the investors invest and then remain quiet and receive management fees, angel investing is active. This is partly due to the high-risk nature of the investment. Like venture capital, angel investors invest in young firms, which are well known for their upside potential but also for their lack of tangible assets. One way angels manage this risk is to become involved in the new venture once they have made an investment. Venture capitalists typically do this through a seat on the board of directors, where angel investors may actually get involved in the day-to-day operations of the business.

Unlike other financial investments that are purchased and sold on a public exchange, angel investments are illiquid. This means there are no indices to track angel investments, nor is there a secondary stock market on which investors can buy or sell shares (Fenn and Lian, 1998). In addition, angel investing suffers from the same information asymmetries as venture capital, but with one important difference. The venture capitalists are agents; professional investors whose job it is to invest limited partners' capital in typically later stage ventures. In other words, venture capitalists invest other people's money and receive management fees for these efforts. In contrast, the angel investor invests his or her own money in seed or early stage deals (Van Osnabrugge, 2000). Similar to venture capital, this opens up the angel investor to all of the upside benefit of a successful investment, however, unlike venture capitalists who, given the principal-agent relationship with their limited partners, are somewhat shielded from the downside risk of failure, angel investors are exposed to all of the downside risk.

The difference in risk profiles between angel investors and venture capitalists reflects this important structural difference between the two forms of early stage investment. Angels typically invest their own money, while venture capitalists invest the money that they raised from their limited partners who are often large institutions or pension funds. This means that angel investors are principals in the investment, while venture capitalists are agents, acting on behalf of their limited partners.

In contrast to venture capitalists whose sole focus is on the financial rewards that come from growing and then successfully exiting the business (Muzyka *et al.*, 1995), angel investors often have different motivations. These include coaching entrepreneurs, helping younger

Full text available at: http://dx.doi.org/10.1561/0300000051

ventures to succeed, co-investing with other investors, and participating in the growth and development of the fledgling venture (Freear *et al.*, 1992). Angel investors do this by providing the entrepreneur access to individuals, mentoring the entrepreneur, advising the business, and by providing money.

In sum, angel investors provide early stage financing to entrepreneurial businesses. While they have a number of things in common with venture capital, both the timing of the investment and the level of risk are important differences. In addition, while venture capitalists invest to secure a financial return, angels often have other motivations, such as coaching and mentoring entrepreneurs. Additional information on research in venture capital can be found in the publication "Venture Capital Investors and Portfolio Firms" (Manigart and Wright, 2013). Table 1.1 provides an overview of the similarities and differences between angel investments and venture capital.

1.3 The Focus of the Monograph

Even though scholars have amassed a large body of research on angel investors, few systematic and comprehensive reviews are available. The purpose of this monograph is to review this literature and then to offer suggestions for future investigation. To that end, we compiled a set of journal articles on angel investing. We start with Wetzel's (1983) seminal article describing the characteristics of angel investors and end with the work published more recently. In total, we have 152 articles that we review. For parsimony, we chose to focus our review on only refereed journal articles, thereby excluding conference proceedings, books and book chapters, industry reports, and dissertations. This implies that there is additional work that has been done on the topic of angel investing that is not covered by our monograph. For this, we offer our apologies. However, we did include studies using data from the Global Entrepreneurship Monitor (GEM) because these capture early stage financing globally. GEM defines angel investment a little differently than we do in the monograph, in that in GEM they include early stage family and friends money as angel investment. This is likely due to the international nature of the GEM data collection and the lack

Full text available at: http://dx.doi.org/10.1561/0300000051

Table 1.1: Similarities/Differences Between Venture Capital and Angel Investing

	Venture Capital	**Angel Investing**
Stage of Investment	Invest in early growth and established companies that have typically received founder, friends and family investment as well as angle investment previously.	Invest in seed and start-up companies that have previously received founder, friends, and family investment.
Structure	Partnerships whereby fund providers become limited partners supplying the capital for investments.	Individuals or group affiliations which usually require membership fee. Often angels are former entrepreneurs.
Governance	Involved contracts and incentives, controlling interest, board membership.	Equity ownership but not controlling interest.
Risk Reduction Strategies	Large ownership stake through preferred, convertible stock. Downside risk reduced due to the agent-principal relationship.	Heavy reliance on face-to-face personal contact, bears all of the downside risk.
Source of Funds	Professional investors, invest larger sums of money obtained from limited partners. Limited personal financial responsibility.	Non-professional investor, often former entrepreneur or advisor, invest smaller sums of own money. Significant personal financial responsibility.

Full text available at: http://dx.doi.org/10.1561/0300000051

Table 1.1: Continued

	Venture Capital	**Angel Investing**
Due Diligence Strategies	Extensive due diligence, typically conducted over a longer period. Heavy reliance on quantifiable firm metrics (information rich environment).	Varying amounts of due diligence, typically conducted over a shorter period. Relies on previous experience as an entrepreneur (information poor environment); often syndicated among angel groups.
Information Asymmetry (adverse selection)	Invest in later stage of venture development.	Invest in earlier stages of venture development.
Deal Flow	High deal flow to improve probability of success.	Less reliance on high deal flow.
Syndication	Co-investment relationships, reliance on syndication to spread risk.	Less, but increasing use of syndication especially across angel groups as a risk reduction strategy.
Industry Specialization	Typically limit investments to industry or industry sector where the VC has expertise.	Less specialization but this is changing with emergence of angel groups which may focus on a particular type of entrepreneur (e.g., women), or a particular sector (e.g., technology, consumer products, medical)

