

# Year 3: Insights To America's Emerging Tech Hubs

March 2, 2023

# Executive Summary

Our first [Emerging Tech Hub report](#) was released on the one-year anniversary of Covid. We were curious how the shift to work from anywhere impacted the VC industry and the startup community. The results were clear, VCs migrated to Miami, Austin and LA and VC investments started to flow to what we identified as the top 25 emerging tech hubs in the US.

In [last year's report](#), we identified that Mayor Suarez was more than lip services and was doing a great job of recruiting blockchain companies to set up shop in Miami. We also identified hot categories like health tech and edtech were starting to slow down as we emerged from Covid lockdown and investors shifted their attention to Web 3.

2022 was a tale of two stories in the VC industry. The first half of the year saw record funding and the second half of the year saw the industry hit the brakes as public and private valuation tumbled. In this year's report we decided to look at the second half of 2021 and compare it to what we saw in the second half of the year in 2022.

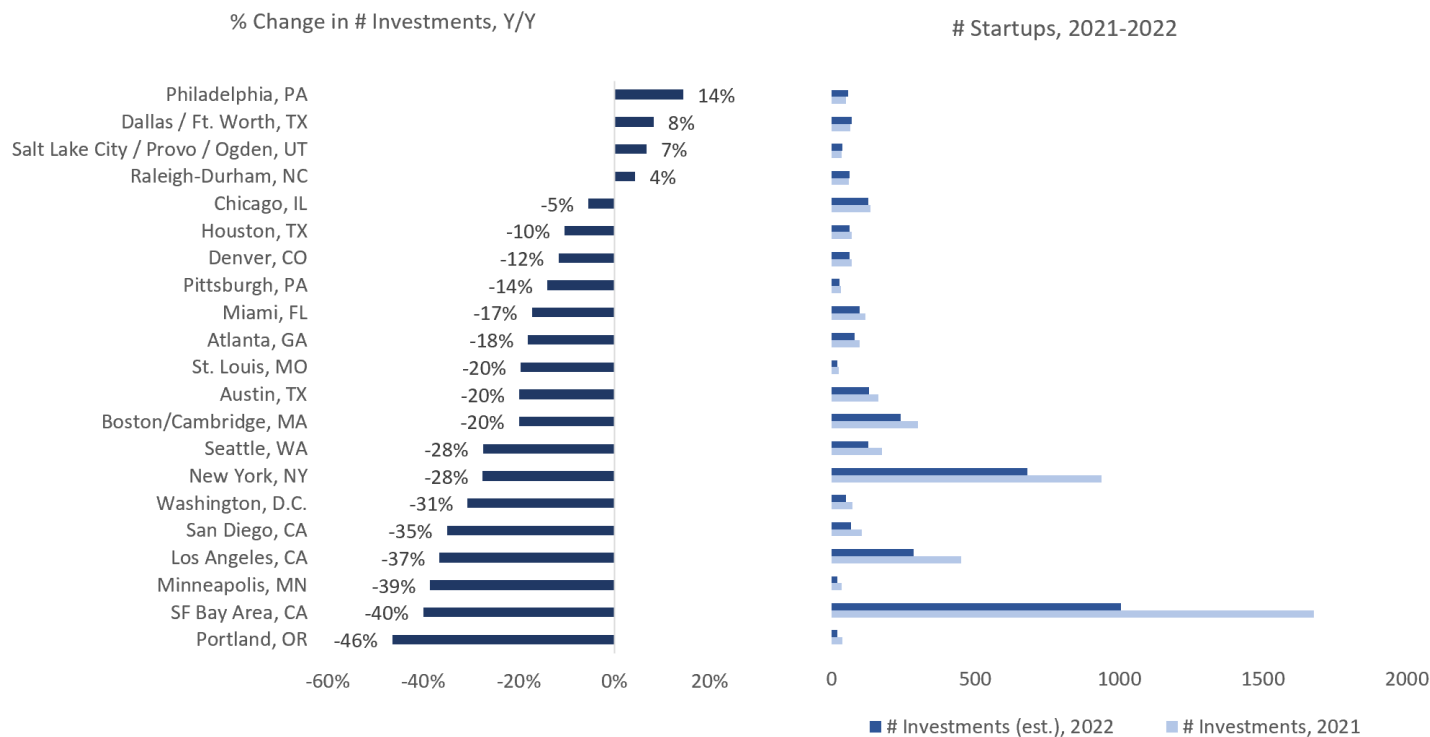
# Key Findings

## Highlights include:

- Overall, we saw a 29% drop in investments H2 22 compared to H2 21
- Philadelphia, Dallas/Fort Worth, Salt Lake City and Raleigh-Durham were the only four cities in our study to see VC investment increase in H2 compared to the same timeframe last year
- In H2 22, SF Bay Area investments accounted for 27% of investment in these regions, down from 36% in H2 21.
- Miami continues to be a top hub for blockchain investment
- Every category saw investment activity decline; blockchain only saw modest decline down 5%, SaaS and Enterprise down 32%, while Edtech experienced the biggest drop at 46%

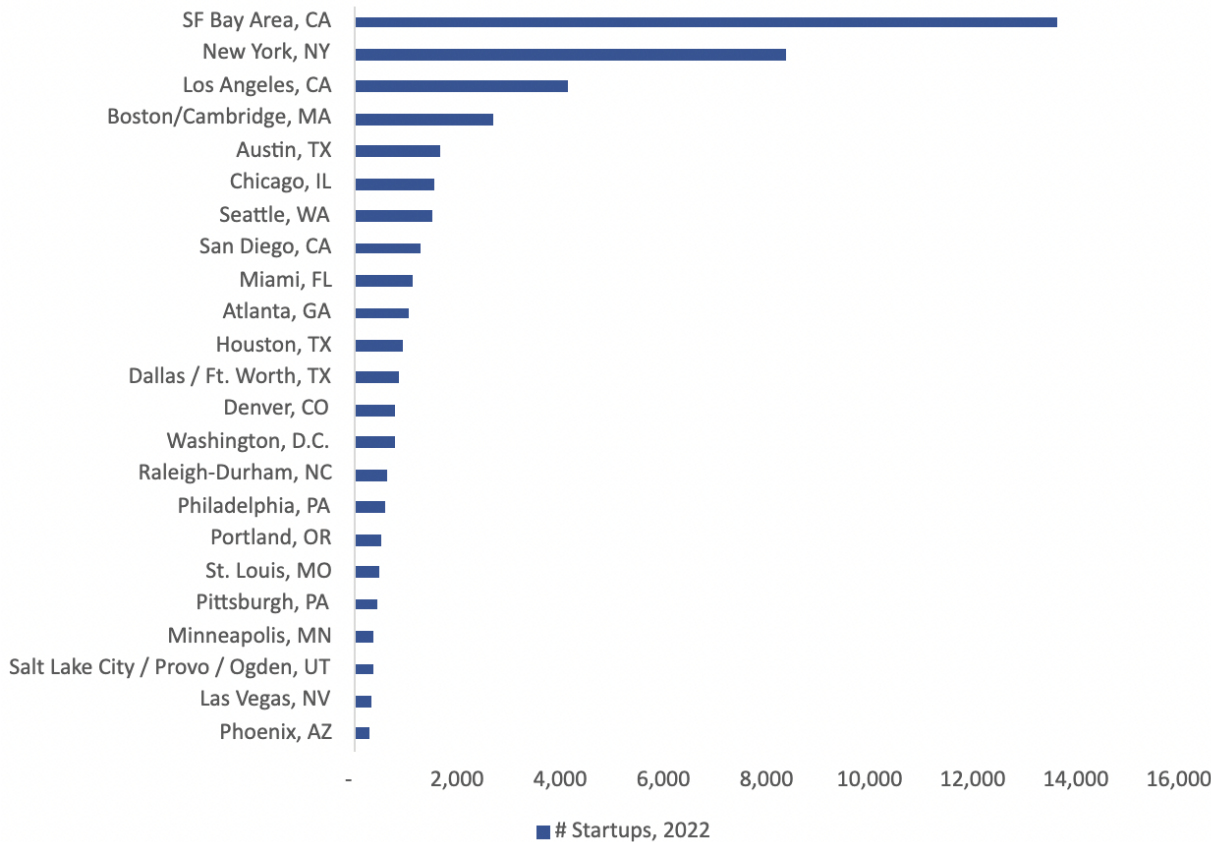
# Emerging Tech Hubs Hit Hard by Drop in Investments

