TECHPOINT + CICP
CEOs of Indiana Corporate Partnership

WHY INDIANA NEEDS MORE TECH COMPANIES, NOT JUST MORE INNOVATION

TechPoint's case for tech entrepreneurship as a statewide economic growth strategy

ENTREPRENEURSHIP IN INDIANA REPORT

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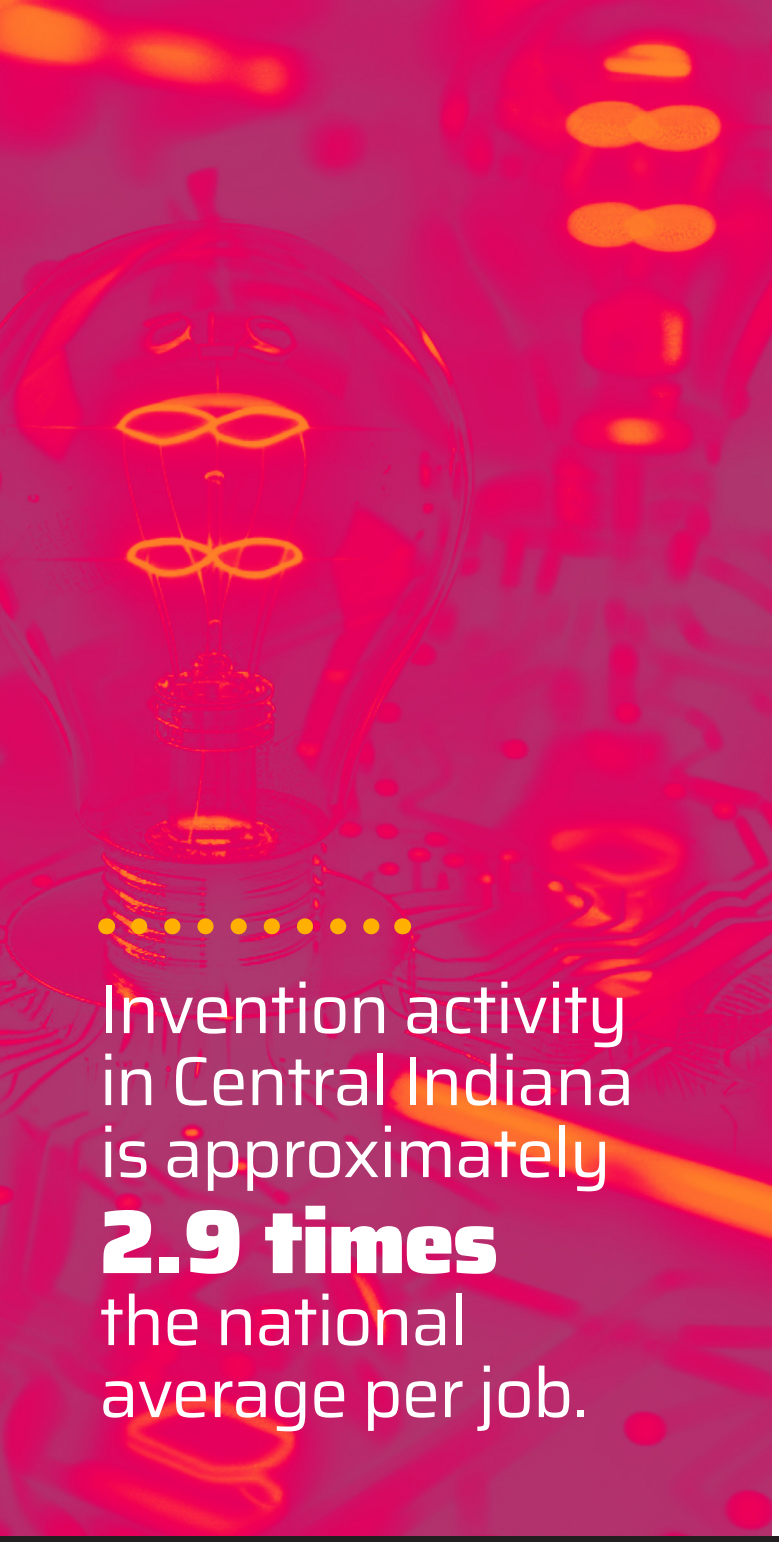
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Invention activity in Central Indiana is approximately **2.9 times** the national average per job.

