

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

## GOVERNOR MURPHY HOLDS ROUNDTABLE DISCUSSION ON NEW JERSEY INNOVATION EVERGREEN FUND

**NEWARK** – Governor Phil Murphy held a roundtable discussion with New Jersey business and innovation leaders today to discuss the many benefits of the recently proposed New Jersey Innovation Evergreen Fund (NJIEF), which is designed to supercharge the return of venture capital to the Garden State. The Governor announced the Fund last week as part of a comprehensive economic plan to create a stronger and fairer economy and re-establish New Jersey as a leader in innovation.

“Investing in New Jersey businesses and the groundbreaking work they are doing is a critical element of our vision for a stronger and fairer economy,” **said Governor Murphy**. “For far too long, we’ve watched as billions of venture capital dollars have gone to neighboring states, while fewer and fewer of those dollars have come to the Garden State. The NJIEF would help to reverse that trend and bring that money back to New Jersey.”

As proposed, a total of approximately \$500 million in capital would be available through the program. The NJIEF would raise approximately \$250 million in capital by competitively auctioning new state tax credits to New Jersey corporations who want to participate in the innovation economy. 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.

While details will be finalized through the legislative process, it is envisioned that a pool of up to \$60 million worth of tax credits would be available via a competitive auction each year. The auctions would run for five years. The New Jersey Economic Development Authority (EDA) expects the auction to clear at least \$0.90 for every \$1.00 of tax credit. The total pool raised is calculated at approximately \$250 million.

Underscoring the important role collaboration plays in building New Jersey’s innovation economy, the bidders would not only have to bid on price, but also on what value and support they would bring to the state’s innovation ecosystem. At a minimum, successful corporate bidders would agree to provide mentoring and networking support for the funded companies.

“One of the best features of this program is that it is a two-pronged approach to supporting New Jersey startups,” **said EDA CEO Tim Sullivan**. “The dollars we invest would enable the businesses to grow, while the guidance provided by the corporations would ensure startups have the institutional support they need to thrive. This is how you successfully build an innovation ecosystem.”

As the fund’s investments mature and experience exit events (e.g. acquisitions, initial public offerings), the proceeds would flow back to venture capital investors and to the NJIEF, providing a self-sustaining stream of funds to support further investments. This structure would also allow the fund to share in the upside successes for the investment and create an “evergreen” instrument for the state.

Governor Murphy noted that each venture fund manager would share in the risks of the joint investment. The Fund would target companies in high-growth sectors with less than \$10 million in revenues. It would also support diverse founders, reflective of New Jersey’s rich cultural makeup.

The roundtable discussion was held at the Newark Venture Partners space in Audible’s world headquarters in Newark.

For Governor Murphy’s full economic plan, please visit: <https://www.njeda.com/pdfs/StrongerAndFairerNewJerseyEconomyReport.aspx> ([https://urldefense.proofpoint.com/v2/url?u=https-3A\\_\\_t.e2ma.net\\_click\\_zcupz\\_nrddit\\_z0cs0f&d=DwMFaQ&c=4BTEw-1msHjOY41TcFLmDM6JB8x6ZgbU2J24IH0HZLU&r=xF3DPDNEH8rwpTwtOjb4MHQ0EgF6v3M0zt3hszQvyU&m=YvoTiU6wTSMRZL7F0tbNzdV3KR1-j61DW0BvHzoaGE&s=qWgCl-aZQLJ8tRANfrmzjMFIZD\\_Fj7zbRMxtTei08a0&e=](https://urldefense.proofpoint.com/v2/url?u=https-3A__t.e2ma.net_click_zcupz_nrddit_z0cs0f&d=DwMFaQ&c=4BTEw-1msHjOY41TcFLmDM6JB8x6ZgbU2J24IH0HZLU&r=xF3DPDNEH8rwpTwtOjb4MHQ0EgF6v3M0zt3hszQvyU&m=YvoTiU6wTSMRZL7F0tbNzdV3KR1-j61DW0BvHzoaGE&s=qWgCl-aZQLJ8tRANfrmzjMFIZD_Fj7zbRMxtTei08a0&e=))

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