Full text available at: http://dx.doi.org/10.1561/0300000051

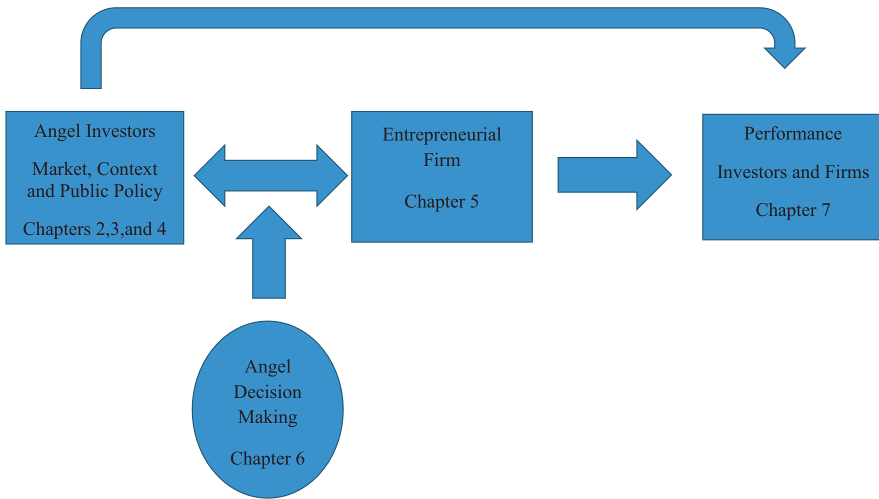

Figure 1.1: Organizing Framework

of a robust angel investment community internationally. In the final chapter, we have included a table that breaks out the GEM studies, to better represent the data.

Based on our analysis and consideration of previous literature reviews (Van Osnabrugge, 2000; Mason and Harrison, 2000; Wetzel, 1987), we created an organizing framework that captures the major aspects of the angel investment landscape.

Our framework includes the major perspectives in angel investing- the angel investors (including angel networks and angel groups), the entrepreneurs and their ventures, the relationship and decision-process between angels and entrepreneurs, and performance. Figure 1.1 illustrates our organizing framework.

It is interesting to note the increase in the number of articles over the years. In the 20-year period, between 1983 and 2003, there were only 59 articles that explored angel investing; however in the last ten years, between 2004 and 2015 that number increased to 93 articles. In terms of the number of researchers, that number has grown explosively as well, but, given the difficulty in obtaining samples of angel investors, the total amount of articles and researchers pales when compared with the plethora of articles on venture capital.

Full text available at: http://dx.doi.org/10.1561/0300000051

1.4 Article Collection Methodology

We conducted an extensive search using multiple databases and key words to identify the articles included in this review. Our data collection was limited to articles published in refereed journals, which included the following:

Venture Capital: An International Journal of Entrepreneurial Finance

Small Business Economics

International Journal of Management Reviews

Journal of Business Venturing

Journal of Management

Journal of Banking and Finance

Financial Management

European Economic Review

Journal of Accounting and Economics

Journal of Private Equity

Review of Financial Studies

Journal of Finance

American Economic Review

Entrepreneurship and Regional Development

Entrepreneurship Theory and Practice

Journal of Economic Perspectives

International Business Review

Full text available at: http://dx.doi.org/10.1561/0300000051

The following key words were used as search terms:

Angel

Informal

Seed

Angel Investor

Private

Early Investment

Early Investor

We then searched the more general databases such as ProQuest, Google Scholar, and Web of Knowledge, using the key words listed above. We concluded that we had the relevant articles when (1) none of the above search words turned up any new results, (2) the results were irrelevant, (3) more than 1/2 of the articles that the search came up with were devoted to a topic other than angel investing, (4) we only found articles that compared angels to venture capitalists, (5) articles that only sporadically referred to the topic of angel investing, (6) and the database returned a large number of results and the gap between relevant results was greater than 50. To check the robustness of our results, we looked at the early angel investing authors and searched the databases for their names and for articles that cited their work. In total, we collected 152 articles from 18 sources. Figure 1.2 shows the number of articles we collected by year.

1.5 Moving Forward

We divided our topic of angel investing into eight chapters. This review begins with a look at the angel investors themselves and into the market characteristics that lead to angel investing. In chapter 2, we focus the contributions made by angels as well as subgroups of angel investors such as women and micro-angels. We continue with angel characteristics in chapter 3, looking at angel networks and public policy implications.

Full text available at: http://dx.doi.org/10.1561/0300000051

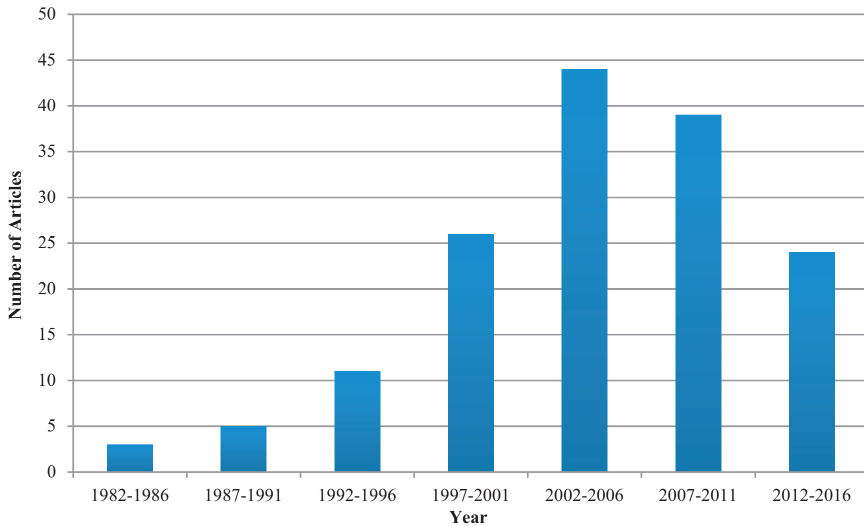

Figure 1.2: Number of Articles by Year

In chapter 4, we explore different typologies of angels, focusing on their reasons for investing and on some differences between angel investors and venture capitalists. In chapter 5, we shift our focus, now looking at the other side of the dyad, the entrepreneurial firms, and we review the literature that explores the firms that are seeking angel money. We move back to the angels in chapter 6, here drilling down into one topic of angel investing, the decision making process. In chapter 7, we review the articles that look at angel investor and firm performance. Chapter 8 reviews the methodologies used by the researchers in the angel investor literature, thereby illustrating how the data collection and analytic tools have both changed and remained the same over time, and then offers our conclusions about the literature as well as suggestions for future research. In this chapter we highlight what we believe to be the key and most critical issue around the angel investment literature, which is a lack of generalizable data and a dearth of strong methods. To aid the reader, in each chapter we provide a set of summary tables. These tables include every article reviewed in that chapter, the authors, journal and editions, date published, main research question, theoretical perspective if applicable and a summary of the findings.