INTRODUCTION:

INDIANA'S INNOVATION PARADOX

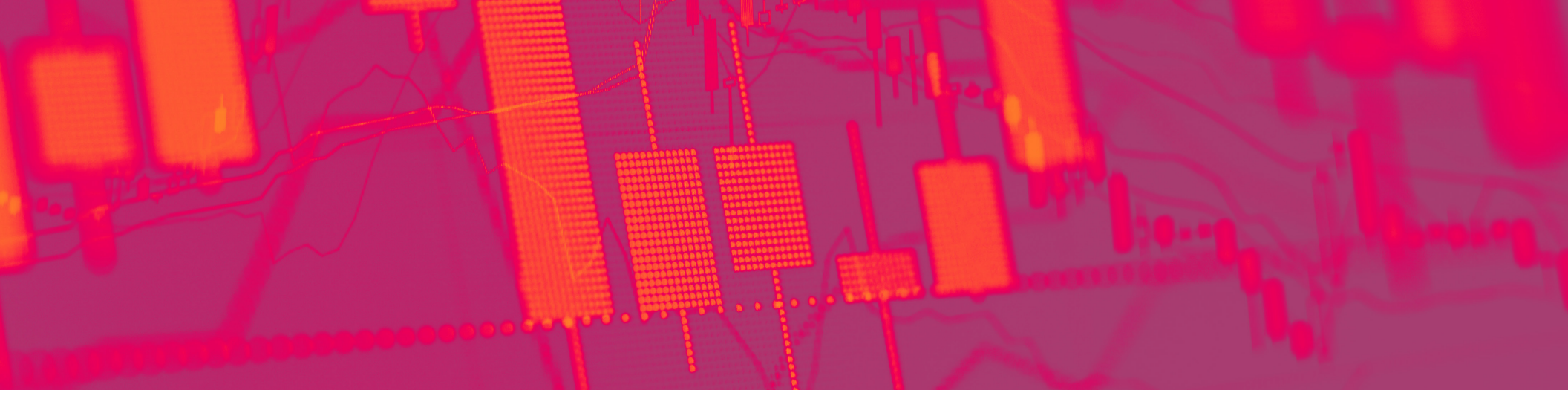
Indiana knows how to innovate. But the harder truth this report is built around is that the companies that will drive Indiana's next era of economic growth do not exist yet.

TechPoint spent the past several months examining the current state of entrepreneurship in Indiana, drawing on data from the U.S. Census Bureau, the National Bureau of Economic Research, global and locally led research, and direct conversations with founders and ecosystem leaders across the state. The findings point to an opportunity that can't be overlooked: while Indiana is not short on ideas, we are short on startups that turn those ideas into economic advancement.

Our universities and research institutions generate world-class discoveries. Our companies develop technologies that shape global industries. We have deep concentrations of expertise in life sciences, agbioscience, advanced manufacturing and logistics. These are industries where some of the world's most consequential problems are being solved. In fact, invention activity in Central Indiana is approximately 2.9 times the national average per job.[1]

Indiana knows how to innovate, but we are not yet turning enough of those ideas into the new, high-growth tech startups that are the cornerstone of a flourishing economy. Unrealized entrepreneurial potential means limited economic advancement and slower growth for the state.

This report explores where the gaps exist, where the greatest opportunities may be hiding, and what it will take to turn more of Indiana's research, ideas and industry expertise into Indiana companies. If we can become as good at building companies as we are at producing discoveries, entrepreneurship can become a powerful engine for our state's next era of economic growth.



