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Universities Drive New Venture Creation Throughout Illinois

*Biomedical/ Biotechnology startups continue to lead with
Software/IT and Healthcare/Social Services rounding out the top 3 sectors*

OCTOBER 18, 2023 – (CHICAGO, IL) – The Illinois Science & Technology Coalition (ISTC) today released new data on entrepreneurial endeavors pursued by faculty, staff, professors, and students across our 12 partnering institutions of higher education in Illinois. The unique data was released through ISTC’s Illinois Innovation Index on University Entrepreneurship, which focuses on new business creation in the state through university assistance and affiliation.

The Index found that 694 startups were founded on university campuses across Illinois over the past five academic years (2019-2023). These startups are the result of technology licensing, entrepreneurship programs, startup competitions and other university initiatives.

“Illinois is home to some of the most innovative universities in the United States. Thriving university startup activity is a testament to the collective work of entrepreneurial support teams and technology transfer offices across the state.” said Colleen D. Egan, President & CEO of ISTC. “2023 marks our 9th publication of this truly distinct Index publication. Technology based economic development remains a central focus for ISTC and the state of Illinois’ economic performance through entrepreneurship remains strong and growing.”

The Index also found that of the active university-supported startups founded over the last five years, 82% (359) remained in Illinois. This is 2.6% higher than 2022.

Within the last five academic years, our universities and research affiliates helped generate the creation of 2,093 jobs. University supported startups create flexible and impactful roles, meaningful high-skilled positions, and innovative ideas that push the state’s economy forward. Of the more than 1,500 active jobs, 75% (1,164) remain occupied by founders or employees of a business headquartered in Illinois. Increases in federal funding for workforce development could transform many of these small businesses, and help them grow.

One trend that has led to sustained growth in entrepreneurial activity in Illinois is the quantity and quality of university support available to students and faculty with innovative ideas. Overall, most of the funding—\$782.1M (97%)—came from venture capital and other sources, including federal grant programs, nonprofits, and accelerators. Universities accounted for \$10.4M of the funding, which is \$600K higher than the 2022 University Entrepreneurship Index.

University supported startups that receive direct university funding are slightly more likely to have remained active or have been acquired over the last five years as opposed to those who did not receive such support (67% v 61%).

According to our survey of university-supported startups, women founded companies increased their share of the startup population, from 28% in the 2018 Index to 40% in 2023. Foreign born founder percentages increased from 35% in 2020's Index to 48% this year.

“University-affiliated startups excel through this extended community and state ecosystem pipeline. Growth is only possible through a concerted effort of universities, ecosystem partners, and venture capital,” said Austin Green, Research and Policy Associate at ISTC. “ISTC continues to be a part of this ever growing and diverse ecosystem and encourages venture capital and corporate innovation divisions to support the efforts through program participation, sponsorships, mentorship and capital investments.”

View the [full report here](#). For more information, [subscribe here](#) and follow us @ISTCoalition.

About the Illinois Science & Technology Coalition (ISTC):

The Illinois Science & Technology Coalition (ISTC) is a 501(c)(6) member-driven non-profit, nonpartisan organization that cultivates technology-based economic development throughout Illinois through our innovation, data, education and advocacy programs. Our mission is to measure, connect, and enrich the Illinois innovation economy. Authorized by state statute in 1989 as Illinois' technology adviser, we serve as a convener, catalyst, and champion for Illinois' research, science, and technology communities. Our 501(c)(3) Institute focuses on Science, Technology, Engineering, and Mathematics (STEM) education, connecting companies with classrooms to better prepare the next generation of innovators, leaders, and problem solvers. For more information, visit ISTCoalition.org.