THE KEYSTONE COMMITMENT

Opening Opportunities ◆ On Main Street

Keystone Startups Initiative

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Competition for the global technology sector is fierce. The race to be the next "Silicon Valley" is on and New York, Boston, Austin and other start-up-friendly locales are currently winning the race.

Pennsylvania must begin to capitalize on our competitive advantages, like our research universities, highly trained talent, our proximity to major transportation resources, and our quality workforce, to bolster our start-up community here in the Commonwealth.

Our history is rooted in big ideas. This Commonwealth has been the hub of industry, innovation and success that this country was built on. Now is the time for us to lead the way in attracting and growing modern solutions that change the world again.

- The growth of a new business venture begins with a creative idea and evolves through several private funding stages before it ever comes into existence as a new business. With so many potential businesses in Pennsylvania somewhere between the idea stage and final stage of existence, we will recognize their drive and declare a "Commonwealth Startup Week."

- Many of the largest technology companies in the world today evolved from student ideas in their dormitories. Pennsylvania is home to not only hundreds of flourishing colleges and universities, but also to some of the most vibrant idea-producing students in the nation. To bring their ideas to fruition, we will be creating a student startup incubator network to help Pennsylvania students turn their ideas into viable businesses.

- Startup financing is quickly and constantly evolving in the world of startup development. In order to remain competitive and in touch with the financing world, we will establish a task force that will integrate the quickly evolving process of capitalization within our government structure to ensure startup ventures can continue to evolve.

- Our tax system remains unfriendly to new businesses that want to establish themselves here in our borders, especially when large up-front investments that pay off over decades are needed. To address this, we will uncap the net operating loss carryforward for startups in Pennsylvania.

- Because new ideas (and not physical assets) are often the origin of new startup businesses, financing options are limited as banks will not finance such high financial risks. Special investors often fill this financial gap. To encourage this type of investment, we will provide limited tax credits to enhance investments in Pennsylvania-born startups.

- Our existing Research and Development Tax Credit has provided the critical capital backing for many new products and technologies developed here in our Commonwealth. While protecting the existing set aside for small businesses, we will provide a new carveout for startups so they too can benefit from the successful program.

- The Commonwealth's funding for venture investments, while still robust, is not commensurate with the importance of the start-up sector. We plan on using existing resources to increase the funding to levels not realized since the Great Recession.

- The majority of venture capital offices are located in San Francisco, San Jose, New York and Boston. Because these cities' venture ecosystems are so strong, we need to cultivate our own venture capital ecosystem in order to remain competitive. That is why we will be establishing the Venture Capital Ecosystem Development Program to provide grants and technical assistance to those wanting to foster connections with venture capital funders and our very own startup community here in Pennsylvania.

Legislation Currently Introduced by House Republicans

Commonwealth Startup Week (Armanini)

Recognizes the week of March 18-24 as "Commonwealth Startup Week in Pennsylvania."

Student Startup Incubator Network (Bernstine)

Establishes the Student Startup Incubator Network serving undergraduate and graduate students in our post-secondary schools to provide assistance for students to turn their ideas into viable businesses.

Startup Venture Opportunity Task Force (Armanini)

Establishes a task force of startup founders and venture funders to advise the Commonwealth's economic development entities on evolving new development and opportunities to encourage startup ventures.

Net Operating Loss Deductions for Startups (Gaydos)

Uncaps the net operating loss carryforward for startups and allows the sale of unused net operating loss carryforwards.

Startup Investment Tax Credit (M. Brown)

Revamps the former PA Tax Credit into the Startup Investor Tax Credit to help develop startup investors by enhancing qualified investments. As a condition of participation, startups will be required to maintain operations and jobs here in Pennsylvania.

Incentivizing Technology Research (M. Brown)

Provides an additional $12 million set aside for startups within the Research and Development Tax Credit by increasing the overall cap to $72 million and preserving the existing $12 million set aside for small businesses.