WHY ENTREPRENEURSHIP MATTERS

70%

U.S. Census Bureau research finds that new and young businesses account for approximately 70% of gross job creation in the United States and disproportionately contribute to net job creation.

15% to 20%

Nascent firms employ a relatively small share of American workers, but their net job creation rate has historically hovered around 15% to 20%, compared with roughly zero or negative net job creation among more established firms.[2]

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The economic impact of entrepreneurship isn't only about starting more businesses. Research from the National Bureau of Economic Research points to a relatively small share of high-growth, innovation-driven startups as the companies that disproportionately drive the relationship between entrepreneurship and economic growth.

High-growth emerging firms make outsized contributions not only to job creation, but also to output and productivity growth, with their impact most pronounced in high-tech industries.[3]

INDIANA'S ENTREPRENEURSHIP GAP

NATIONALLY, ENTREPRENEURSHIP REMAINED ELEVATED IN 2025, ACCORDING TO THE EWING MARION KAUFFMAN FOUNDATION.

Kauffman Indicators of Entrepreneurship estimates that 0.36% of adults became new entrepreneurs in an average month in 2025, above pre-pandemic levels. Its "opportunity share," the share of new entrepreneurs who came from work, school or another status rather than directly from unemployment, reached 83.3%.[4]

Indiana has participated in some of that momentum. Census Bureau data show that more than 9,000 applications were filed in 2025 by businesses indicating plans to pay wages — a 14.8% increase over six years, compared with 4.1% nationally. Business applications don't necessarily become operating companies, but they are an early indicator of potential employer-business formation.[5]

For a state that has historically struggled to generate new entrepreneurs, that progress matters. Kauffman's 2020 snapshot found that Indiana's rate of new entrepreneurs had trailed the nation since 2002, and its rate of early startup job creation had trailed the nation since 1996.

But the latest numbers also show how much opportunity remains. In 2025, Indiana ranked 16th in the rate of new entrepreneurs (0.33%) and ninth in one-year startup survival (79.5%). At the same time, the state ranked 37th in opportunity share (81.1%) and 45th in first-year startup job creation (3.73 jobs per 1,000 residents).

This data tells a more complicated story than the rankings alone. Hoosiers are starting businesses, and many are making it through the first year. But a comparatively high share of founders are entering entrepreneurship from unemployment rather than opportunity, and the businesses being created are generating relatively few jobs during that critical first year. Because survival and job creation are measured only during the first year, neither should be read as evidence of longer-term durability or growth.

Indiana ranked:

45th in first-year startup job creation

16th in new entrepreneurs

9th in one-year startup survival

INDIANA'S FIRMS SKEW OLDER THAN THE NATION'S, AND SO DOES ITS WORKFORCE.

Firms younger than five years make up 30% of Indiana businesses, compared with 36% nationally. Firms older than 16 years make up 40% of Indiana businesses, compared with 31% nationally.

Only 8% of Indiana's workforce is employed at firms younger than five years, compared with 10% nationally, while 80% of Hoosier workers are employed at firms older than 16 years, compared with 74% nationally.[6]

Indiana's economy leans more heavily on its oldest, more established employers than the nation does. This is a structural signature of a state that is very good at keeping the companies it already has, and not yet as good at creating new ones.

Understanding why was the goal of the Entrepreneurship in the Population: Indiana (EPOP-IN) report, commissioned by CEOs of Indiana Corporate Partnership (CICP). The research built upon NORC's Kauffman-funded national EPOP survey to provide a more detailed picture of how Hoosiers experience entrepreneurship, including those who considered it but never made the leap.

