VC in 2026 & Beyond

Invest360
9/23/2026

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FAQs

Today?
Please ask questions

NVCA?
We're a trade association

Which Does?
Industry advocacy, best practices, lobbying, etc.

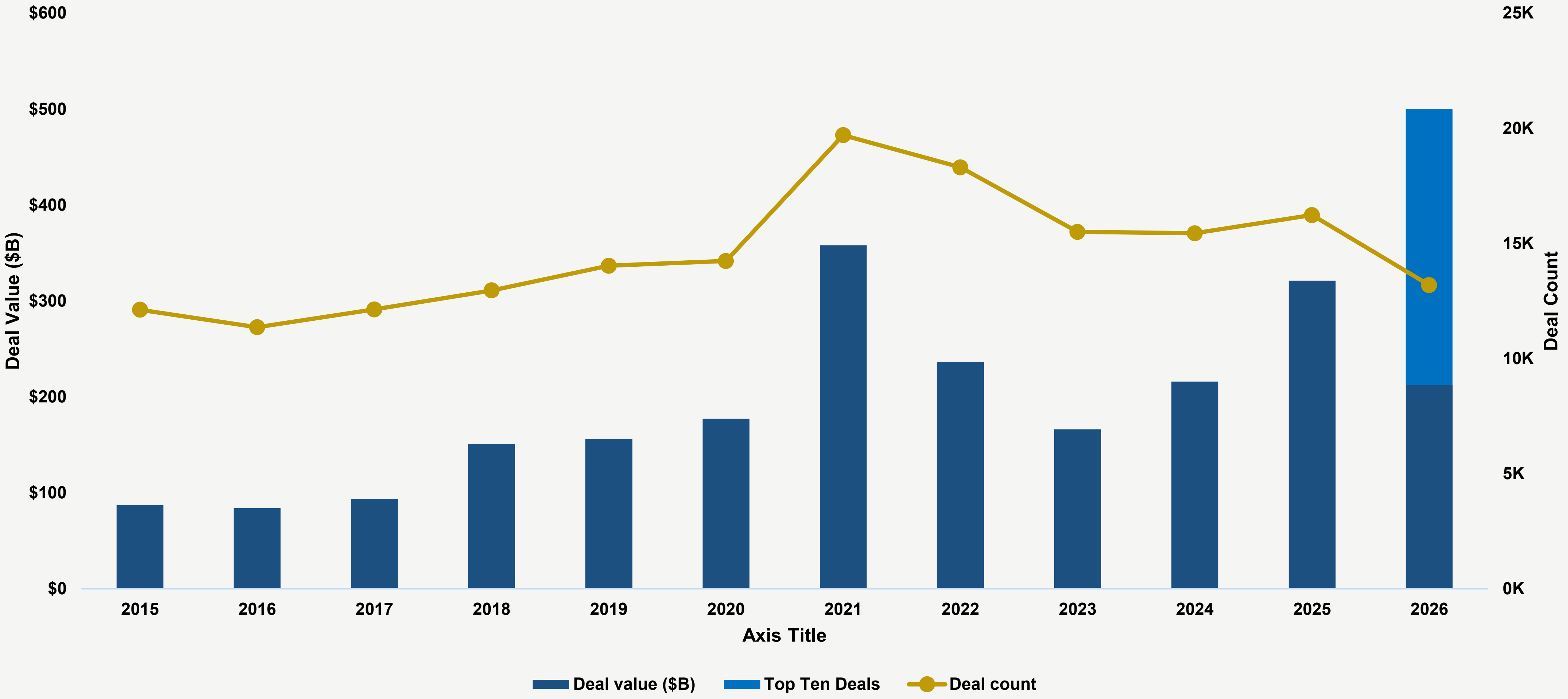
NVCA Members?
Are VC firms in the United States

Me?
I have a great wife and awesome dog

Anything else?
No

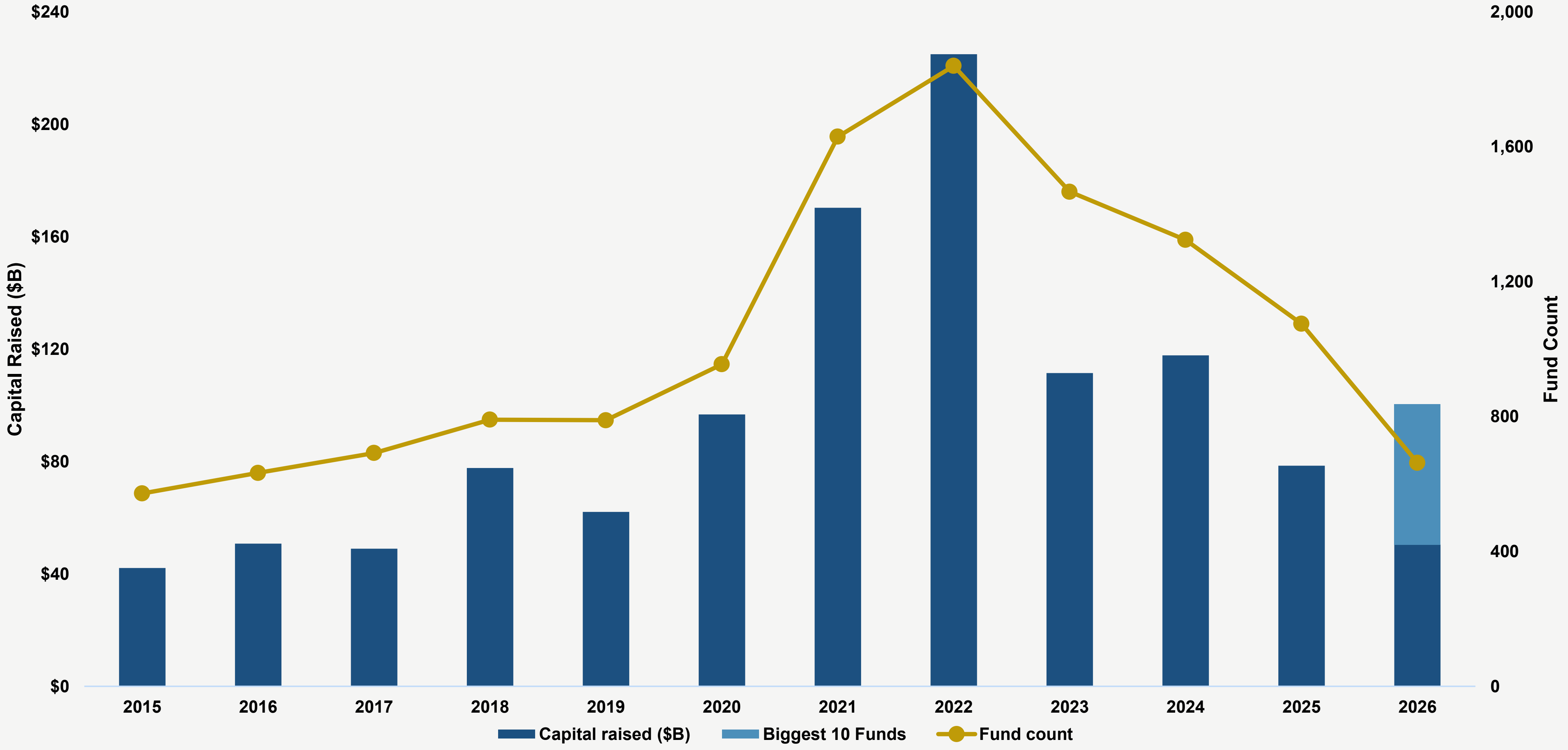
High Level Market Conditions

U.S. Investment Value and Deal Count



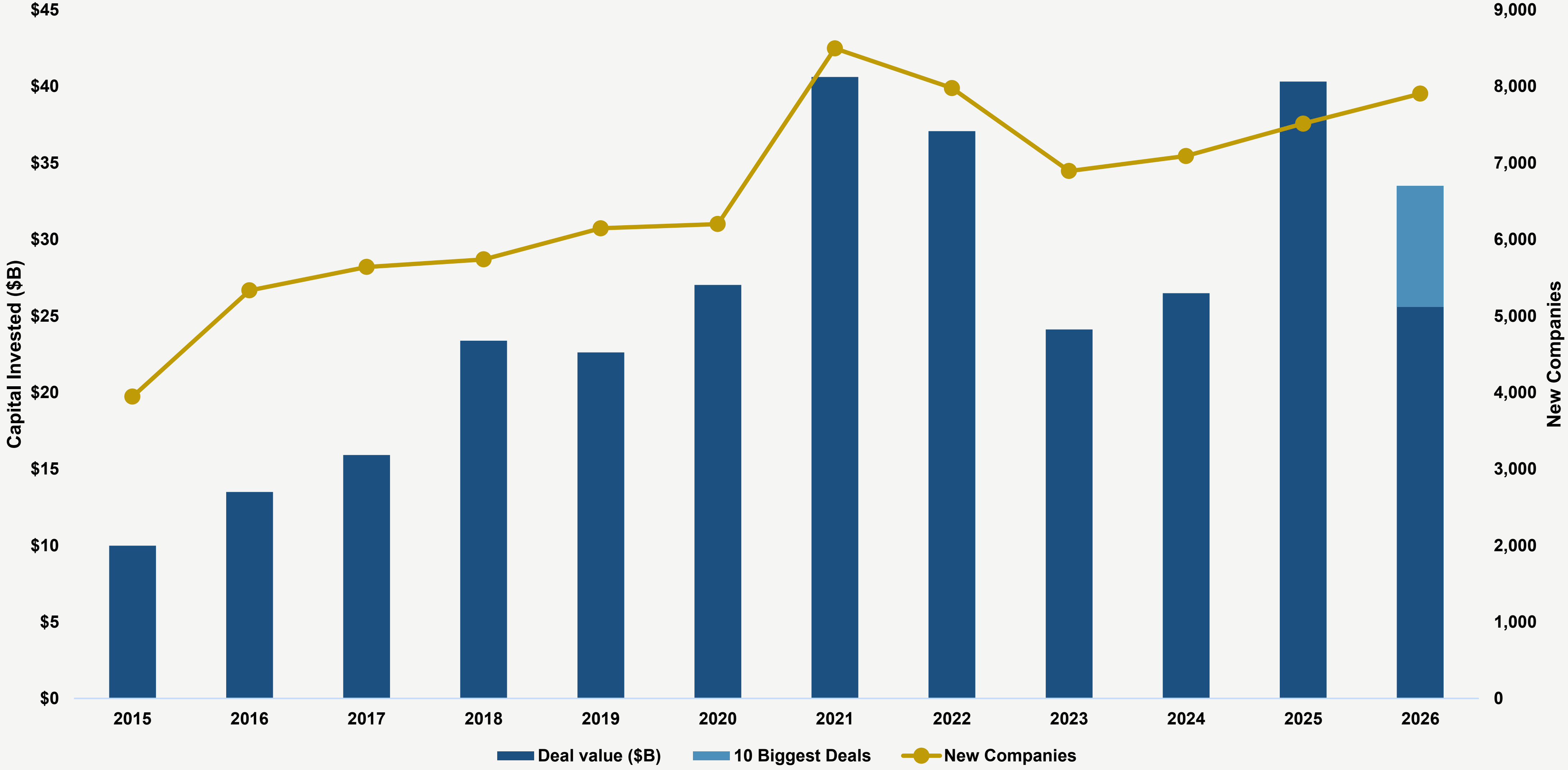
Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