Restoring the Commonwealth's Commitment to Funding Venture Investment (Stender)

Directs portions of the Fantasy Sports Tax to the Ben Franklin Technology Partners, the Venture Investment Program and the Life Science Greenhouses in order to bring the Commonwealth's investment to a level not realized since the Great Recession.
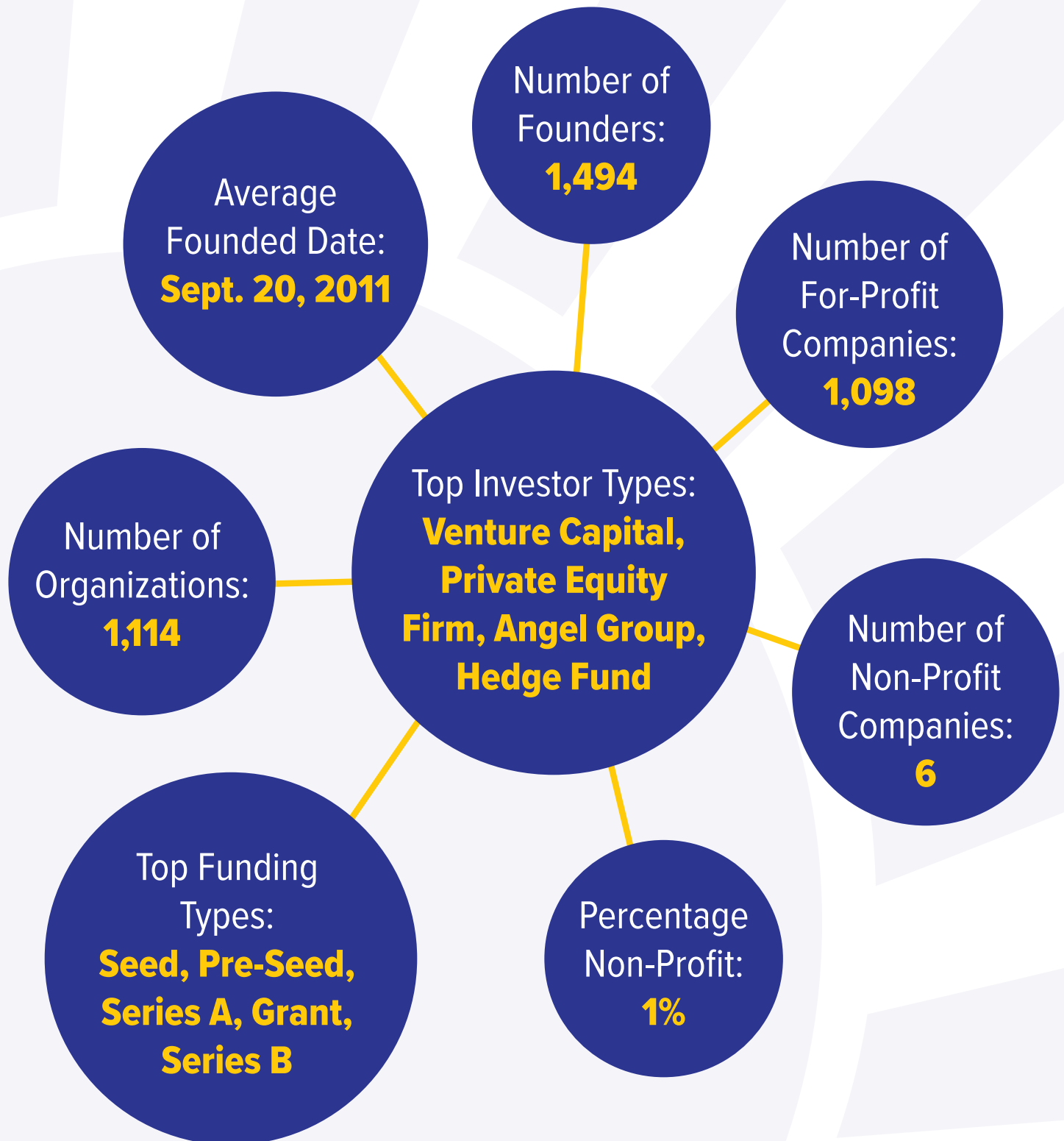
Venture Capitol Ecosystem Development Program (Armanini)

Establishes the new program to provide grants and technical assistance to universities, local government and agencies, and nonprofit organizations seeking to cultivate ties between venture capital funders and the startup community. The program will provide seed funding for outreach efforts.