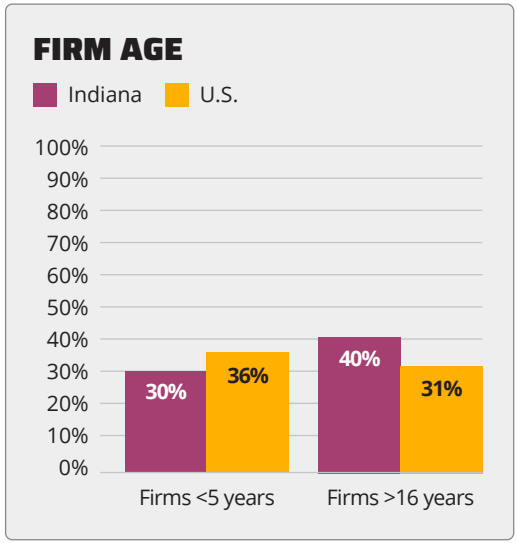
The findings reveal significant untapped entrepreneurial potential.

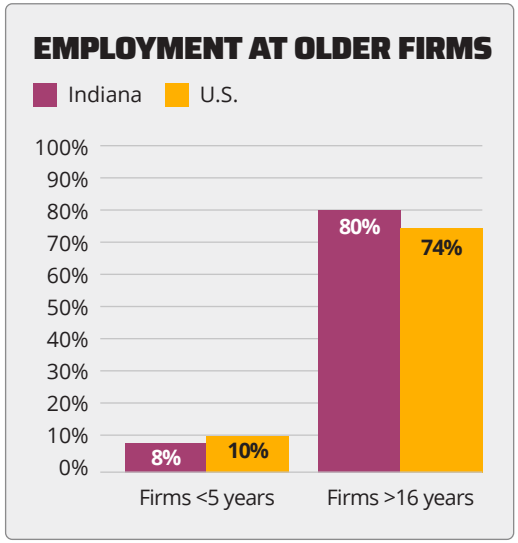
EPOP-IN found that 41.3% of Indiana adults reported no entrepreneurial activity, compared with 35.1% nationally. Indiana also had fewer nascent entrepreneurs — people actively taking steps toward business ownership — and more people who had tried entrepreneurship and withdrawn.[7]

Notably, the gap isn't evenly spread across the state. EPOP-IN also found a divide between the Indianapolis metro area and the rest of Indiana: 62.1% of Indianapolis-area adults reported some entrepreneurial activity, compared with 57.1% in the balance of the state. Indianapolis also had a meaningfully higher share of current business owners (22.4% vs. 14.8%) and people actively planning a business (20.5% vs. 13.1%). Closing Indiana's entrepreneurship gap can't be an Indianapolis-only strategy. The data shows rural and small-metro Indiana starting from an even steeper deficit.

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WHY PEOPLE STOP OR NEVER START AN ENTREPRENEURIAL JOURNEY IS PARTICULARLY IMPORTANT.

Among both groups, the NORC report found that major barriers included not knowing where to start and insufficient savings or startup funding. Respondents also cited limited time, difficulty finding customers and lack of a support network. Most current owners launched with personal savings or credit cards, while one-fifth of owners and one-third of freelancers reported no revenue in 2021.

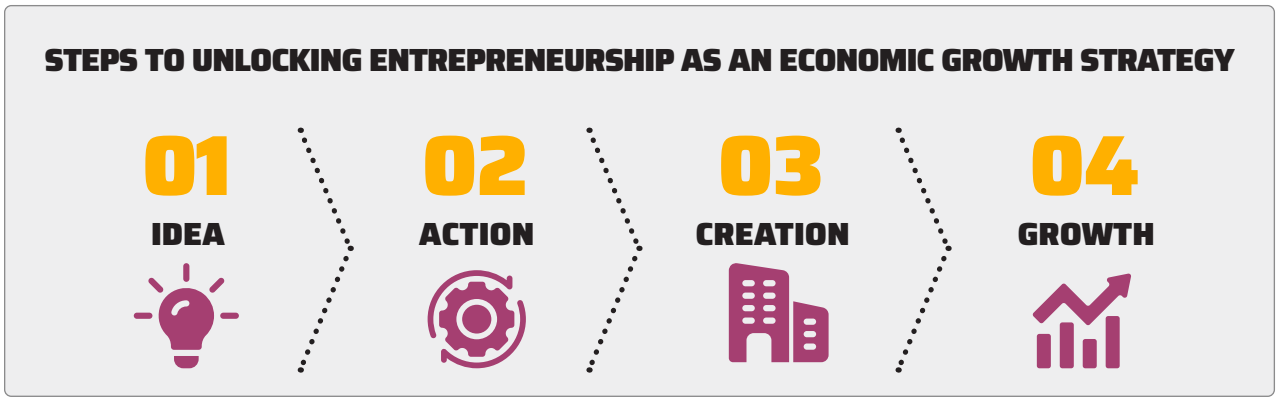
Qualitative feedback from the participants indicated that they often turned to Google for guidance but found fragmented information and unclear next steps. Prospective founders may have an idea and the ambition to pursue it, but still struggle to answer basic questions: Where do I start? Who can help me? Where do I find my first customers? How do I access capital? Who has done this before?