U.S. Fundraising Activity



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

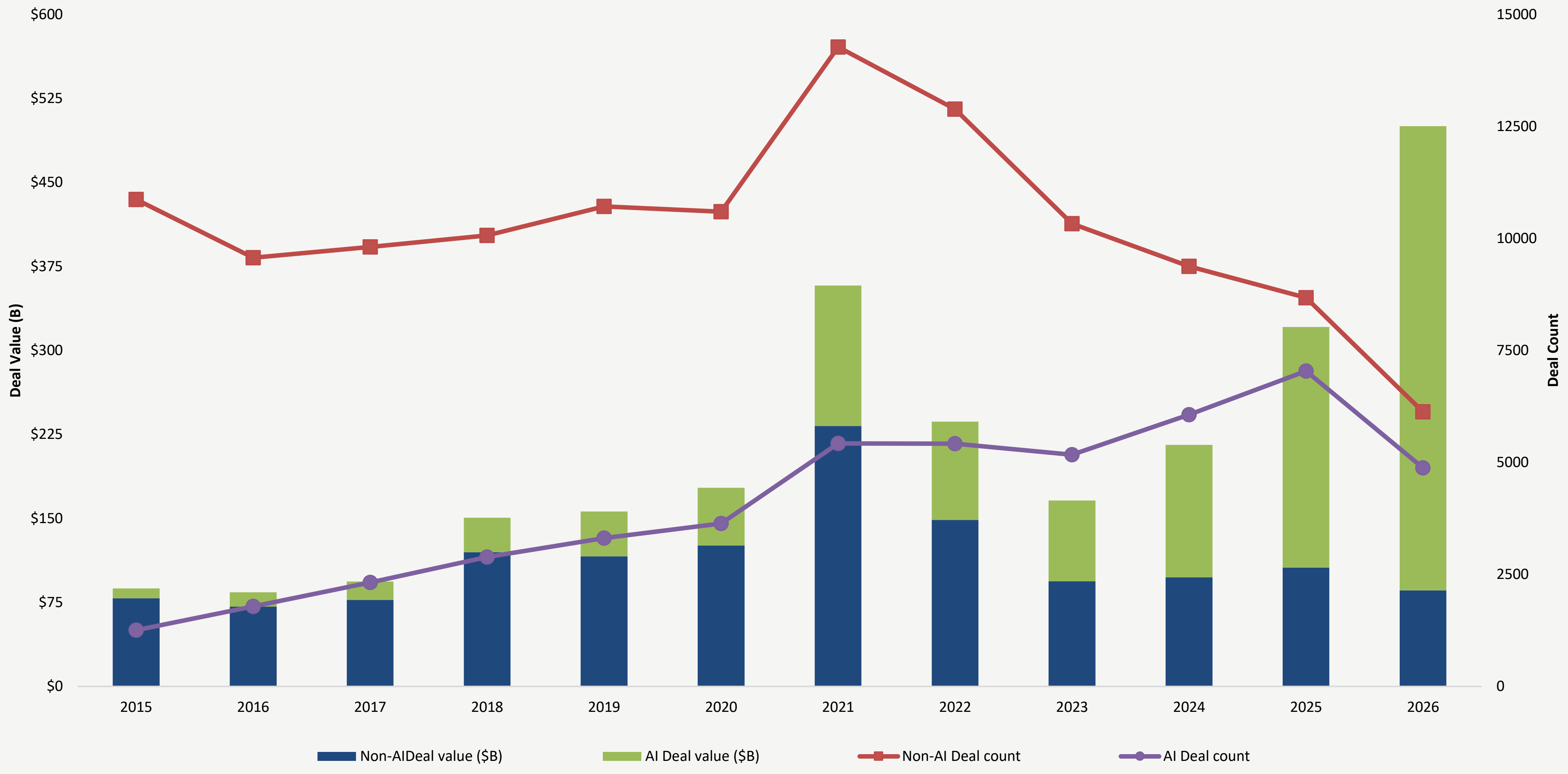
First Time Financings



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

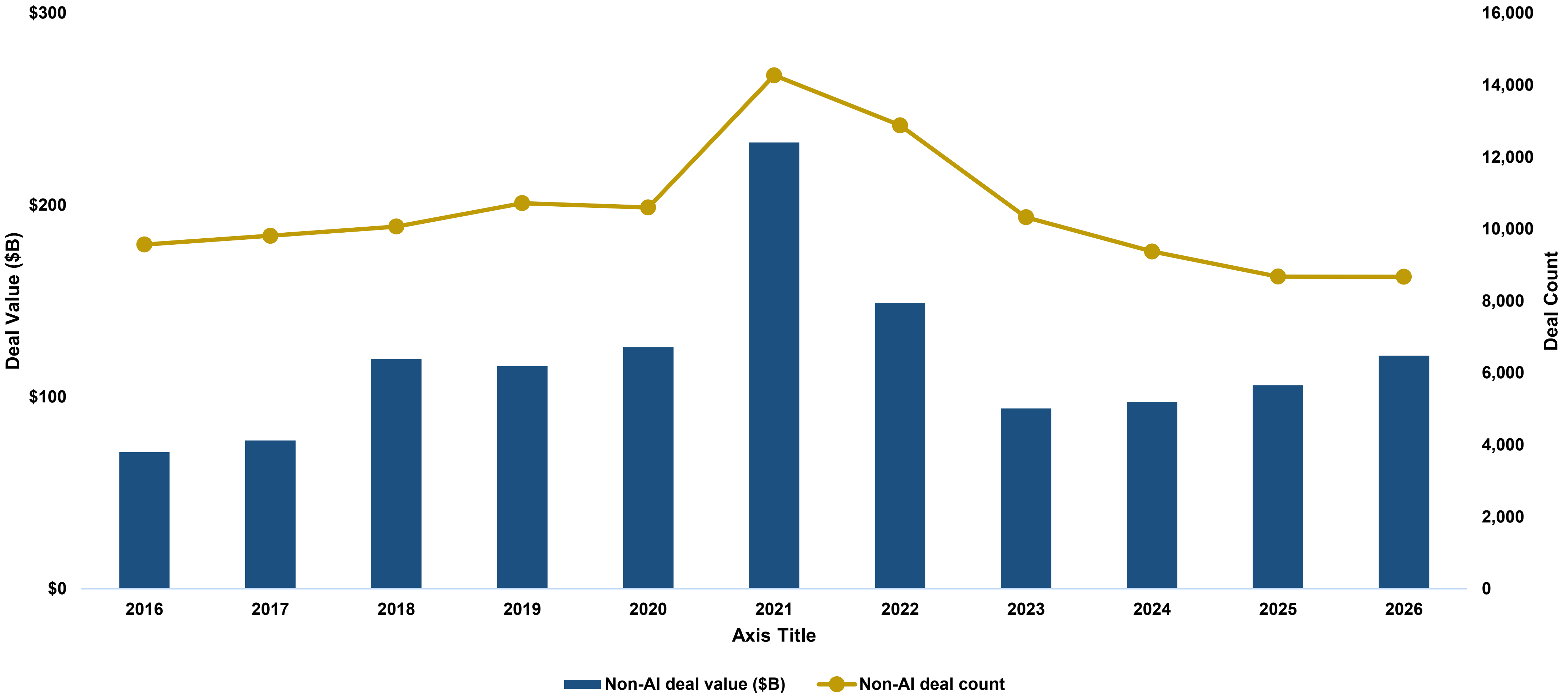
Some Granularity

AI Deal Share



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Non-AI Venture Is Fine. It Is Just 2018.



Source: PitchBook-NVCA VM; 2026 annualized (prelim)

Strip AI out: $233B (2021) to $106B (2025), annualizing ~$121B now, the 2018 level

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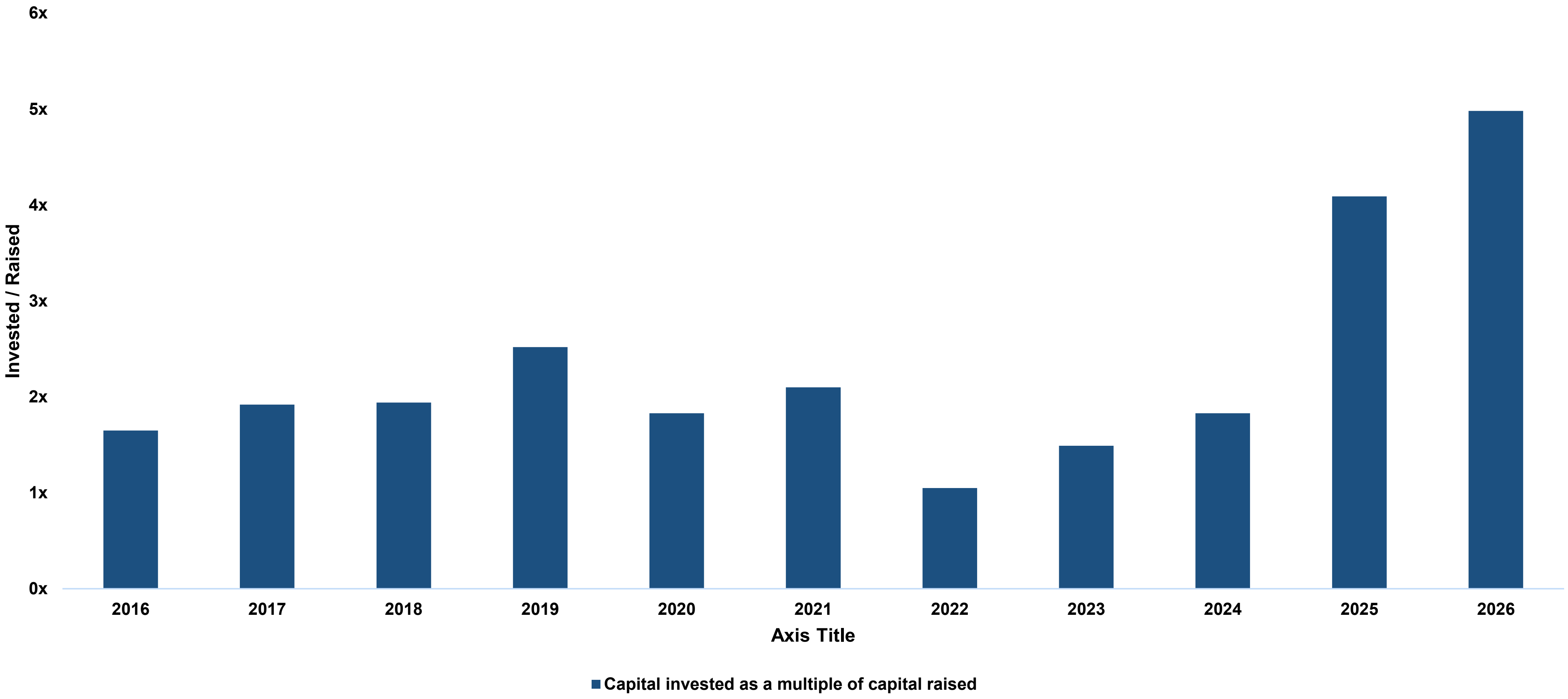
Patient Capital Problem



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Deployment runs at 5x fundraising: the marginal dollar is balance-sheet money, not fund capital

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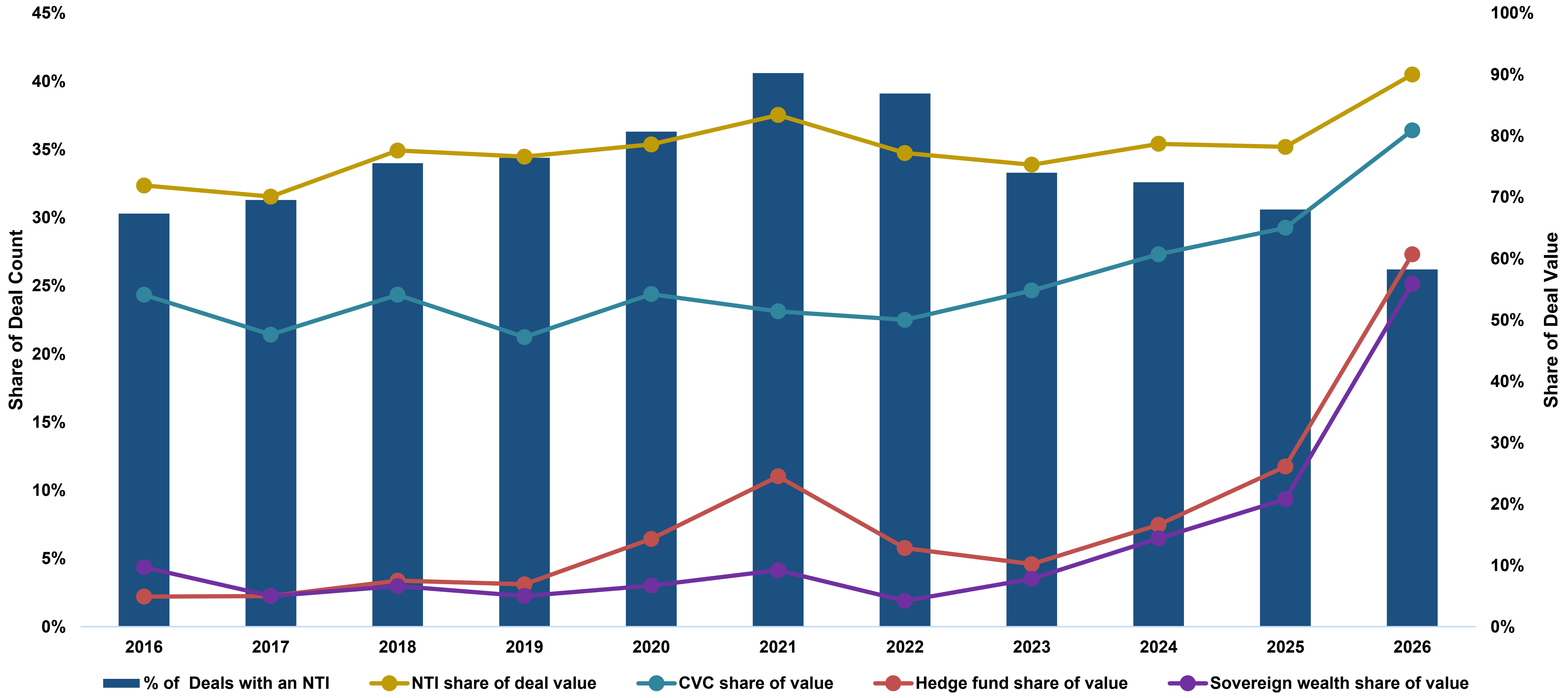
NTIs, maybe we need a better name?