Full text available at: http://dx.doi.org/10.1561/0300000051

In summary, while there has been a critical mass of work conducted on angel investing, it pales when compared to the volume of work on venture capital. This is due in part to the invisible nature of angel investing, which is compounded by a lack of strong generalizable data. The purpose of this literature review is to provide a thematic review of this literature, make connections between the research when possible and then to present a set of ideas for future research. Angel investing is a dynamic, exciting, and under-researched form of early stage equity financing. Our hope is that this review will inspire researchers to engage in work in the area of angel financing.

Full text available at: http://dx.doi.org/10.1561/0300000051

References

Acs, Z. and F. A. Tarpley. 1998. "The Angel Capital Electronic Network (ACE-Net)". *Journal of Banking and Finance*. 22(6-8): 793–797.

Adomdza, G. 2015. "Choosing between a student-run and professionally managed accelerator". *Entrepreneurship Theory and Practice*. Published on line and forthcoming.

Aernoudt, R. 1999. "Business Angels: Should They Fly on Their Own Wings". *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(2): 187–195.

Aernoudt, R. 2002. "Incubators: Tool for Entrepreneurship?" *Small Business Economics*. 23(2): 127–135.

Aernoudt, R. 2005. "Executive Forum: Seven Ways to Stimulate Business Angels' Investments". *Venture Capital: An International Journal of Entrepreneurial Finance*. 7(4): 359–371.

Ahlers, G. K., D. Cumming, C. Günther, and D. Schweizer. 2015. "Signaling in Equity Crowdfunding". *Entrepreneurship Theory and Practice*. 39(4): 955–980.

Amatucci, F. M. and J. E. Sohl. 2004. "Women Entrepreneurs Securing Business Angel Financing: Tales from the Field". *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(2–3): 181–196.

Full text available at: http://dx.doi.org/10.1561/0300000051

Angel Capital Association. 2013. "Angel Capital Association—Connections And Ideas That Drive Returns". Retrieved from. URL: www.angelcapitalassociation.org.

Aram, J. D. 1989. "Attitudes and Behaviors of Informal Investors Toward Early-Stage Investments, Technology-Based Ventures, and Coinvestors". *Journal of Business Venturing*. 4(5): 333–347.

Avdeitchikova, S., H. Landström, and N. Månsson. 2008. "What Do We Mean When We Talk About Business Angels? Some reflections on definitions and sampling". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(4): 371–394.

Ayyagari, M., A. Demirguc-Kunt, and V. Maksimovic. 2010. "Formal Versus Informal Finance: Evidence from China". *Review of Financial Studies*. 23(8): 3048–3097.

Bachler, J. and P. Guild. 1996. "Financing Early Stage Technology Based Companies: Investment Criteria Used by Investors". *Frontiers of entrepreneurship Research*. 21: 363–376.

Bammens, Y. and V. Collewaert. 2012. "Trust between entrepreneurs and angel investors: Exploring positive and negative implications for venture performance assessments". *Journal of Management*. 40.7(2014): 1980–2008.

Baty, G. and B. Sommer. 2002. "True Then, True Now: A 40-Year Perspective on the Early Stage Investment Market". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 289–293.

Becker-Blease, J. R. and J. E. Sohl. 2007. "Do Women-Owned Businesses Have Equal Access to Angel Capital". *Journal of Business Venturing*. 22(4): 503–21.

Becker-Blease, J. R. and J. E. Sohl. 2008. "Confidence and Angel Investors: Does Gender Matter". *Frontiers of Entrepreneurship Research*. 28(2).

Becker-Blease, J. R. and J. E. Sohl. 2010. "The Effect of Gender Diversity on Angel Group Investment". *Entrepreneurship Theory and Practice*. 35(4): 709–733.

Becker-Blease, J. R. and J. E. Sohl. 2015. "New Venture Legitimacy: The Conditions for Angel Investors". *Small Business Economics*. 45(4): 735–749.

Full text available at: http://dx.doi.org/10.1561/0300000051

Belleflamme, P., T. Lambert, and A. Schwienbacher. 2014. "Crowdfunding: Tapping the Right Crowd". *Journal of Business Venturing*. 29(5): 585–609.

Birley, S. 1985. "The Role of Networks in the Entrepreneurial Process". *Journal of Business Venturing*. 1(1): 107–17.

Bonnet, C. and P. Wirtz. 2012. "Raising Capital for Rapid Growth in Young Technology Ventures: When Business Angels and Venture Capitalists Coinvest". *Venture Capital: An International Journal of Entrepreneurial Finance*. 14(2–3): 91–110.

Brettel, M. 2002. "German Business Angels in International Comparison". *The Journal of Private Equity*. 5(2): 53–67.

Brettel, M. 2003. "Business Angels in Germany: A Research Note". *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(3): 251–268.

Brush, C. G., N. M. Carter, P. G. Greene, M. M. Hart, and E. J. Gatewood. 2002. "The Role of Social Capital and Gender in Linking Financial Suppliers and Entrepreneurial Firms: A Framework for Future Research". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 305–323.

Brush, C. G., L. F. Edelman, and T. S. Manolova. 2012. "Ready for Funding? Entrepreneurial Ventures and the Pursuit of Angel Financing". *Venture Capital: An International Journal of Entrepreneurial Finance*. 14(2–3): 111–129.

