The vast majority of biopharmaceutical companies are small startups working to turn the latest scientific discoveries into viable treatments for a whole host of diseases and medical conditions. Thousands of these companies – which are found in almost every state in the U.S. – operate without profits or even revenues, yet are able to devote substantial resources toward their research and development efforts. This would not be possible without the venture capital investors who provide the necessary backing for biopharma startups to operate during the long research and development time frame for biopharmaceuticals. Indeed, it would be virtually impossible for biopharma startups to ever get off the ground without the investment of time, resources and guidance that their venture partners provide. The corporate venture capital arms of established biopharmaceutical companies – particularly PhRMA member companies – provide a considerable share of these inputs.

New medicines developed by startups not only advance science and human health, but also bring jobs and economic growth to their communities. While relatively small in numbers compared to large firms, jobs in startup biopharma companies are knowledge-intensive and high-impact, generating a positive ripple effect throughout the regional economy. In this way, venture-backed enterprises deliver the dual benefits of scientific advancement and economic growth beyond the traditional biopharmaceutical hubs into smaller communities across the nation.

The U.S. biopharmaceutical ecosystem has propelled the U.S. to global leadership in medical development. Here we look at the impact of venture capital and small startup companies in this process from 2000-2019.

ALL ACROSS THE USA:

TOTAL VENTURE CAPITAL INVESTMENT: $133.3 BILLION

NUMBER OF VENTURE-BACKED STARTUP COMPANIES: 4,423

VENTURE DEALS: 10,859


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