Source: PitchBook-NVCA VM NTI + breakout sheets
(2026: thru 9/15, prelim)

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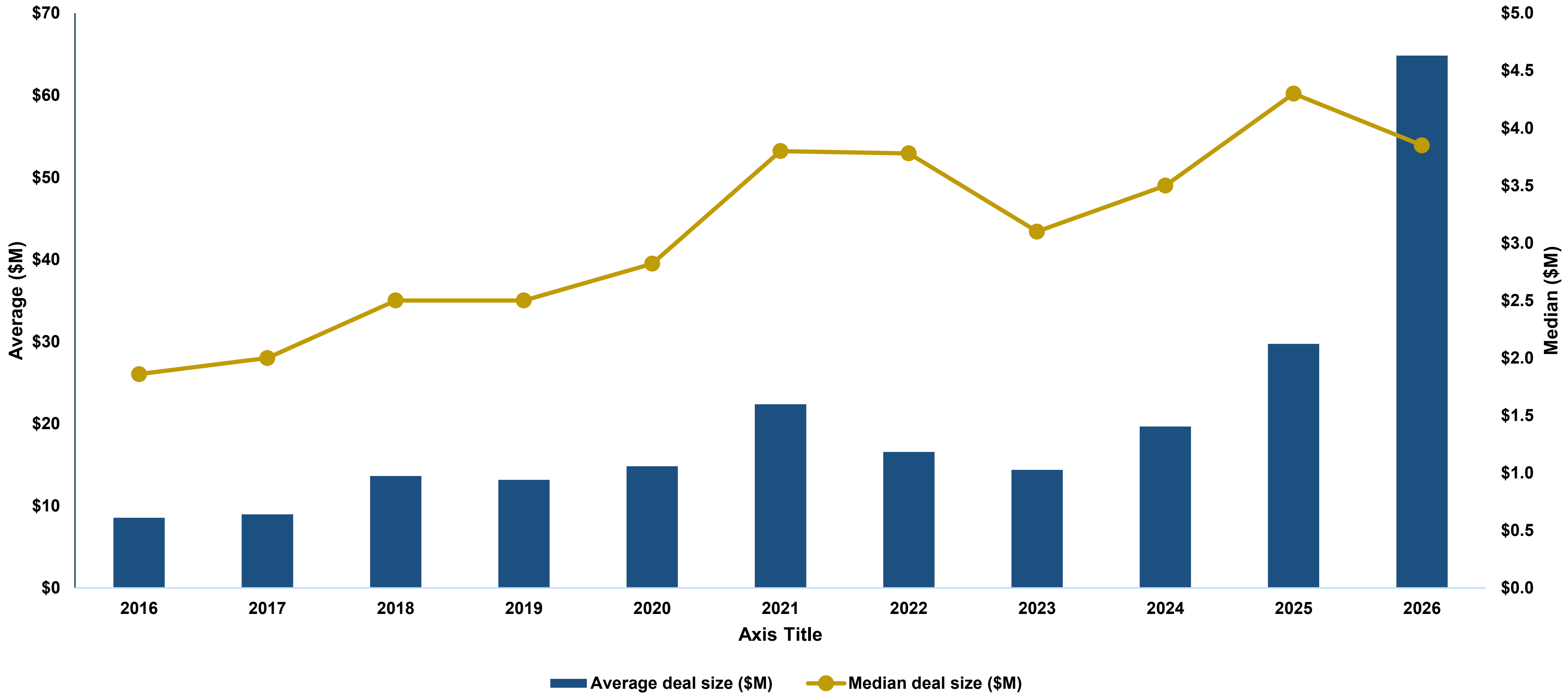
The Average Deal Is A Mirage



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Average $64.8M vs median $3.85M: a 17x spread that was 5x in 2021

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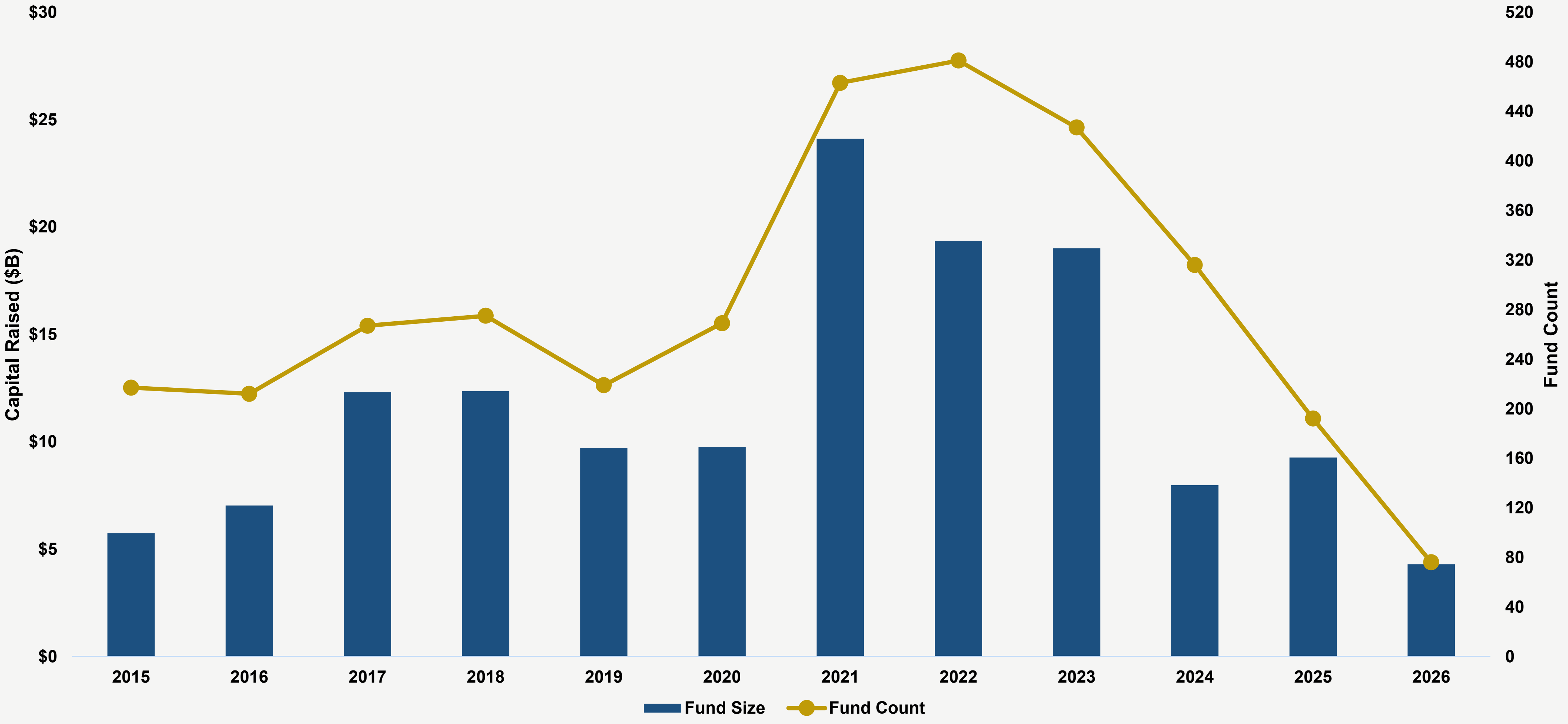
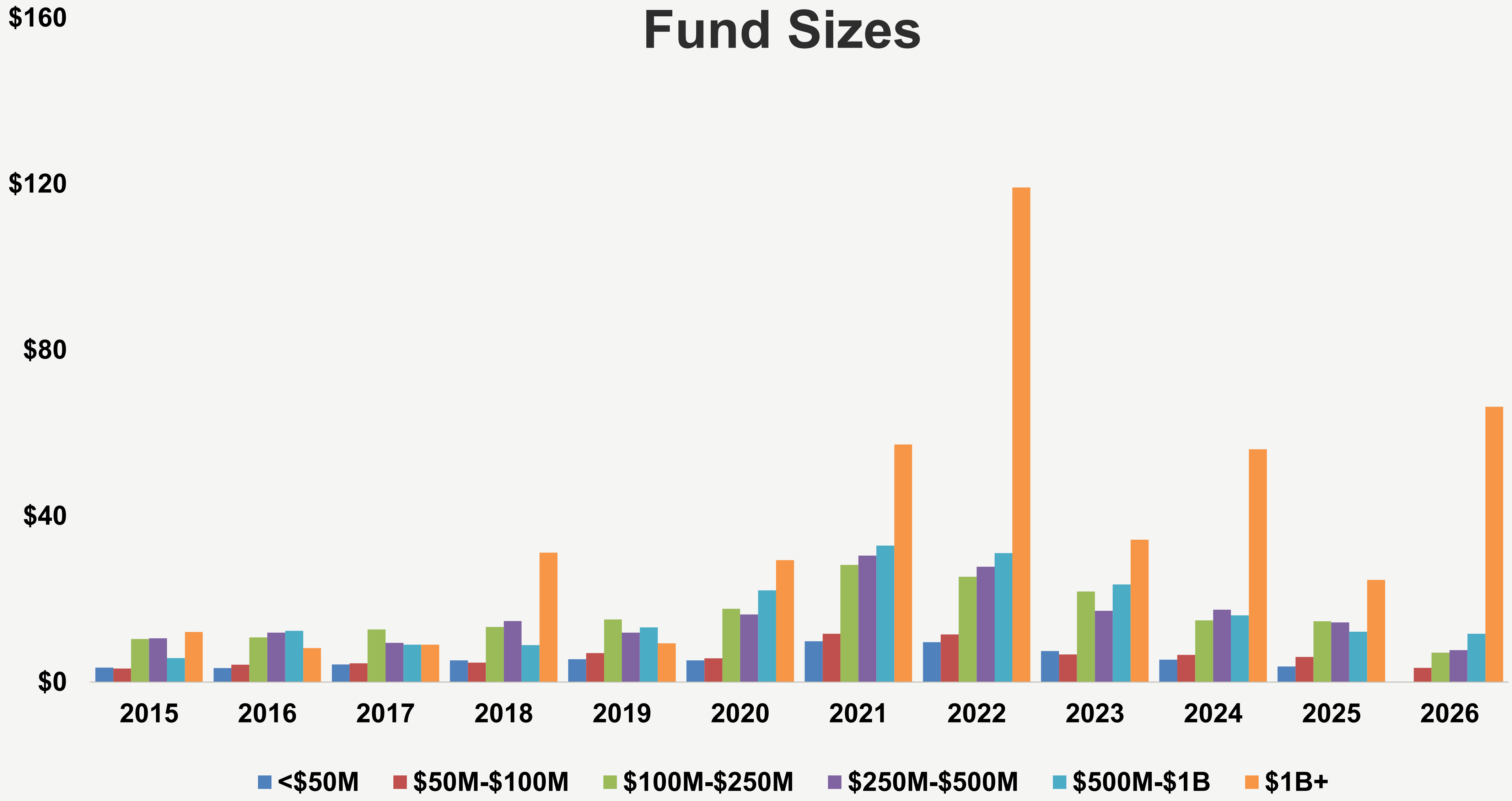
First-Time Fundraising



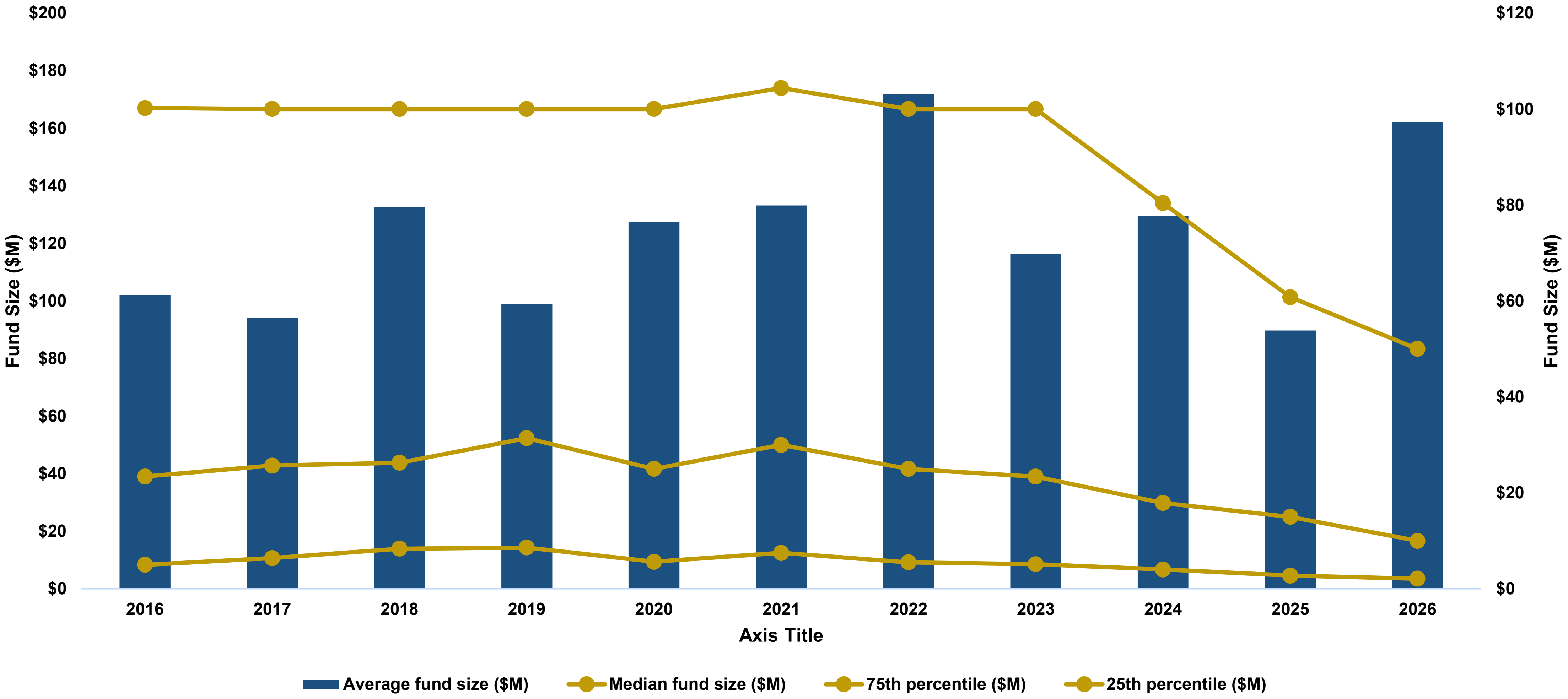
Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Fund Sizes