Brush, C. and P. Greene. 2016. "Closing the Gender Gap in Entrepreneurship: A New Perspective on Policies and Practices". *Organization for Economic Cooperation and Development*. Working Paper, July.

Brush, C., P. Greene, L. Balachandra, and A. Davis. 2014. *Women Entrepreneurs 2014: Bridging the Gender Gap in Venture Capital*. Wellesley, MA: Babson College.

Bruton, G. D., S. Chahine, and I. Filatotchev. 2009. "Founders, Private Equity Investors, and Underpricing in Entrepreneurial IPOs". *Entrepreneurship Theory and Practice*. 33: 909–928.

Full text available at: http://dx.doi.org/10.1561/0300000051

Burke, A., C. Hartog, A. van Stel, and K. Suddle. 2010. "How Does Entrepreneurial Activity Affect the Supply of Informal Investors". *Venture Capital: An International Journal of Entrepreneurial Finance*. 12(1): 21–47.

Bygrave, W. D., M. Hay, E. Ng, and P. D. Reynolds. 2003. "Executive Forum: A Study of Informal Investing in 29 Nations Composing the Global Entrepreneurship Monitor". *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(2): 101–116.

Carpentier, C. and J. M. Suret. 2007. "On the Esefulness of Tax Incentives for Informal Investors". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(3): 23–41.

Carpentier, C. and J. M. Suret. 2015. "Angel Group Members' Decision Process and Rejection Criteria: A Longitudinal Analysis". *Journal of Business Venturing*. 30(6): 808–821.

Cerullo, B. and B. Sommer. 2002. "Helping Healthcare Entrepreneurs: A Case Study of Angel Healthcare Investors, LLC". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 325–330.

Clark, C. 2008. "The Impact of Entrepreneurs' Oral 'Pitch' Presentation Skills on Business Angels' Initial Screening Investment Decisions". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(3): 257–279.

Cohen, S. and Y. V. Hochberg. 2014. "Accelerating start-ups: The seed accelerator phenomenon". Available at SSRN. URL: http://ssrn.com/abstract=%5C_2418000%20or%20http://dx.doi.org/10.2139/ssrn.2418000.

Collewaert, V. 2011. "Angel Investors' and Entrepreneurs' Intentions to Exit Their Ventures: A Conflict Perspective". *Entrepreneurship Theory and Practice*. 36: 753–779.

Collewaert, V. and Y. Fassin. 2013. "Conflicts between entrepreneurs and investors: the impact of perceived unethical behavior". *Small Business Economics*. 40(3): 635–649.

Croce, A., F. Tenca, and E. Ughetto. 2016. "How Business Angel Groups Work: Rejection Criteria in Investment Evaluation". *International Small Business Journal*: 1–22.

Full text available at: http://dx.doi.org/10.1561/0300000051

De Clercq, D., M. Meuleman, and M. Wright. 2012. "A Cross-Country Investigation of Micro-Angel Investment Activity: The Roles of New Business Opportunities and Institutions". *International Business Review*. 21: 117–129.

Ding, Z. J., K. Au, and F. Chiang. 2015. "Social Trust and Angel Investors' Decisions: A Multilevel Analysis across Nations". *Journal of Business Venturing*. 30: 307–321.

Edelman, L. F., T. S. Manolova, C. G. Brush, and S. Latham. 2014. "Measuring Progress in Entrepreneurship Research". *Handbook of Research Methods and Applications in Entrepreneurship and Small Business*: 56.

Elitzur, R. and A. Gavious. 2003. "Contracting, Signaling, and Moral Hazard: A Model of Entrepreneurs, 'Angels', and Venture Capitalists". *Journal of Business Venturing*. 18(6): 709–725.

Evanson, D. 1998. "Where to Go When the Bank Says No: Alternatives for Financing Your Business". *Bloomberg Small Business*: 1.

Fairchild, R. 2011. "An Entrepreneur's Choice of Venture Capitalist or Angel-Financing: A Behavioral Game-Theoretic Approach". *Journal of Business Venturing*. 26(3): 359–374.

Farrell, E., C. Howorth, and M. Wright. 2008. "A Review of Sampling and Definitional Issues in Informal Venture Capital Research". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(4): 331–353.

Feeney, L., G. H. Haines, and A. L. Riding. 2003. "'Private Investors' Investment Criteria: Insights from Qualitative Data". *Venture Capital: An International Journal of Entrepreneurial Finance*. 1: 121–145.

Fenn, G. W. and N. Lian. 1998. "New Resources and New Ideas: Private Equity for Small Businesses". *Journal of Banking and Finance*. 22(6–8): 1077–1084.

Festel, G. and S. H. De Cleyn. 2013. "Founding Angels as an Emerging Subtype of the Angel Investment Model in High-Tech Businesses". *The Journal of Private Equity*. 16(4): 37–45.

Fiet, J. O. 1995. "Risk Avoidance Strategies in Venture Capital Markets". *Journal of Management Studies*. 32(4): 551–574.

Full text available at: http://dx.doi.org/10.1561/0300000051

Fiet, J. O. 1997. “Fragmentation in the Market for Venture Capital”. *Entrepreneurship: Theory and Practice*. 21(2): 5–20.

Freear, J., J. E. Sohl, and W. E. Wetzel. 1992. “The Investment Attitudes, Behavior and Characteristics of High Net Worth Individuals”. In: *Frontiers of Entrepreneurships Research 1992*. Babson Park: Babson College. 374–387.

Freear, J., J. E. Sohl, and W. E. Wetzel. 1993. “Angel Profiles: A Longitudinal Study”. In: *Frontiers of Entrepreneurship Research*. Ed. by N. C. Churchill, S. Birley, W. D. Bygrave, J. Doutriaux, E. J. Gatewood, F. S. Hoy, and W. E. J. Wetze l. 557–558.

Freear, J., J. E. Sohl, and W. E. Wetzel. 1994. “Angels and Non-Angels: Are There Differences”. *Journal of Business Venturing*. 9(2): 109–123.