Major decline in number of investments in nearly all regions from H2 2021 to H2 2022; Philadelphia leads the pack with 14% y/y increase but Portland sees 46% decrease

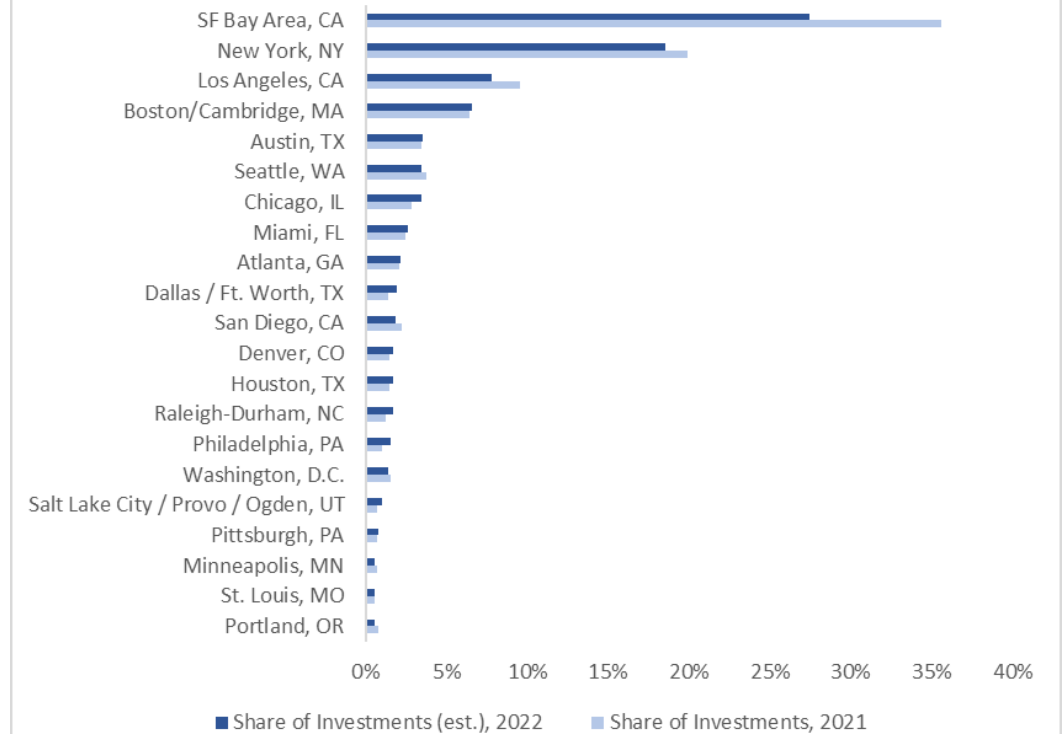


# SF Still Dominates The Startup Scene But