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

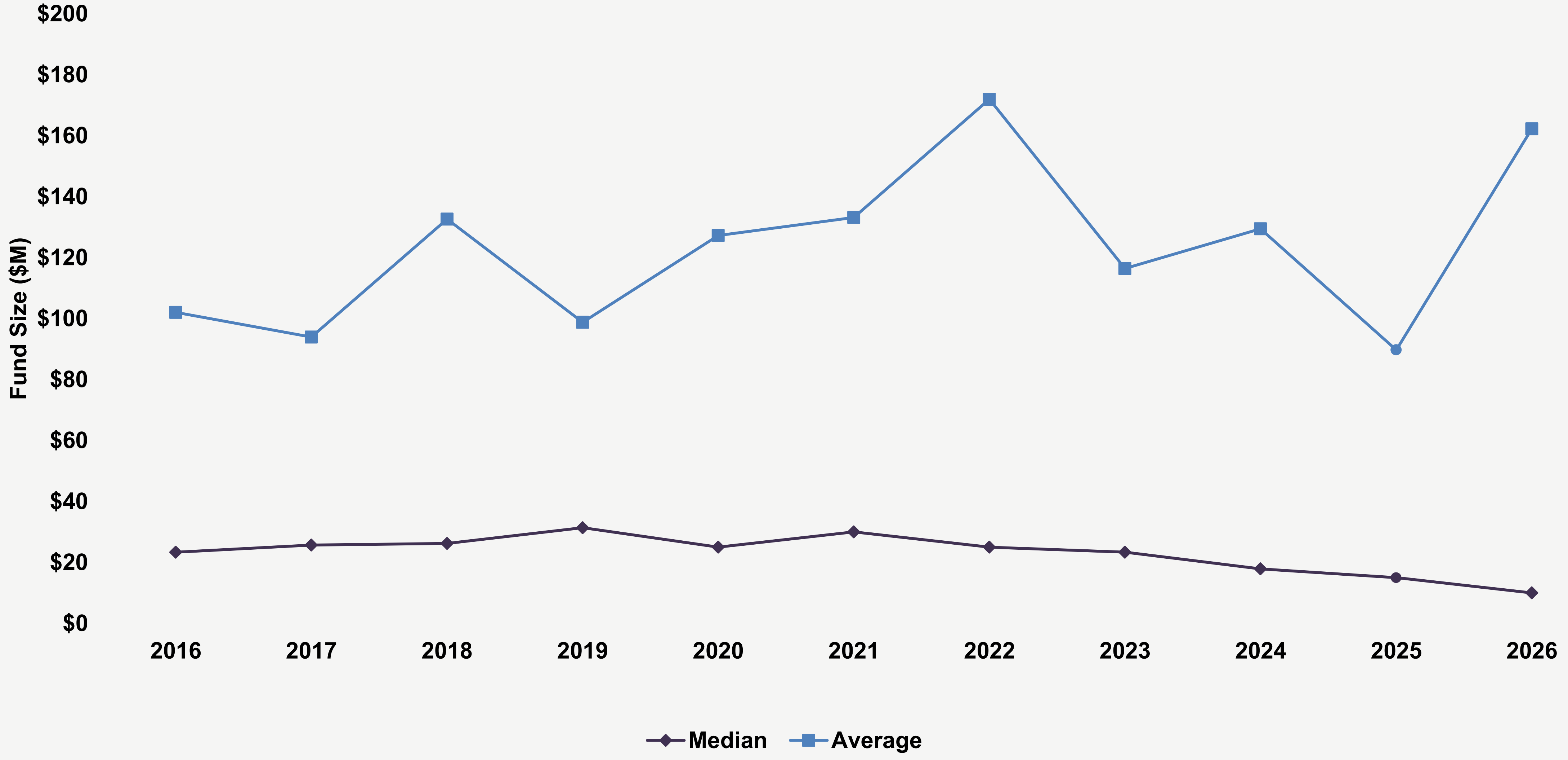
The Middle Of The Market Disappeared



Source: PitchBook-NVCA VM fund medians (2026: thru 9/15)

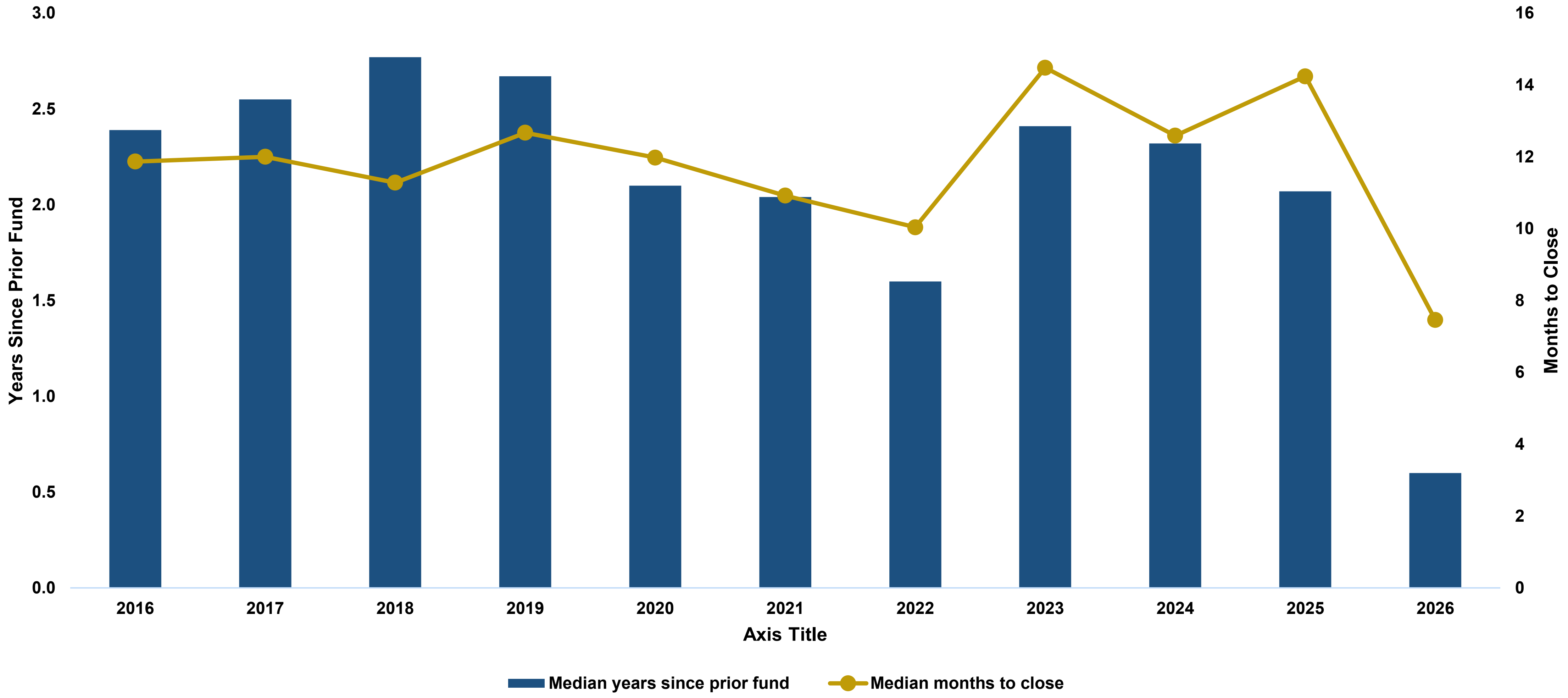
75th-percentile fund: ~$100M for a decade, now $50M; median $10M; average $162M

Median Vs Average Fund Size



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

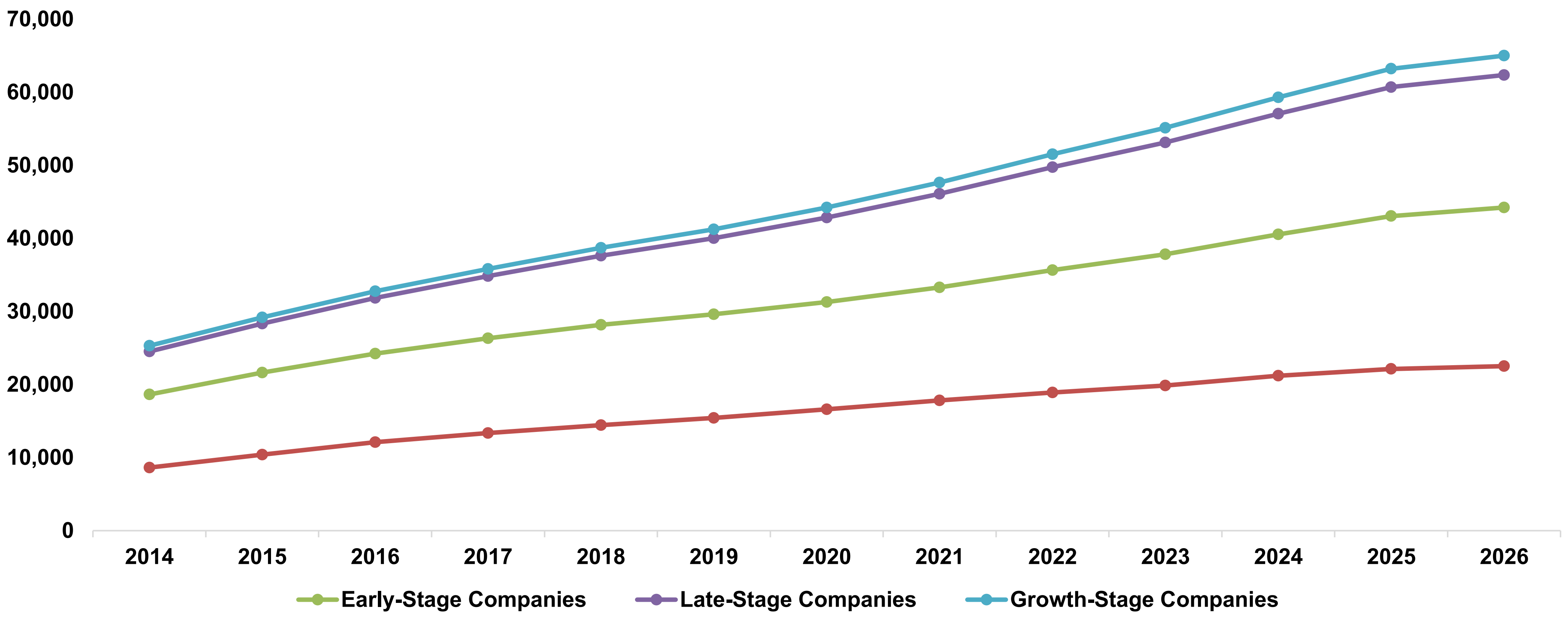
Winners Re-Up In Seven Months. Everyone Else, Never.