Freear, J., J. E. Sohl, and W. E. Wetzel. 1995. “Angels: Personal Investors in the Venture Capital Market”. *Entrepreneurship and Regional Development*. 7: 85–94.

Gaston, R. 1989. *Finding Private Venture Capital for Your Firm: A Complete Guide*. New York: John Wiley and Sons.

Golden Seeds. 2014. “Golden Seeds”. URL: http://www.goldenseeds.com/.

Gompers, P. A. and J. Lerner. 2003. “The Really Long-Run Performance of Initial Public Offerings: The Pre-Nasdaq Evidence”. *The Journal of Finance*. 58(4): 1355–1392.

Haar, N. E., J. Starr, and I. C. MacMillan. 1988. “Informal Risk Capital Investors: Investment Patterns on the East Coast of the USA”. *Journal of Business Venturing*. 3: 11–29.

Haltiwanger, J. C., R. S. Jarmin, and J. Miranda. 2010. “Who creates jobs? Small vs. large vs. young”. *NBER working paper*. 16: 300.

Harding, R. 2000. “Venture Capital and Regional Development: Towards a Venture Capital ‘System’”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(4): 287–311.

Harrison, R. T. and C. M. Mason. 1992. “International perspectives on the supply of informal venture capital”. *Journal of Business Venturing*. 7(6): 459–475.

Full text available at: http://dx.doi.org/10.1561/0300000051

Harrison, R. T. and C. M. Mason. 2008. "Sampling and Data Collection in Business Angel Research". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(4): 305–308.

Harrison, R. T., C. M. Mason, and P. J. A. Robson. 2010. "Determinants of long-distance investing by business angels in the UK". *Entrepreneurship and Regional Development*. 22(2): 113–137.

Hellmann, T. and V. Thiele. 2015. "Contracting Among Founders". *Journal of Law, Economics and Organization*: 1–33.

Heukamp, F., H. Liechtenstein, and N. Wakeling. 2007a. "Do Business Angels Alter the Risk-Return Equation in Early Stage Investments? Business Angels as Seen by Venture Capitalists in the German-Speaking Countries". *Journal of Private Equity*. 10(3): 67–86.

Heukamp, F., H. Liechtenstein, and N. Wakeling. 2007b. "Do Business Angels Alter the Risk-Return Equation in Early Stage Investments? Business Angels as Seen by Venture Capitalists in the German-Speaking Countries". *Journal of Private Equity*. 10(3): 67–86.

Hindle, K. and L. Lee. 2002. "An Exploratory Investigation of Informal Venture Capitalists in Singapore". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(2): 169–182.

Hindle, K. and R. Wenban. 1999. "Australia's Informal Venture Capitalists: An Exploratory Profile". *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(2): 169–186.

Hsu, D. K., J. M. Haynie, S. A. Simmons, and A. McKelvie. 2014. "What Matters, Matters Differently: A Conjoint Analysis of the Decision Policies of Angel and Venture Capital Investors". *Venture Capital: An International Journal of Entrepreneurial Finance*. 16(1): 1–25.

Ibrahim, D. M. 2008. "The (Not So) Puzzling Behavior of Angel Investors". *Vanderbilt Law Review*. 61(5).

Isabelle, D. A. 2013. "Key Factors Affecting a Technology Entrepreneur's Choice of an Incubator or Accelerator". *Technology Innovation Management Review*. 3(2): 16–22.

Jenson, M. 2002. "Angel Investors: Opportunity Amidst Chaos". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 295–304.

Full text available at: http://dx.doi.org/10.1561/0300000051

Kelly, P. 2000. *Private Investors and Entrepreneurs: How Context Shapes their Relationship: Doctoral Dissertation*. London: Foundation for Entrepreneurial Management London Business School.

Kelly, P. and M. Hay. 2003. "Business Angel Contracts: The Influence of Context". *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(4): 287–312.

Knyphausen-Aufseßa, D. Z. and R. Westphal. 2008. "Do Business Angel Networks Deliver Value to Business Angels". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(2): 149–169.

Kotha, R. and G. George. 2012. "Friends, Family, or Fools: Entrepreneur Experience and Its Implications for Equity Distribution and Resource Mobilization". *Journal of Business Venturing*. 27(5): 525–543.

Kutsuna, K. and N. Harada. 2004. "Small Business Owner-Managers as Latent Informal Investors in Japan: Evidence From a Country with a Bank-Based Financial System". *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(4): 283–311.

Lahti, T. 2011. "Angel Investing: An Examination of the Evolution of the Finnish Market". *Venture Capital: An International Journal of Entrepreneurial Finance*. 13(2): 147–173.

Landström, H. 1993a. "Agency Theory and Its Application to Small Firms: Evidence From the Swedish Venture Capital Market". *Journal of Small Business Finance*. 2(3): 203–218.

Landström, H. 1993b. "Informal Risk Capital in Sweden and Some International Comparisons". *Journal of Business Venturing*. 8(6): 525–540.

Landström, H. 1998. "Informal Investors as Entrepreneurs". *Technovation*. 18(5): 321–333.

Lange, J., B. Leleux, and B. Surlemont. 2003. "Angel Networks for the 21st Century: An Examination of Practices of Leading Networks in Europe and the US". *Journal of Private Equity*. 6(2): 18–28.

Lerner, J. 1998. ""Angel" Financing and Public Policy: An Overview". *Journal of Banking and Finance*. 22(6–8): 773–783.

Full text available at: http://dx.doi.org/10.1561/0300000051

Lerner, J. 2002. "When Bureaucrats Meet Entrepreneurs: The Design of Effective 'Public Venture Capital' Programmes". *Economic Journal*. 112(477): F73–F84.

Lewis, G. and T. Zalan. 2012. "The Unexplored Dimension of Private Equity: The Case of Prudential Equity Partners". *The Journal of Private Equity*. 15(4): 40–54.