Pennsylvania Startups

Startup Numbers in Pennsylvania
Startups headquartered in Pennsylvania.

Number of Founders: **1,494**

Average Founded Date: **Sept. 20, 2011**

Number of For-Profit Companies: **1,098**

Number of Organizations: **1,114**

Top Investor Types: **Venture Capital, Private Equity Firm, Angel Group, Hedge Fund**

Number of Non-Profit Companies: **6**

Top Funding Types: **Seed, Pre-Seed, Series A, Grant, Series B**

Percentage Non-Profit: **1%**

Top 2024 Startups in Pennsylvania

GoPuff

A digital delivery service based on a smartphone app that distributes over-the-counter medicine, baby food and alcohol.

Archer

Provides investment managers with a cloud-based technology platform.

Phenom People

AI-powered recruitment tool that assists businesses in attracting new talent.

Duolingo

A language-learning education portal.

DuckDuckGo

An internet privacy firm.

JazzHR

Recruiting software designed for small businesses.

Fishtown Analytics

An open-source analytics engineering tool developer.

Deduce

Uses real-time analytics profiling and scoring to detect and deter bad actors and account takeover.

Guru

A knowledge management system to keep customer-facing staff informed, consistent and secure.

Locomation

Creates safe self-driving transportation solutions.

Metafy

A platform that allows online players to monetize their skills through one-on-one coaching and classes.

NeuroFlow

A HIPAA-compliant digital health platform that improves the delivery, tracking, and assessment of behavioral health care.

Good Catch

Focuses on developing plant-based seafood substitutes.

Well Known Startups in Pennsylvania

DuckDuckGo
Internet, Privacy, Search Engine
Paoli, Pennsylvania
DuckDuckGo is a browser extension that allows users to block trackers, secure connections, and search anonymously.

Gecko Robotics
Industrial Engineering Information Technology, Infrastructure, Military, Robotics, Software
Pittsburgh, Pennsylvania
Gecko Robotics provides robotics and inspection services, particularly for industrial applications.

Burro
Agriculture, AgTech, Farming, Robotics
Philadelphia, Pennsylvania
Burro is a robotics firm developing an autonomous platform to free growers from tedious tasks, fostering greater autonomy.

Guru
Artifical Intelligence (AI), Internet, IT Infrastructure, SaaS, Software
Philadelphia, Pennsylvania
Guru is a knowledge management solution that keeps customer-facing teams up-to-date, consistent, and confident.

Abridge
Artificial Intelligence (AI), Clinical Trials, Health Care, Machine Learning, Medical
Pittsburgh, Pennsylvania
Abridge is a medical conversation AI startup that structures and summarizes medical conversations for doctors and patients.

Ben Franklin Technology Partners

Ben Franklin Technology Partners (BFTP) support the creation and retention of highly paid, sustainable jobs by investing in and linking early-state technology firms and established manufacturers with experts, universities, follow-on funding and other resources to help them prosper.

BFTP is a network of four independent organizations that each cover a distinct geographic territory in Pennsylvania. The four regional partners are:

Ben Franklin Technology Partners of Southeastern Pennsylvania
Headquartered in Philadelphia | sep.benfranklin.org

Ben Franklin Technology Partners of Northeastern Pennsylvania
Headquartered in Bethlehem | nep.benfranklin.org

Ben Franklin Technology Partners of Central & Northern Pennsylvania
Headquartered in State College | cnp.benfranklin.org

Innovation Works (Ben Franklin partner for Southwestern Pennsylvania)
Headquartered in Pittsburgh | www.innovationworks.org

Research Universities in Pennsylvania

According to the website Academic Influence, the best research universities in Pennsylvania in 2024 include:

- ▶ University of Pennsylvania
- ▶ Carnegie Mellon University
- ▶ University of Pittsburgh
- ▶ Temple University
- ▶ Lehigh University
- ▶ Drexel University
- ▶ Villanova University
- ▶ Duquesne University
- ▶ Thomas Jefferson University
- ▶ Gannon University

These universities invest in research, providing opportunities for students and faculty to participate in research. To be included in the ranking, schools must be a fully accredited university and must offer doctoral degrees across the range of STEM subjects (Science, Technology, Engineering, Math).