Source: PitchBook-NVCA VM fund medians (2026: thru 9/15)

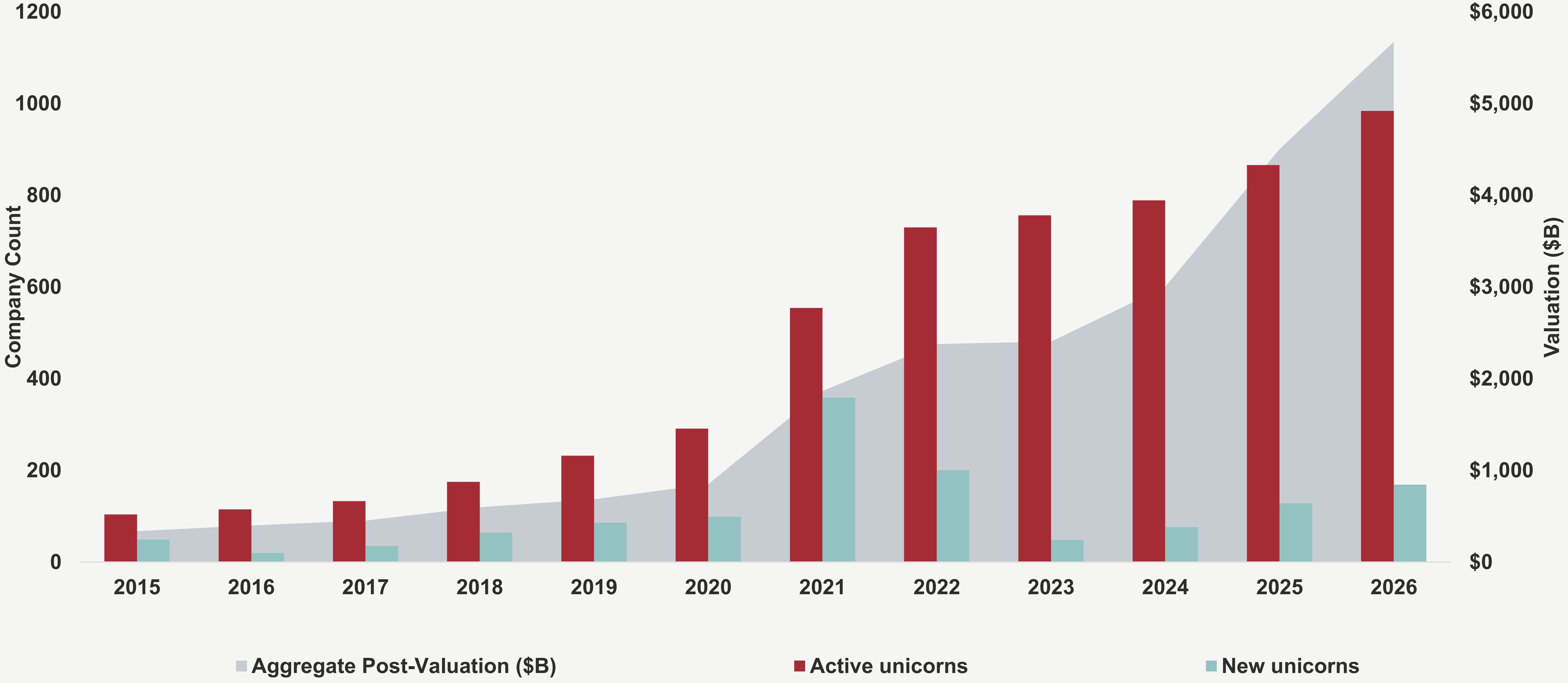
Median gap since prior fund: 2.4 years to 0.6; median close: 7.5 months, an all-time low

US VC-Backed Company Inventory



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

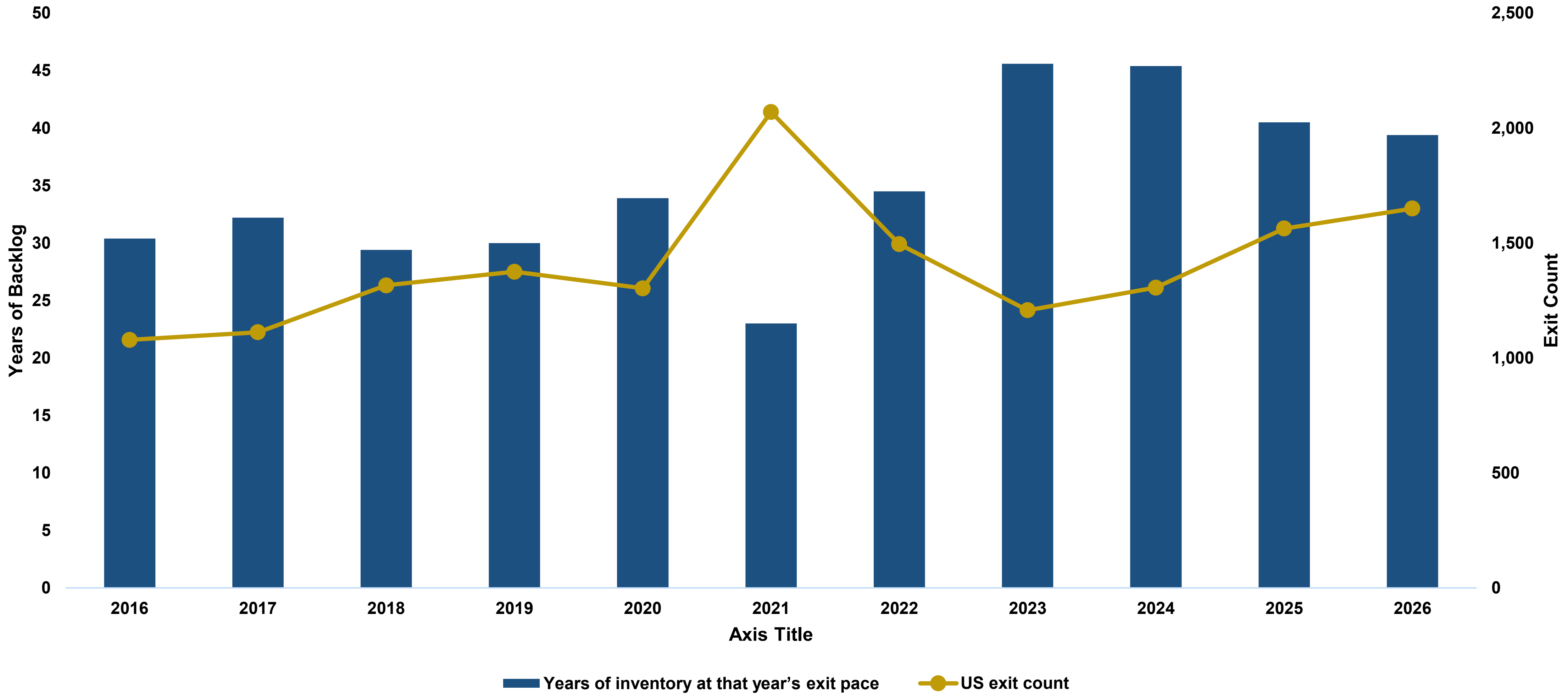
Aggregate Unicorns



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Granularity: Exits by Type (%)

A 40-Year Line For The Exit



Source: PitchBook-NVCA VM (inventory 6/30/26)

~65,000 VC-backed companies vs ~1,650 exits a year

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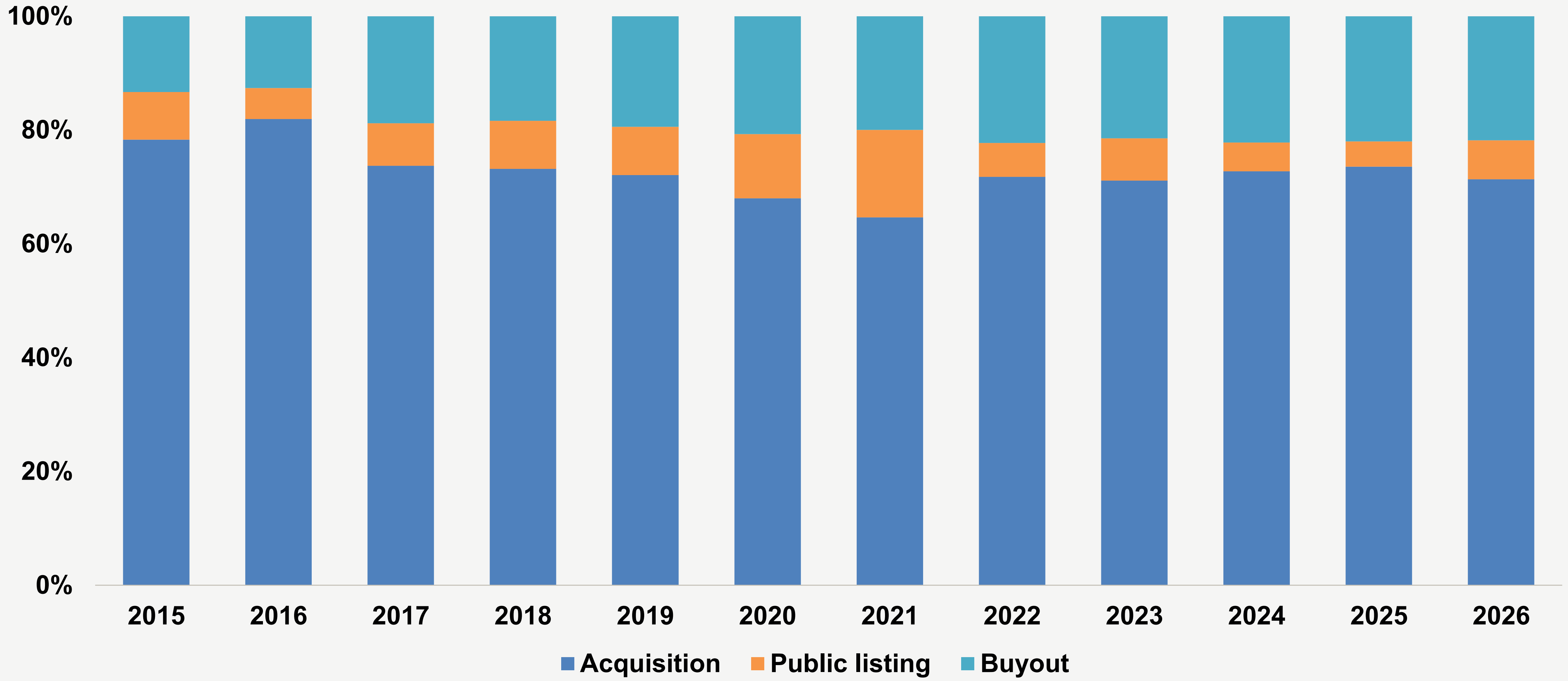
Exit Activity By Type (% Of Total)



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Granularity: Exits by Type (%)