Li, X. and B. Ritchie. 2011. "Informal Investor Investing and Networks in China: An Exploratory Study". *Journal of Private Equity*. 14(3): 72–85.

Li, Y., S. Jiang, D. Long, H. Tang, and J. Wu. 2014. "An Exploratory Study of Business Angels in China: A Research Note". *Venture Capital: An International Journal of Entrepreneurial Finance*. 16(1).

Lindsay, N. J. 2004a. "Do Business Angels Have an Entrepreneurial Orientation". *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(2).

Lindsay, N. J. 2004b. "Do Business Angels Have an Entrepreneurial Orientation". *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(2–3): 197–210.

Lindström, G. and C. Olofsson. 2001. "Early Stage Financing of NTBFs: An Analysis of Contributions From Support Actors". *Venture Capital: An International Journal of Entrepreneurial Finance*. 3(2): 151–168.

Lipper, G. and B. Sommer. 2002. "Encouraging Angel Capital: What the US States are Doing". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 357–362.

Macht, S. A. 2011. "Inexpert Business Angels: How Even Investors With 'Nothing to Add' Can Add Value". *Strategic Change*. 20: 269–278.

Madill, J. J., G. H. Haines, and A. L. Riding. 2005. "The Role of Angels in Technology SMEs: A Link to Venture Capital". *Venture Capital: An International Journal of Entrepreneurial Finance*. 7(2): 107–129.

Manigart, S. and M. Wright. 2013. "Venture Capital Investors and Portfolio Firms". *Foundations and Trends® in Entrepreneurship*. 9(4–5): 365–570.

Full text available at: http://dx.doi.org/10.1561/0300000051

Manolova, T. S., I. M. Manev, N. M. Carter, and B. S. Gyoshev. 2006. "Breaking the Family and Friends' Circle: Predictors of External Financing Usage Among Men and Women Entrepreneurs in a Transitional Economy". *Venture Capital: An International Journal of Entrepreneurial Finance*. 8(2): 109–132.

Mason, C. M. and T. Botelho. 2016. "The Role of the Exit in the Initial Screening of Investment Opportunities: The Case of Business Angel Syndicate Gatekeepers". *International Small Business Journal*. 34(2): 157–175.

Mason, C. M. and R. T. Harrison. 1992. "International Perspectives on the Supply of Informal Venture Capital". *Journal of Business Venturing*. 7: 459–475.

Mason, C. M. and R. T. Harrison. 1994. "Informal Venture Capital in the UK". In: *Finance and the Small Firm*. Ed. by A. Hughes and D. J. Storey. London: Routledge.

Mason, C. M. and R. T. Harrison. 1996. "Why Business Angels Say No: A Case Study of Opportunities Rejected by an Informal Investor Syndicate". *International Small Business Journal*. 14(2): 35–51.

Mason, C. M. and R. T. Harrison. 1997. "Business Angel Networks and the Development of the Informal Venture Capital Market in the UK: Is There Still a Role for the Public Sector". *Small Business Economics*. 9(2): 153–172.

Mason, C. M. and R. T. Harrison. 1999. "Editorial: Venture Capital: Rationale, Aims and Scope". *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(1): 1–46.

Mason, C. M. and R. T. Harrison. 2000. "Editorial: The Role of the Public Sector in the Development of a Regional Venture Capital Industry". *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(4): 243–253.

Mason, C. M. and R. T. Harrison. 2002. "Is It Worth It? The Rates of Return From Informal Venture Capital Investments". *Journal of Business Venturing*. 17: 211–236.

Mason, C. M. and R. T. Harrison. 2003a. "Auditioning For Money: What Do Technology Investors Look for at the Initial Screening Stage". *Journal of Private Equity*. 6(2): 29–42.

Full text available at: http://dx.doi.org/10.1561/0300000051

Mason, C. M. and R. T. Harrison. 2003b. “Closing the regional equity gap? A critique of the Department of Trade and Industry’s regional venture capital funds initiative”. *Regional studies*. 37(8): 855–868.

Mason, C. M. and R. T. Harrison. 2004a. “Does Investing in Technology-Based Firms Involve Higher Risk? An Exploratory Study of the Performance of Technology and Non-Technology Investments by Business Angels”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(4): 313–332.

Mason, C. M. and R. T. Harrison. 2004b. “Editorial: New Issues in Venture Capital: An Introduction to the Special Issue”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 6(2–3): 95–103.

Mason, C. M. and R. T. Harrison. 2007. “Does Gender Matter? Women Business Angels and the Supply of Entrepreneurial Finance”. *Entrepreneurship Theory and Practice*. 31(3): 445–472.

Mason, C. M. and M. Stark. 2004. “What do Investors Look for in a Business Plan? A Comparison of the Investment Criteria of Bankers, Venture Capitalists, and Business Angels”. *International Small Business Journal*. 22(3): 227–248.

Mason, C. and R. Brown. 2013. “Creating good public policy to support high-growth firms”. *Small Business Economics*. 40(2): 211–22.

Maula, M., E. Autio, and P. Arenius. 2005. “What Drives Micro-Angel Investments”. *Small Business Economics*. 25: 459–475.

Maxwell, A. L., S. A. Jeffrey, and M. Lévesque. 2011. “Business Angel Decision-Making”. *Journal of Business Venturing*. 26: 212–225.

Mitteness, C. R., M. S. Baucus, and R. Sudek. 2012a. “Betting on the Horse or the Jockey: The Impact of Stage of the Race and Experience”. *Frontiers of Entrepreneurship Research*. 31(1).

Mitteness, C. R., R. Sudek, and M. S. Cardon. 2012b. “Angel Investor Characteristics That Determine Whether Perceived Passion Leads to Higher Evaluations of Funding Potential”. *Journal of Business Venturing*. 27(5): 592–606.

Mollick, E. 2014. “The Dynamics of Crowdfunding: An Exploratory Study”. *Journal of Business Venturing*. 29(1): 1–16.