Ch-ch-ch-changes Are Blowing In The Wind

SF Bay Area, NYC, and LA still on top of the startup scene



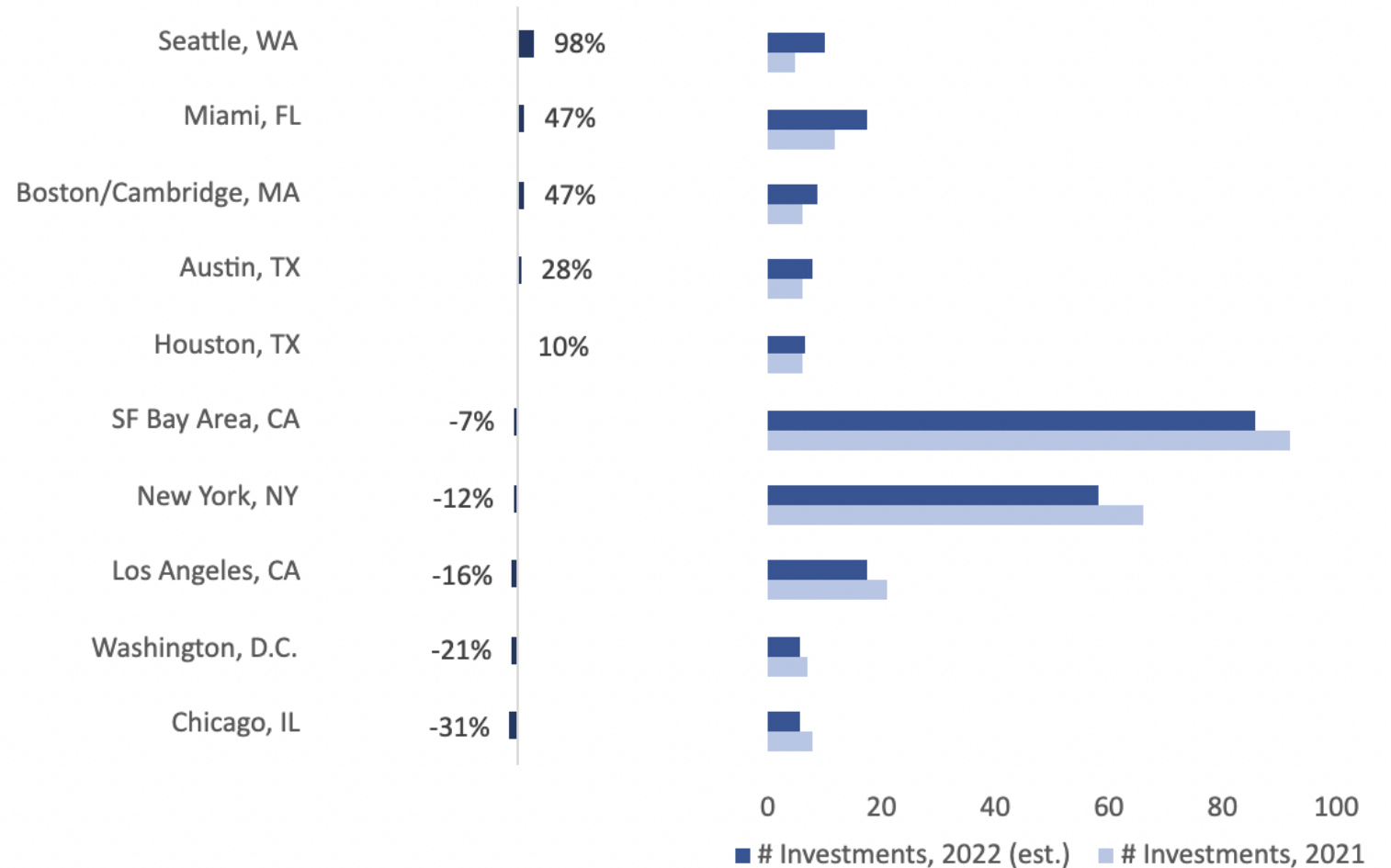
SF Bay Area sees major decline in share of investments, dropping to 27% in H2 2022 from 36% in H2 2021