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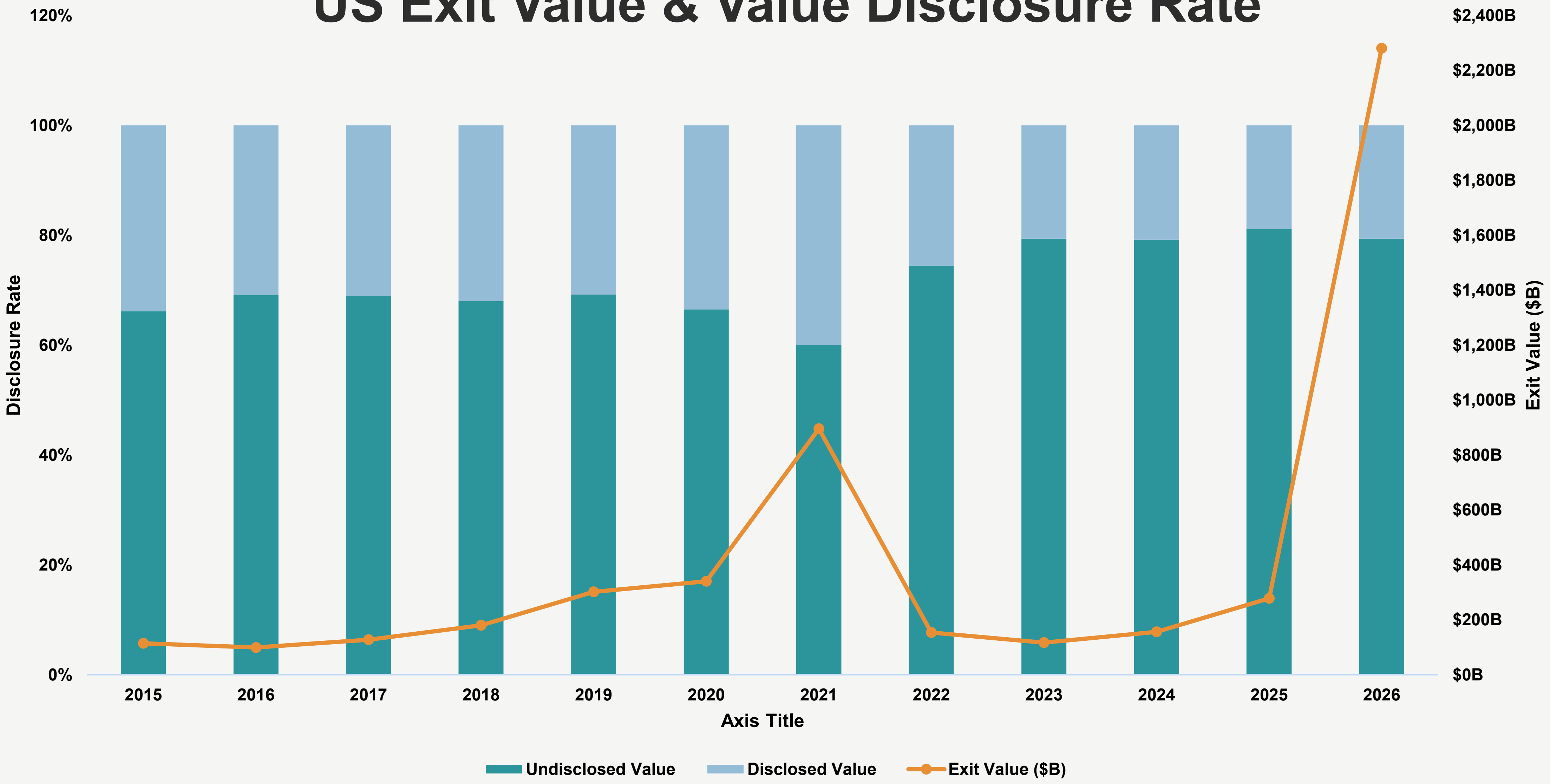
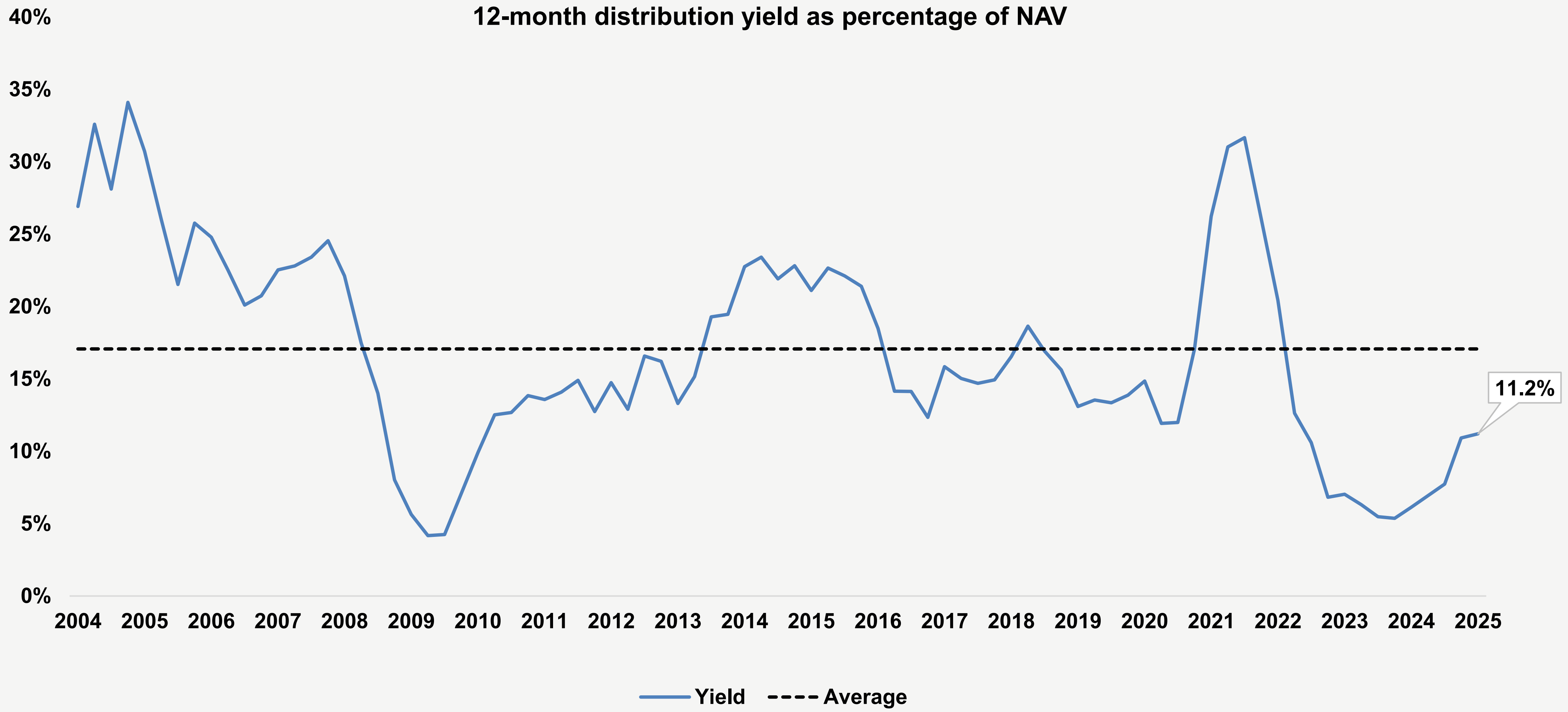
US Exit Value & Value Disclosure Rate



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

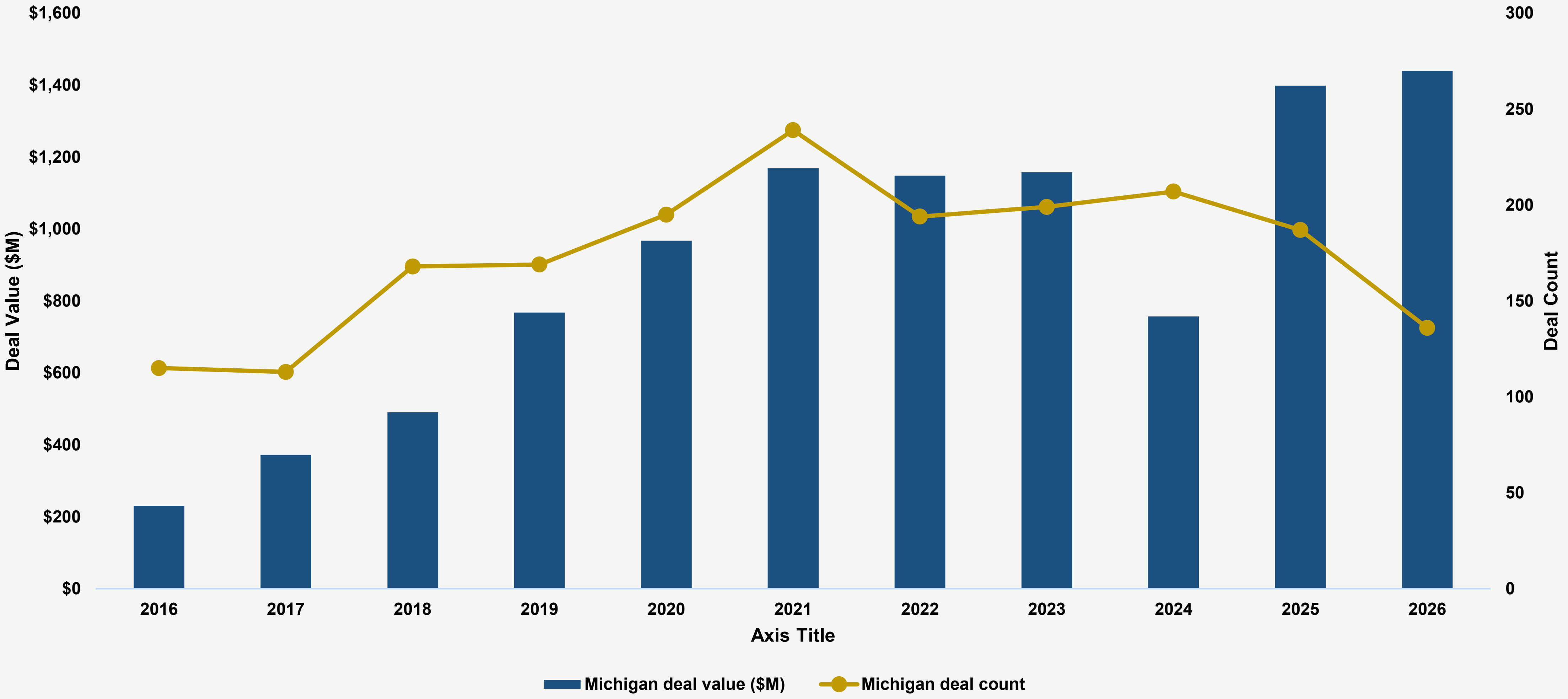
Distributions



Source: Pitchbook

A Local Look

Michigan Broke Its All-Time Record Two Weeks Ago



Source: PitchBook-NVCA VM (2026: thru 9/15, prelim)

Michigan: $1.44B by Sept 15 vs $1.40B in all of 2025, a new all-time high

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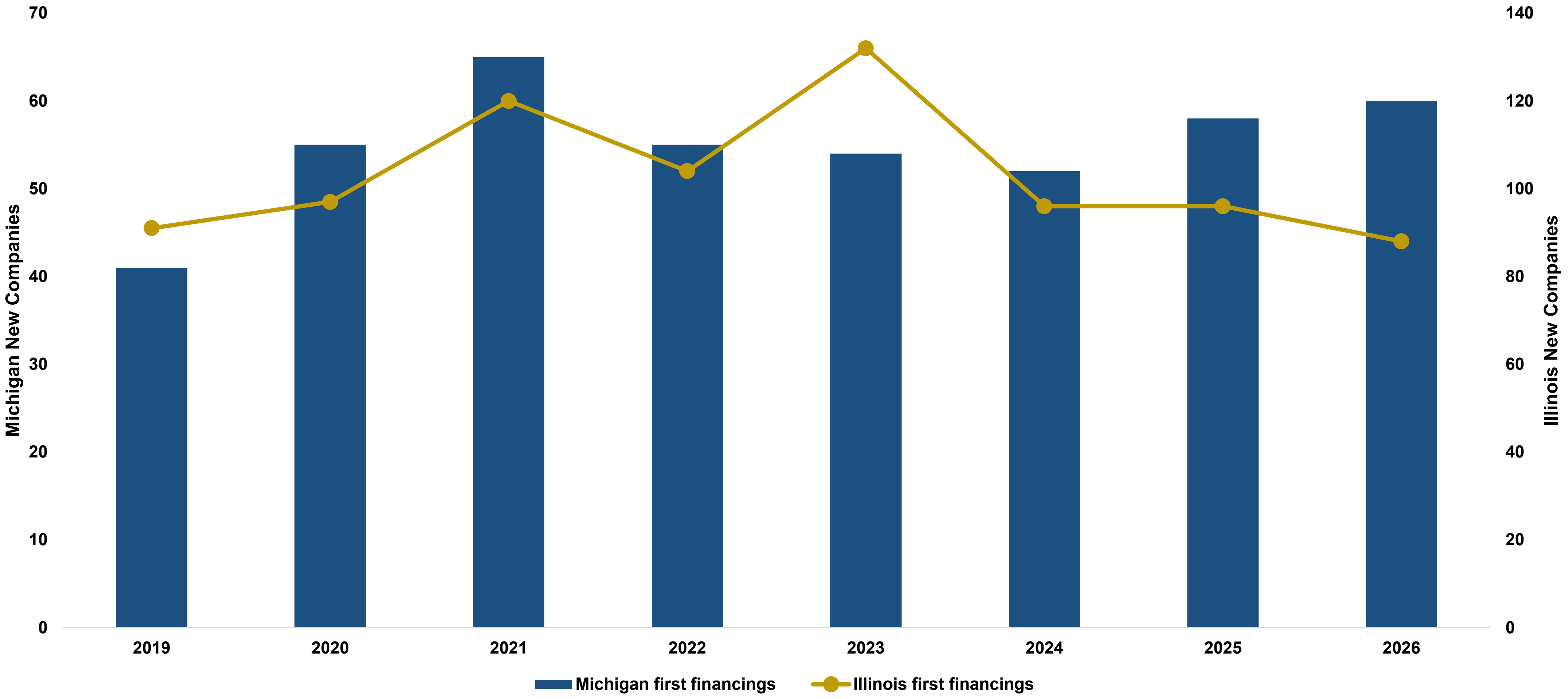
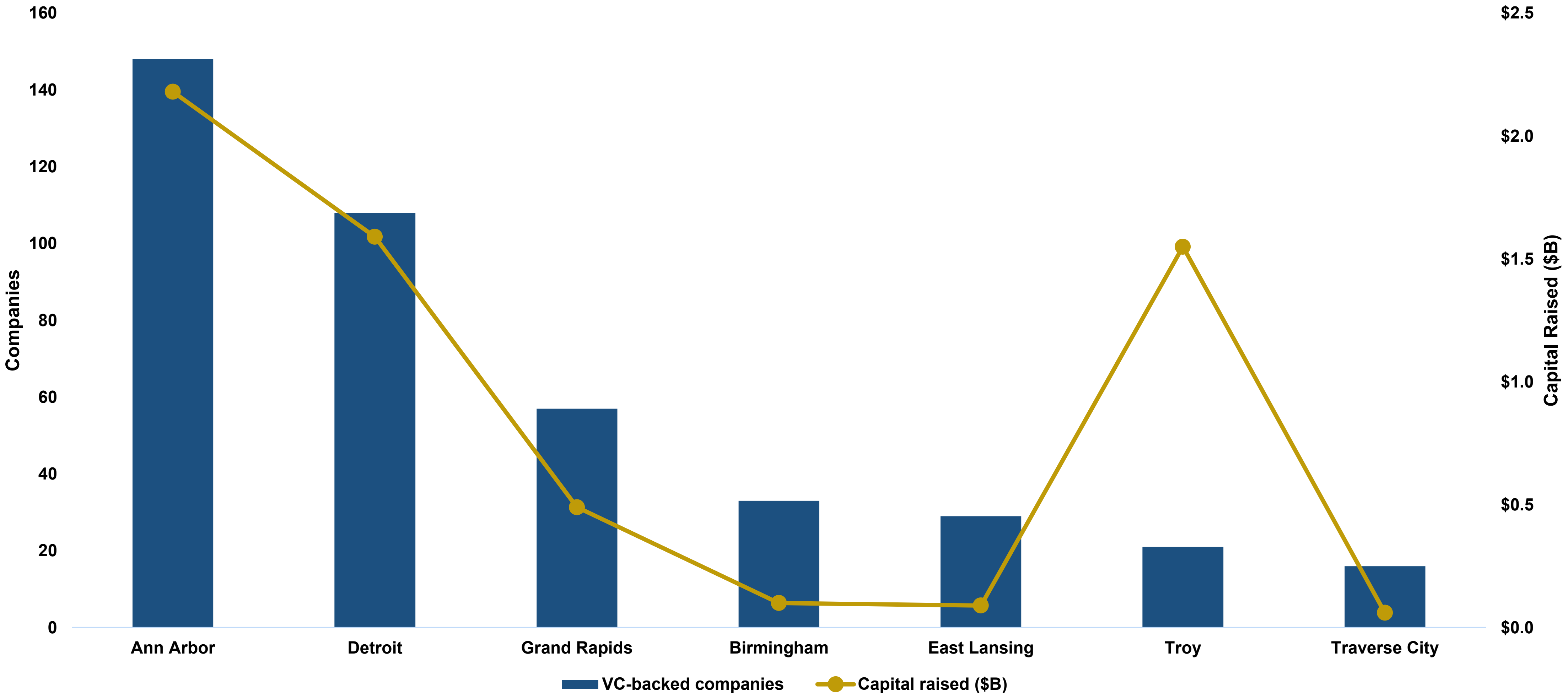
The Only Great Lakes Pipeline That's Growing