Full text available at: http://dx.doi.org/10.1561/0300000051

Morrissette, S. G. 2007. "A Profile of Angel Investors". *Journal of Private Equity*. 10: 52–66.

Muzyka, D., S. Birley, and B. Lelux. 1995. "Trade-Offs in the Investment Decisions of European Venture Capitalists". *Journal of Business Venturing*. 11(4): 273–287.

Norburn, D. and S. Birley. 1988. "The Top Management Team and Corporate Performance". *Strategic Management Journal*. 9: 225–237.

Parhankangas, A. and M. Ehrlich. 2013. "How Entrepreneurs Seduce Business Angels: An Impression Management Approach". *Journal of Business Venturing*. 29(4).

Paul, S. and G. Whittam. 2010. "Business Angel Syndicates: An Exploratory Study of Gatekeepers". *Venture Capital: An International Journal of Entrepreneurial Finance*. 12(4): 241–25.

Paul, S., G. Whittam, and J. B. Johnston. 2003. "The Operation of the Informal Venture Capital Market in Scotland". *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(4): 313–335.

Paul, S., G. Whittam, and J. Wyper. 2006. "Towards a model of the business angel investment process". *Venture Capital: An International Journal of Entrepreneurial Finance*. 9(2): 107–12.

Paul, S., G. Whittam, and J. Wyper. 2007. "Towards a Model of the Business Angel Investment Process". *Venture Capital: An International Journal of Entrepreneurial Finance*. 9(2): 107–125.

Pereiro, L. E. 2001. "The Valuation of Closely-Held Companies in Latin America". *Emerging Markets Review*. 2(4): 330–370.

Piper, A. 2000. "Finance in UK High Technology Small Firms: An Overview". *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(2): 143–153.

Politis, D. and H. Landström. 2002. "Informal Investors as Entrepreneurs – The Development of an Entrepreneurial Career". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(2): 78–99.

Pollack, J. and W. Scheer. 2002. "Regional Seed Investing: Merchant-Banc". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 343–347.

Full text available at: http://dx.doi.org/10.1561/0300000051

Porter, M. C. and M. Spriggs. 2013. "Informal Private Equity Investment Networks: The role of the Nexus Angel". *Journal of Private Equity*. 16(3): 48–56.

Prasad, D., G. D. Bruton, and G. Vozikis. 2000. "Signaling Value to Business Angels: The Proportion of the Entrepreneur's Net worth Invested in a New Venture as a Decision Signal". *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(3): 167–182.

Prowse, S. D. 1998. "Angel Investors and the Market for Angel Investments". *Journal of Banking and Finance*. 22(6): 785–792.

Reitan, B. and R. Sörheim. 2000. "The Informal Venture Capital Market in Norway – Investor Characteristics, Behaviour and Investment Preferences". *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(2): 129–141.

Reynolds, P. D., W. D. Bygrave, E. Autio, L. W. Cox, and M. Hay. 2002a. "Global Entrepreneurship Monitor 2002 Executive Report". *Babson College, Ewing Marion Kauffman Foundation and London Business School*.

Reynolds, P. D., S. M. Camp, W. D. Bygrave, E. Autio, and M. Hay. 2002b. "Global Entrepreneurship Monitor Gem 2001 Summary Report". *London Business School and Babson College*.

Riding, A. 2008. "Business Angels and Love Money Investors: Segments of the Informal Market for Risk Capital". *Venture Capital: An International Journal of Entrepreneurial Finance*. 10(4): 355–369.

Riding, A. L., P. Dal Cin, L. Duxbury, G. Haines, and R. Safrata. 1993. *Informal Investors in Canada: The Identification of Salient Characteristics*. Ottawa: Carleton University.

Roach, G. 2009. "Is Angel Investing Worth the Effort? A Study of Keiretsu Forum". *Venture Capital: An International Journal of Entrepreneurial Finance*. 12(2): 153–166.

Romaní, G., M. Atienza, and J. E. Amorós. 2013. "Financing Entrepreneurial Activity in Chile: Scale and Scope of Public Support Programs". *Venture Capital: An International Journal of Entrepreneurial Finance*. 11(1): 55–70.

Full text available at: http://dx.doi.org/10.1561/0300000051

Sætre, A. S. 2003. “Entrepreneurial Perspectives on Informal Venture Capital. Entrepreneurial Perspectives on Informal Venture Capital”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(1).

San José, A., J. A. Roure, and R. Aernoudt. 2007. “Executive Forum: Public Support for the Business Angel Market in Europe”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 9(1): 71–84.

Scheela, W. J. and T. Jittrapanun. 2012. “Do Institutions Matter for Business Angel Investors in Emerging Asian Markets”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 14(4): 289–308.

Scheela, W. and E. S. Isidro. 2008. “Private Equity Investing in the Philippines: Business Angels vs. Venture Capitalists”. *The Journal of Private Equity*. 11(2): 90–99.

Scheela, W. and E. S. Isidro. 2009. “Business Angel Investing in an Emerging Asian Economy”. *Journal of Private Equity*. 12(4): 44–56.

Scheela, W., E. Isidro, T. Jittrapanun, N. Trang, and J. Gunawan. 2012. *Business Angel Investing in Emerging Economies: Policy Implications for Southeast Asia*. Liverpool, UK: Kauffman Foundation International Research and Policy Roundtable.

Schwienbacher, A. 2007. “A Theoretical Analysis of Optimal Financing Strategies for Different Types of Capital-Constrained Entrepreneurs”. *Journal of Business Venturing*. 22(6): 753–781.

Schwienbacher, A. 2013. “The Entrepreneur’s Investor Choice: The Impact on Later-Stage Firm Development”. *Journal of Business Venturing*. 28(4): 528–545.

Seymour, C. R. and W. E. Wetzel. 1981. *Informal Risk Capital in New England. Washington, dc: United States Small Business Association*. Office of Advocacy, MA: Babson College.

Sohl, J. E. 2003. “The U.S. Angel and Venture Capital Market: Recent Trends and Developments”. *The Journal of Private Equity*. 6(2): 7–17.

