

State of New Jersey

Governor Phil Murphy

Governor Murphy Highlights New Jersey Innovation Evergreen Fund to Attract Venture Capital, Support New Jersey-Based Startups

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NORTH BRUNSWICK – Surrounded by entrepreneurs and innovators hard at work building the businesses of tomorrow in North Brunswick's CCIT Life Sciences Incubator, Governor Phil Murphy today showcased details of the proposed New Jersey Innovation Evergreen Fund (NJIEF), a groundbreaking new program to bring more venture capital investment to New Jersey while strengthening the Garden State's innovation ecosystem.

"From Edison to Einstein, New Jersey has a long legacy of innovation. Today our researchers, inventors, and entrepreneurs continue that tradition, and it is up to us to make sure they have the resources they need to build the businesses of the future," **said Governor Murphy**. "The New Jersey Innovation Evergreen Fund is a bold new idea that will connect New Jersey startups with the funding they need to grow and foster a vibrant innovation ecosystem while generating new revenues for the State. It is a true win-win for businesses and New Jersey taxpayers."

As proposed, the NJIEF will make available approximately \$500 million in venture capital funds to be invested into New Jersey-based startups. Of the \$500 million total, \$250 million will be raised by competitively auctioning state tax credits to New Jersey corporations over five years. The Fund would then invest the auction proceeds, alongside at least \$250 million in funds from venture capital firms, into promising startups with the potential to scale up and create jobs. Companies that purchase tax credits through the auction will also be required to make additional commitments, for example, providing mentoring and networking support for startups that receive investments through the NJIEF.

"As a venture capitalist, I've seen firsthand the positive impact that investing in early-stage technology and life sciences companies has on their growth trajectory," **Tech Council Ventures Managing Partner Jim Gunton said**. "Given the decline in venture capital funds injected into New Jersey's startups in recent years, I commend Governor Murphy for this bold and much-needed initiative. I look forward to seeing the benefits it brings to New Jersey's innovation ecosystem in the years to come."

To ensure optimal return on investment, the NJIEF will let private venture capital investors take the lead on identifying and investing in businesses in high-wage, high-growth sectors, such as life sciences, financial technology, advanced manufacturing, and cybersecurity. To reduce risk and support founders and entrepreneurs who reflect New Jersey's rich cultural makeup, the NJIEF will invest in a diversified range of companies.

As the Fund's investments mature and experience exit events such as acquisitions or initial public offerings, the investment proceeds will flow back to the NJIEF and its venture capital partners. This will provide a self-sustaining stream of funding to support future investments, making the Fund "evergreen." If returns are large enough, a portion could also be diverted to support the General Fund, where it would be used to fund other important priorities.

"Recapturing New Jersey's leadership position in the Innovation Economy requires a comprehensive approach that includes investing in vibrant communities, attracting and retaining talent, and ensuring that entrepreneurs have access to the capital they need to bring their visions to life here in the Garden State," **said Tim Sullivan, CEO of the NJEDA**. "By bringing together large companies, start-ups, and private venture capital, Gov. Murphy's Innovation Evergreen Fund would give New Jersey a unique and powerful tool in our toolkit to help create the most diverse innovation ecosystem in America."

[Back to Top](#)

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