Source: PitchBook company search: US Great Lakes, VC-backed, deals 2019-9/23/26 (still-private cos)

Michigan: 60 new companies by 9/23 vs 58 in all of 2025; IL, OH and MN all run below last year

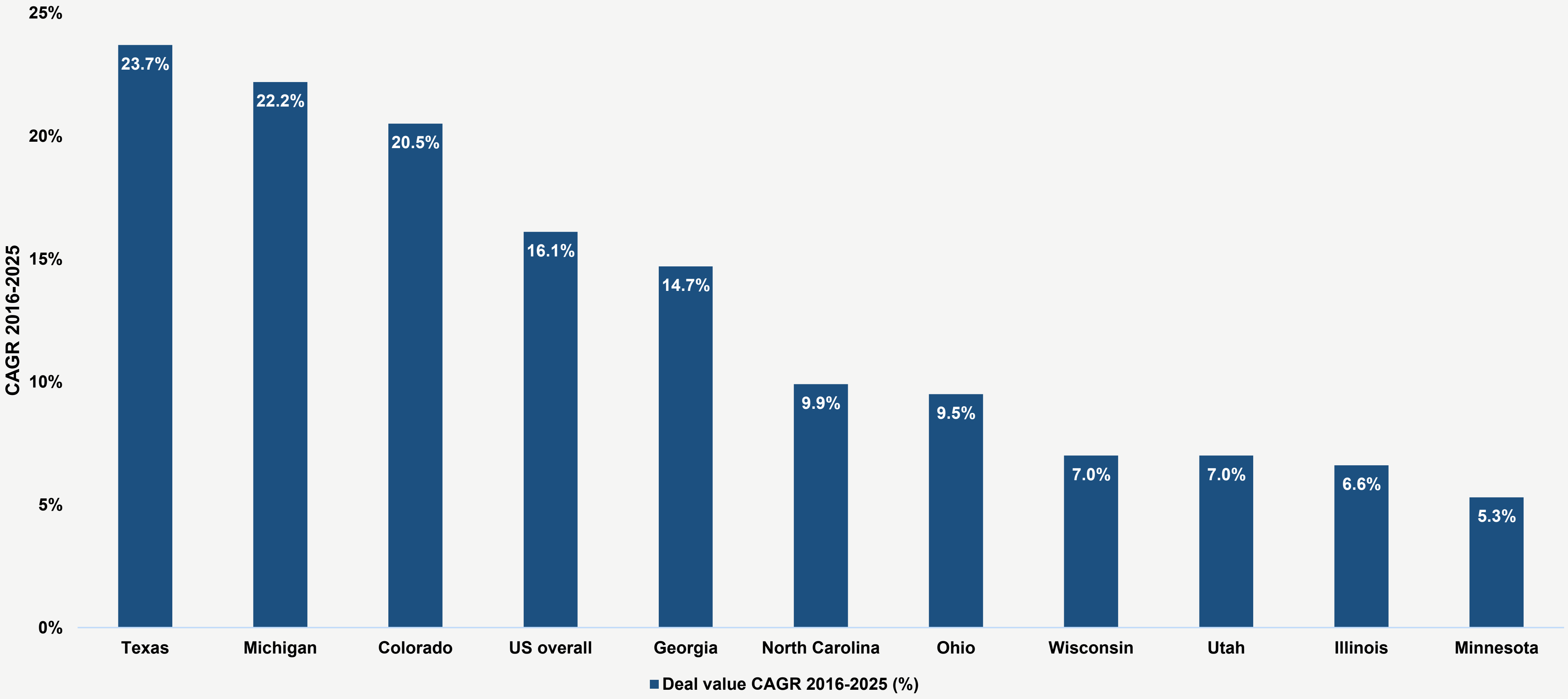
An Ann Arbor–Detroit Corridor



Source: PitchBook company search: US Great Lakes, VC-backed, deals 2019-9/23/26

Ann Arbor + Detroit hold 37% of companies, 40% of capital; Detroit leads on AI

Growing Like Texas



Source: PitchBook-NVCA VM state data, 2016-2025

Michigan: 22% deal-value CAGR 2016-2026, with Texas and Colorado, ahead of the US (16%)

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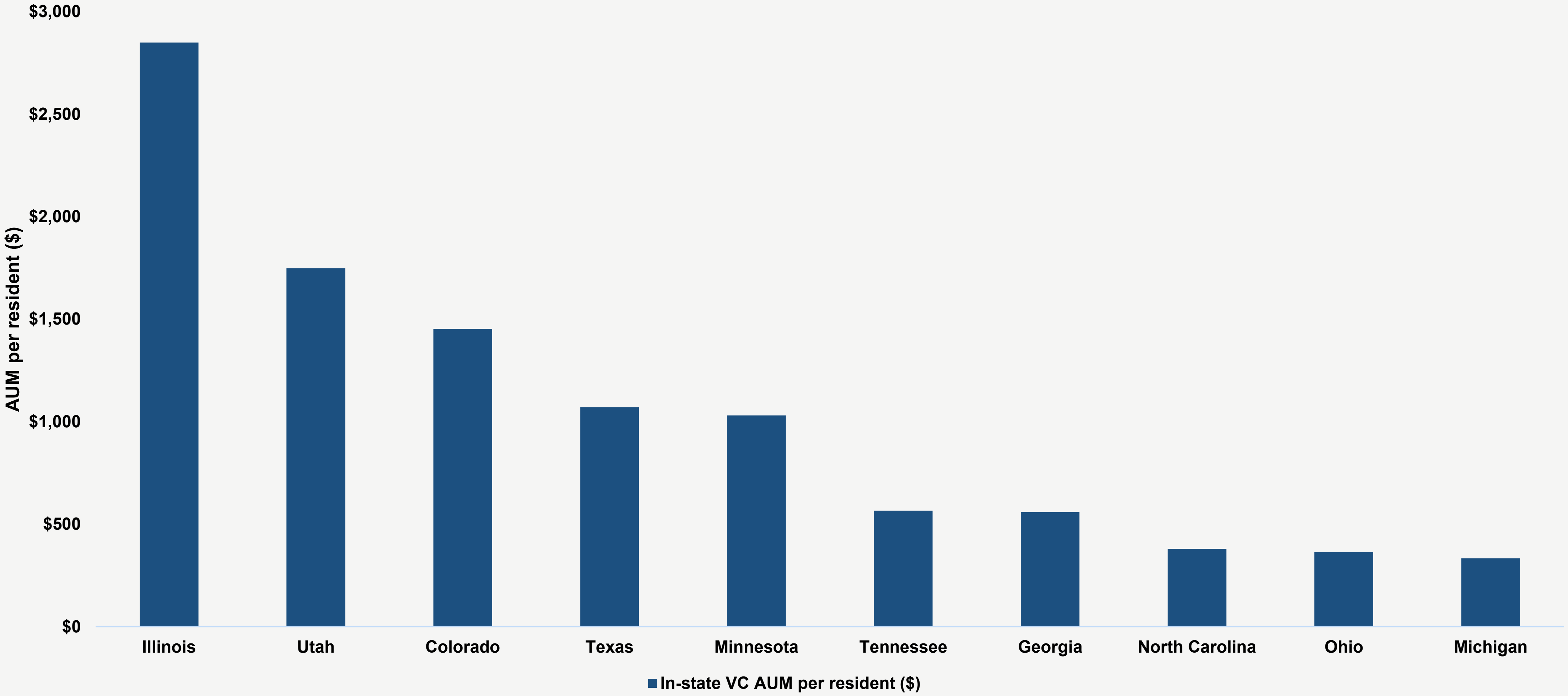
Capitalized Like…………



Source: 2025 NVCA Yearbook; Census Vintage 2024 population

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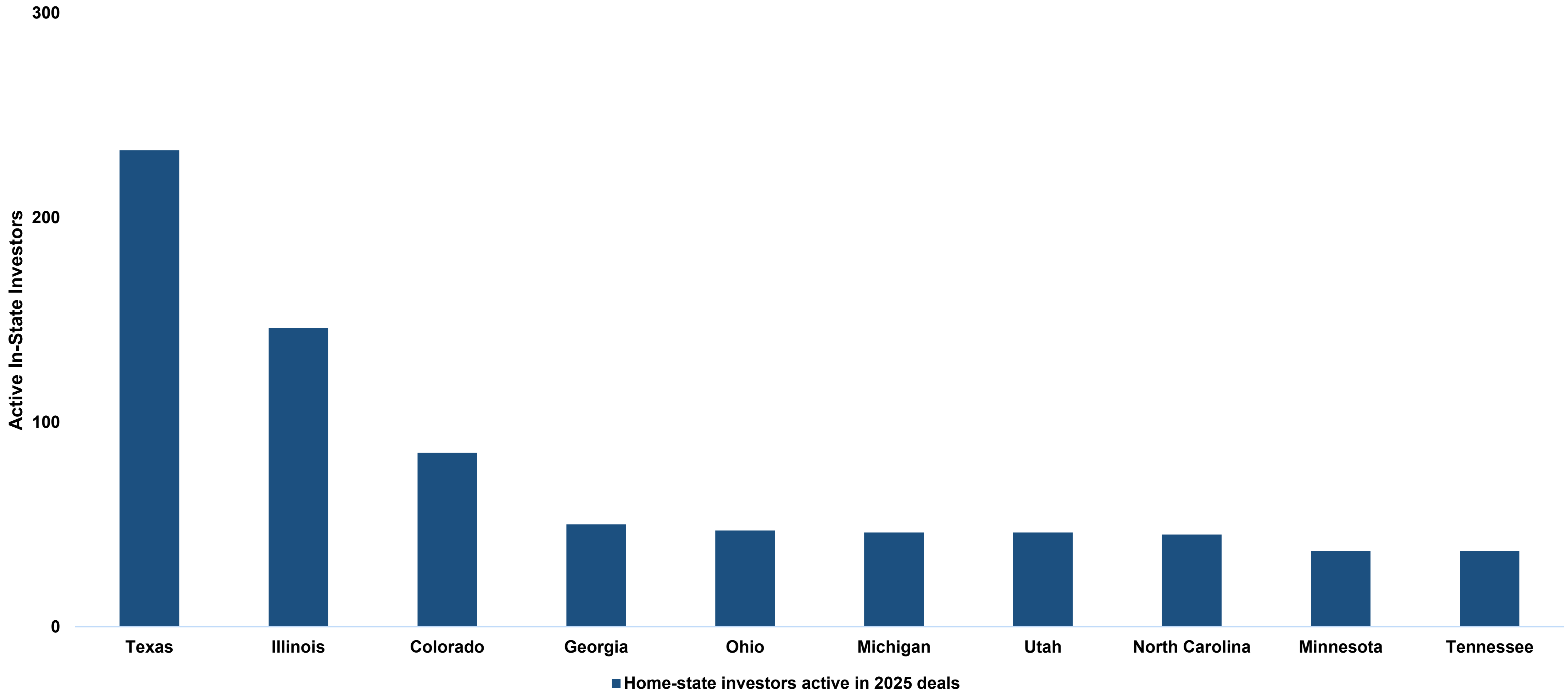
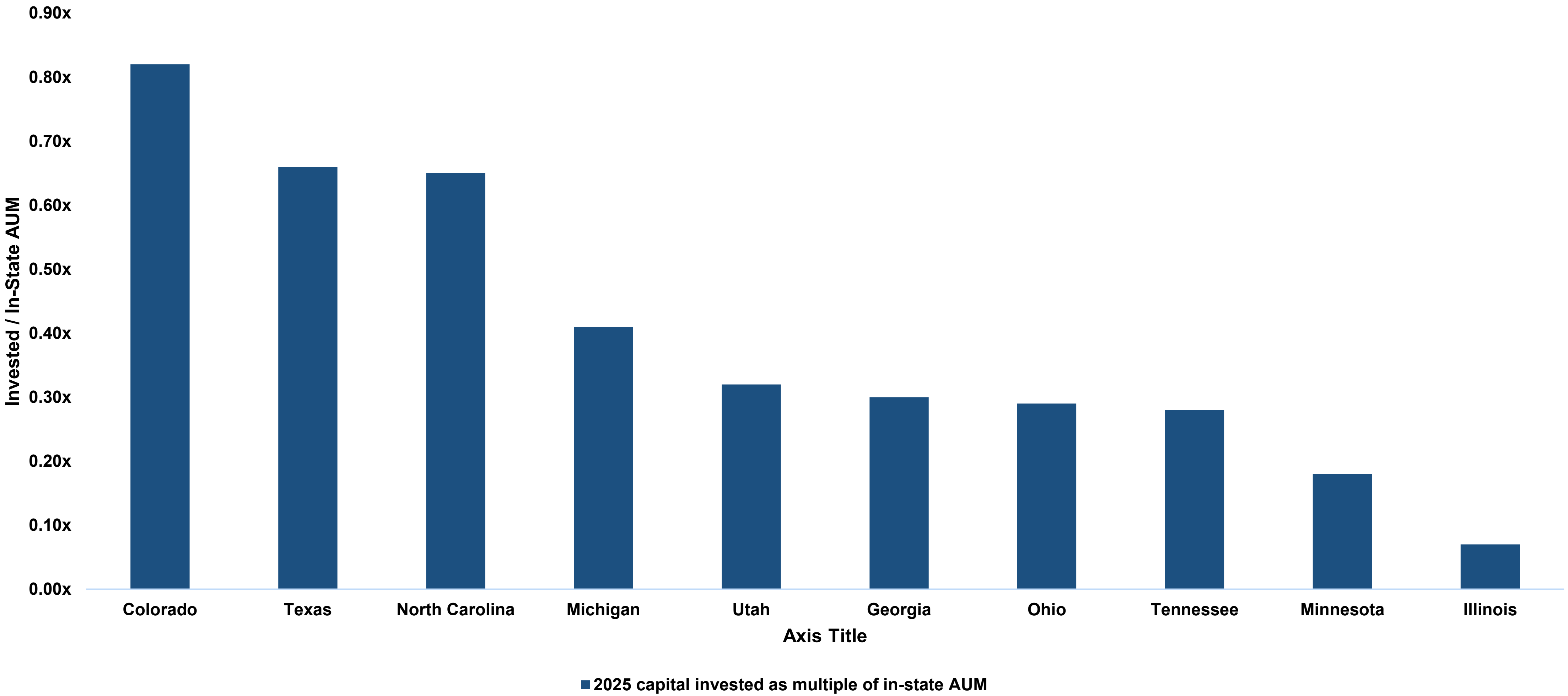
46 Investors For 10 Million People