Full text available at: http://dx.doi.org/10.1561/0300000051

Sohl, J. E. 2006. “Angel Investing: Changing Strategies During Volatile Times”. *Journal of Entrepreneurial Finance and Business Ventures*. 11(2): 27–48.

Sohl, J. and L. Hill. 2007. “Women Business Angels: Insights From Angel Groups”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 9(3): 207–222.

Sohl, J. E. 1999. “The Early-Stage Equity Market in the USA”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(2): 101–120.

Sørheim, R. 2003. “The Pre-Investment Behaviour of Business Angels: A Social Capital Approach”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(4): 337–364.

Sørheim, R. and H. Landstrom. 2001. “Informal Investors—A Categorization, with Policy Implications”. *Entrepreneurship and Regional Development*. 13(4): 351–370.

Stangler, D. and J. Bell-Masterson. 2015. *Measuring and Entrepreneurial Ecosystem*. Kansas City, MO: Report produced by the Ewing Marion Kauffman Foundation.

Stedler, H. R. and H. H. Peters. 2003. “Business Angels in Germany: An Empirical Study”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 5(3): 269–276.

Steier, L. and R. Greenwood. 1999. “Newly Created Firms and Informal Angel Investors: A Four-Stage Model of Network Development”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(2): 147–167.

Stevenson, H. and P. Coveney. 1994. “Survey of Business Angels: Fallacies Corrected and Six Distinct Types of Angel Identified”. In: *National Small Firms Policy and Research Conference*. Cranfield School of Management. 457–470.

Sudek, R. 2007. “Angel Investment Criteria”. *Journal of Business Strategy*. 17(2): 89–104.

Sullivan, M. K. and A. Miller. 1996. “Segmenting the Informal Venture Capital Market: Economic, Hedonistic, and Altruistic Investors”. *Journal of Business Research*. 36(1): 25–35.

Full text available at: http://dx.doi.org/10.1561/0300000051

Szerb, L., S. Terjesen, and G. Rappai. 2007. "Seeding New Ventures–Green Thumbs and Fertile Fields: Individual and Environmental Drivers of Informal Investment". *Venture Capital: An International Journal of Entrepreneurial Finance*: 2007–2030.

Tashiro, Y. 1999. "Business angels in Japan". *Venture Capital: An International Journal of Entrepreneurial Finance*. 1(3): 259–273.

Tyebjee, T. T. and A. V. Bruno. 1984. "A Model of Venture Capitalist Investment Activity". *Management Science*. 30: 1051–1066.

Tymes, E. R. and O. J. Krasner. 1983. *Informal Risk Capital in California*. Wellesley, MA: Frontiers of Entrepreneurship Research, Center for Entrepreneurial Studies, Babson College.

U.S. SBA. 2017. "Small Business Trends". URL: https://www.sba.gov/managing-business/running-business/energy-efficiency/sustainable-business-practices/small-business-trends.

Van Osnabrugge, M. 1998. "Do Serial and Non-Serial Investors Behave Differently?" An Empirical and Theoretical Analysis". *Entrepreneurship: Theory and Practice*. 22(4): 23–42.

Van Osnabrugge, M. 2000. "A Comparison of Business Angel and Venture Capitalist Investment Procedures: An Agency Theory-Based Analysis". *Venture Capital: An International Journal of Entrepreneurial Finance*. 2(2): 91–109.

Walnut Venture Associates. 2011. "Walnut Venture Associates". URL: http://www.walnutventures.com/site3/home.html.

Watson, L., A. Riding, and G. Haines. 1998. "Decision Making by Canadian Angels: A Qualitative Analytic Approach". In: *Proceedings of the Canadian Council for Small Business and Entrepreneurship 15th Annual Conference*. 2–16.

Wessner, C. 2002. "Entrepreneurial Finance and the New Economy". *Venture Capital: An International Journal of Entrepreneurial Finance*. 4(4): 349–355.

Wetzel, W. E. 1989. "Informal Investors: When and Where to Look". Pratt's guide to venture capital sources.

Wetzel, W. E. J. 1983. "Angels and Informal Risk Capital". *Sloan Management Review*. 24(4): 23–34.

Full text available at: http://dx.doi.org/10.1561/0300000051

Wetzel, W. E. J. 1987. “The Informal Venture Capital Market: Aspects of Scale and Market Efficiency”. *Journal of Business Venturing*. 2: 299–313.

Williams, T. and S. Visser. 2001. “Prospecting for Gold: How Dutch Informal Investors Appraise Small Businesses in Trouble”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 31(2): 221–244.

Wiltbank, R. 2005a. “Investment Practices and Outcomes of Informal Venture Investors”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 7(4): 343–357.

Wiltbank, R. 2005b. “Investment Practices and Outcomes of Informal Venture Investors”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 7(4): 343–357.

Wiltbank, R., S. Read, N. Dew, and S. Sarasvathy. 2009a. “Affordable Loss: Behavioral Economic Aspects of the Plunge Decision”. *Strategic Entrepreneurship Journal*. 3(2): 105–126.

Wiltbank, R., S. Read, N. Dew, and S. Sarasvathy. 2009b. “Affordable Loss: Behavioral Economic Aspects of the Plunge Decision”. *Strategic Entrepreneurship Journal*. 3(2): 105–126.

Wong, A. 2002a. *Angel Finance: The Other Venture Capital*. Chicago: University of Chicago.

Wong, A. 2002b. *Angel Finance: The Other Venture Capital*. Chicago: University of Chicago.

Wong, P. and Y. Ho. 2007. “Characteristics and Determinants of Informal Investment in Singapore”. *Venture Capital: An International Journal of Entrepreneurial Finance*. 35(6): 941–958.

Wright, M., P. Westhead, and J. Sohl. 1998. “Editors’ Introduction: Habitual Entrepreneurs and Angel Investors”. *Entrepreneurship Theory and Practice*. 22(4): 5–21.