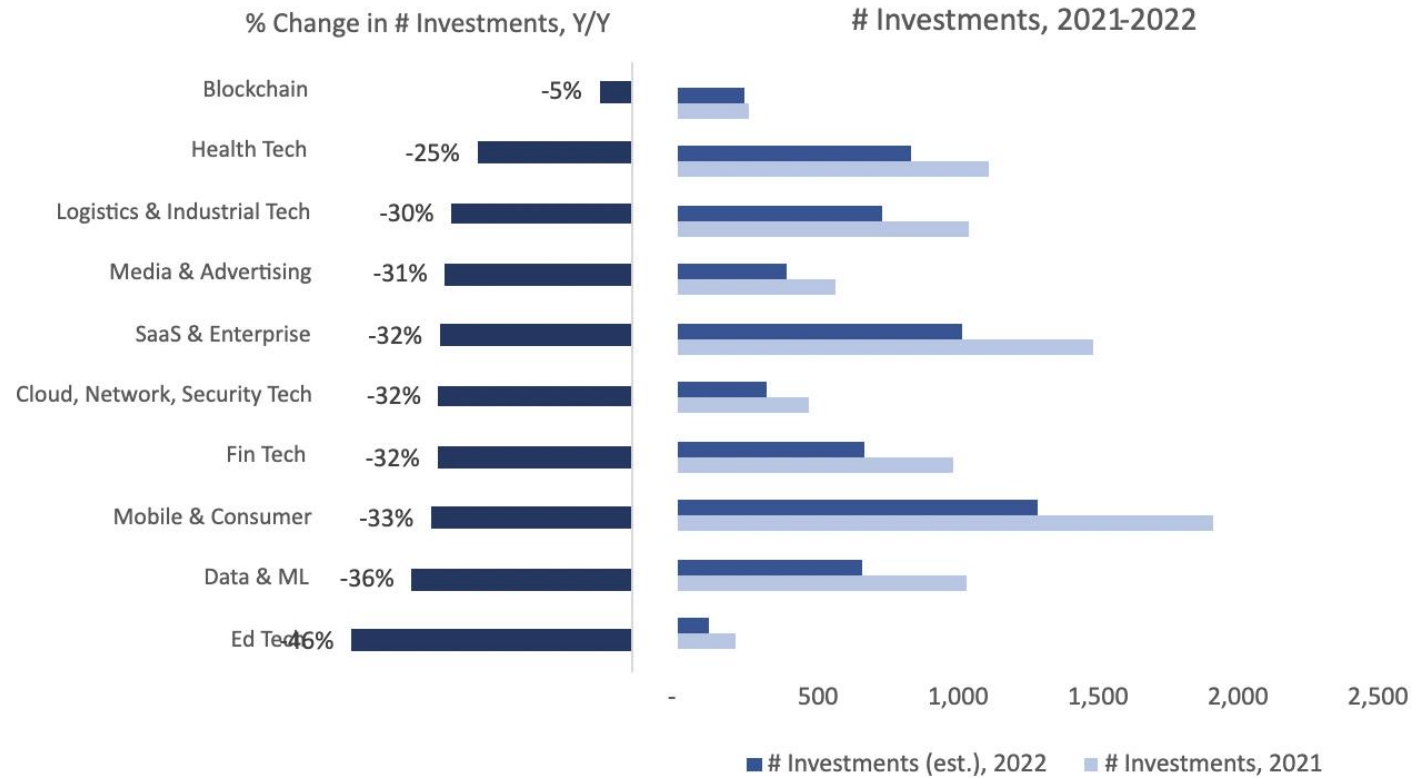
# Miami Remains A Top Region For Blockchain Investment

## Miami continues to emerge as one of the top regions receiving Blockchain investments

% Change in # Investments, Y/Y



# All Sectors Saw A Drop In Investment



# Methodology

Telstra Ventures gathered and evaluated data from 40,000 startups reported in Crunchbase that had received funding during 2021-2022 in 28 regions including SF, LA, and NYC, and 25 emerging tech hubs.