Source: 2025 NVCA Yearbook, active investors by HQ state

Michigan ties Utah (3.5M people) on home-state investors; Illinois has 146, Texas 233

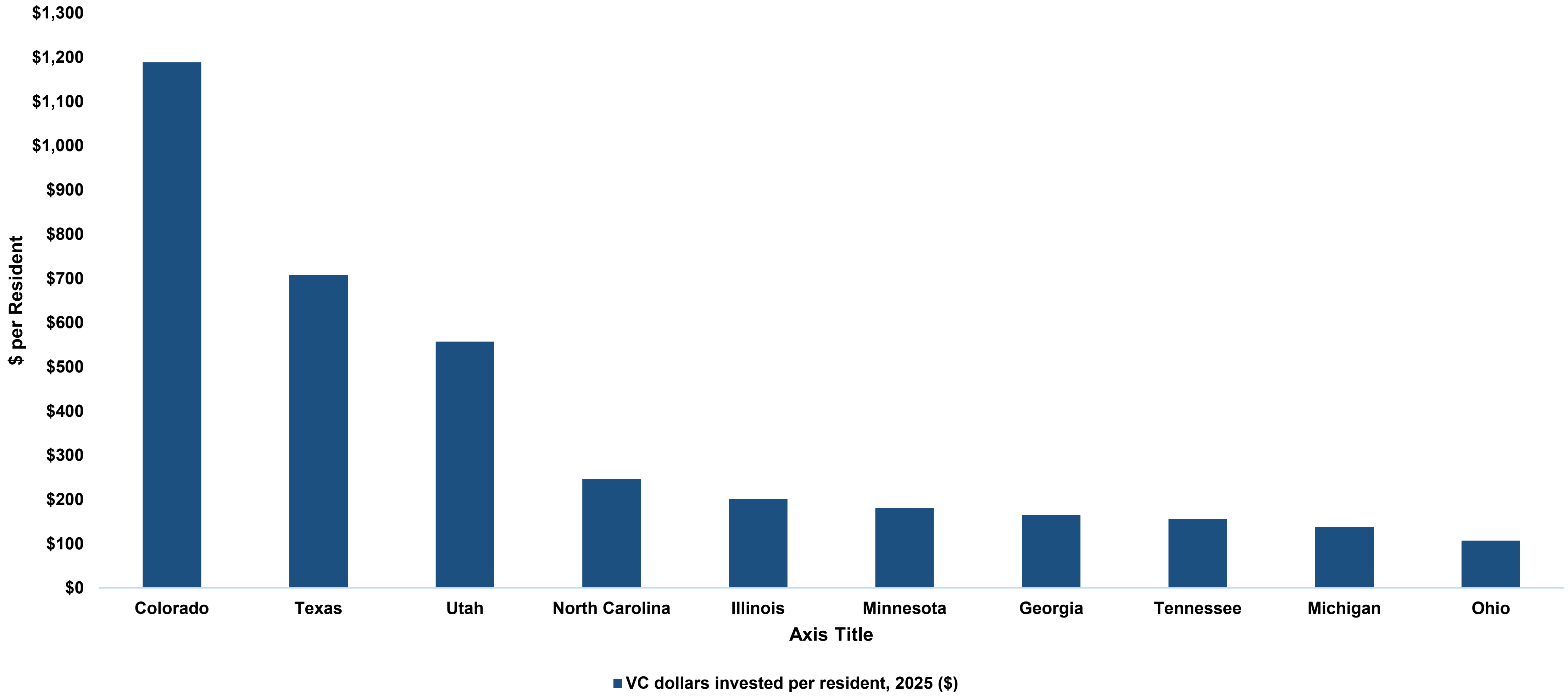
Who Runs On Imported Capital



Source: PitchBook-NVCA VM; 2025 Yearbook AUM

Michigan attracts 41 cents per year for every $1 of in-state AUM; high ratio = imported capital

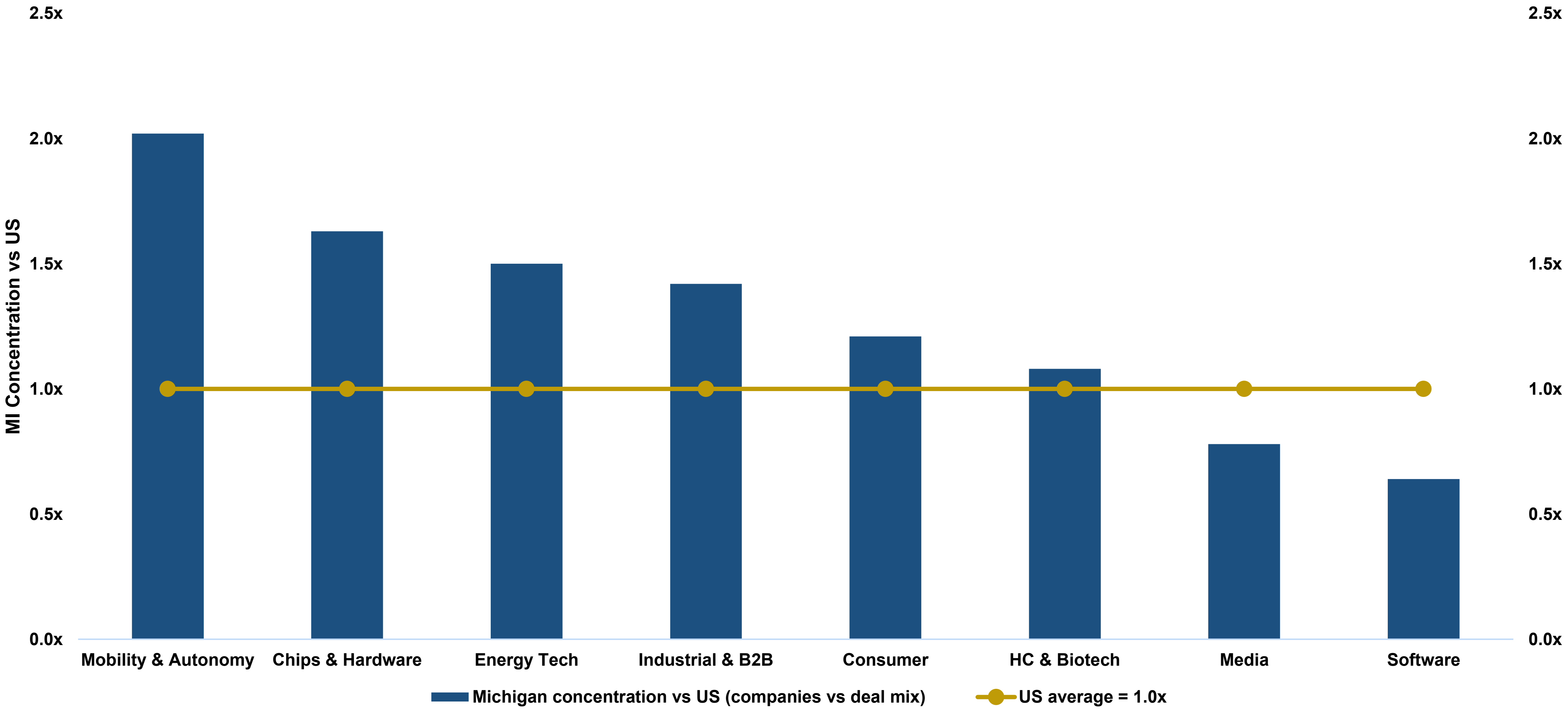
VC Dollars Per Resident



Source: PitchBook-NVCA VM 2025; US Census Vintage 2024 population

Michigan $138 per resident in 2025; Colorado $1,189

Michigan Builds Things



Source: MI: VC-backed company mix (PB search); US: VM deal mix, 2019-26

Over-indexed: mobility 2.0x, chips 1.6x, energy 1.5x, industrial 1.4x; software just 0.6x

A Tiny Bit of Policy

What’s Good In Washington

DEAL Act Passed The House

302-123, bipartisan. Expands what small venture funds can invest in: exactly the flexibility emerging managers need.

Paperwork Rolled Back

Beneficial-ownership (BOI) reporting permanently eliminated. AML rule postponed. SEC withdrew 14 private-fund rule proposals.

SBIR/STTR Reauthorized

The non-dilutive first check survives. Grant-stage capital doubles a company’s odds of raising VC, and Michigan runs on it.

Continuation-Vehicle Relief

Potential relaxation on continuation vehicle rules at SEC could unlock $325B+ in capital formation for longer-held portfolios.

Source: NVCA Government Affairs, September 2026

Small-fund flexibility, compliance relief and non-dilutive capital all went venture’s way

What's Bad In Washington

A Tax On Talent

Proposed $103K H-1B fee reaches students converting from F-1/OPT. A $100K OPT fee is awaiting publication.

Founder Visas At Risk

Pending rollback of the rules that let founders sponsor their own H-1B through their startups. The university-to-startup pipeline takes the hit.

QSBS In The Crosshairs

The founder and angel tax benefit is now a named target.

Research Dollars Uncertain

OMB's grant-rule rewrite is stalled only through Dec 11. University research budgets ride on appropriations.

Source: NVCA Government Affairs, September 2026

The talent pipeline and the startup tax benefit are both under direct pressure

What To Watch

December 11

The CR expires. The lame duck decides NDAA, appropriations, and whether the DEAL Act catches a year-end ride.

The Midterms

Both chambers in play. New committee gavels reset the 2027 agenda, including a possible tax reconciliation.

Power Politics

AI electricity demand is now a voter issue. Permitting and data-center fights land on the industrial Midwest.

Source: NVCA Government Affairs, September 2026

Final Thoughts

Current Landscape

The World Has Changed
- More Chaotic
- Less Efficient
- Less Consolidated

Venture Is Changing
- Barbelling
- NTIs
- Maturing Secondary Markets

For Founders
- Leading or Following?
- Problem Breadth or Intensity?
- How Do You Meet The Market?

For Investors
- How do you raise money?
- How do you pick winners?
- How do you factor politics into your business model?

The Old Ideal

- Beautiful
- Ephemeral
- Expensive
- Imaginary

The New Ideal?

- Pulls 5x its weight
- Sleeps Outside
- Eats Thistles
- Exists