Those barriers are important to consider because every person who pursues entrepreneurship but can't find a path forward represents economic potential Indiana may never realize.

EPOP-IN intentionally captured entrepreneurship broadly, from Main Street businesses and self-employment to venture-backable firms. Not every entrepreneur captured in the data will, or should, build a high-growth technology company. But the findings expose something important for Indiana's tech economy: the path from entrepreneurial interest to company creation is harder to navigate than it should be.

That brings us back to the opportunity established at the beginning of this report.

Indiana doesn't simply need more people interested in entrepreneurship. To unlock entrepreneurship as an economic growth strategy, we need more people who can move from idea to action, from action to company creation, and, for some, from company creation to significant growth.

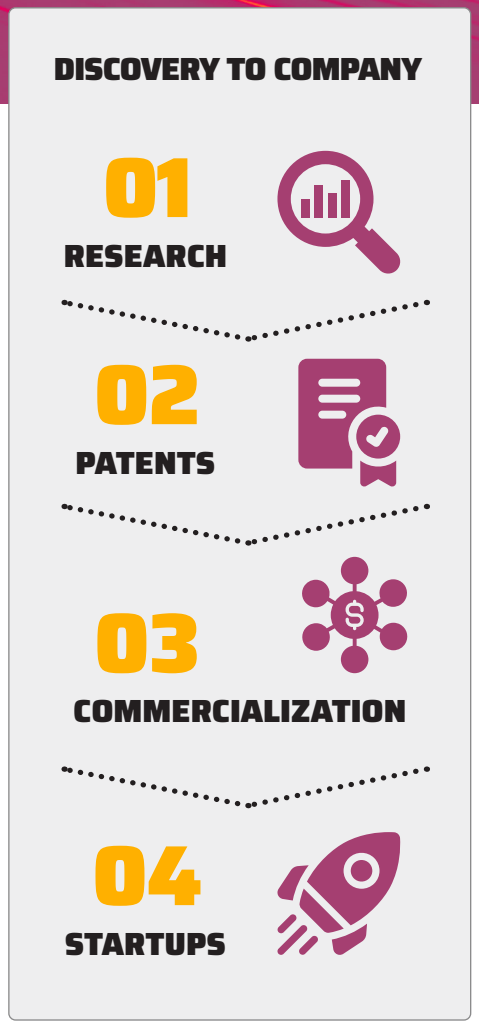


The NORC report found that major barriers included not knowing where to start and insufficient savings or startup funding.

FROM DISCOVERY TO ENTERPRISE

The data reveals a broad challenge: Indiana has entrepreneurial potential that isn't consistently translating into new businesses. But for Indiana's future economy, there's a more specific question we need to ask:

Are we creating enough technology companies from the innovation already happening here?



Technology entrepreneurship matters because these companies can turn research, intellectual property and technical expertise into products that scale well beyond Indiana. A new technology developed here can become a company serving customers around the world, attracting outside investment, creating high-value jobs and building new economic value around expertise that already exists in our state.

By that measure, Indiana has an extraordinary starting point.

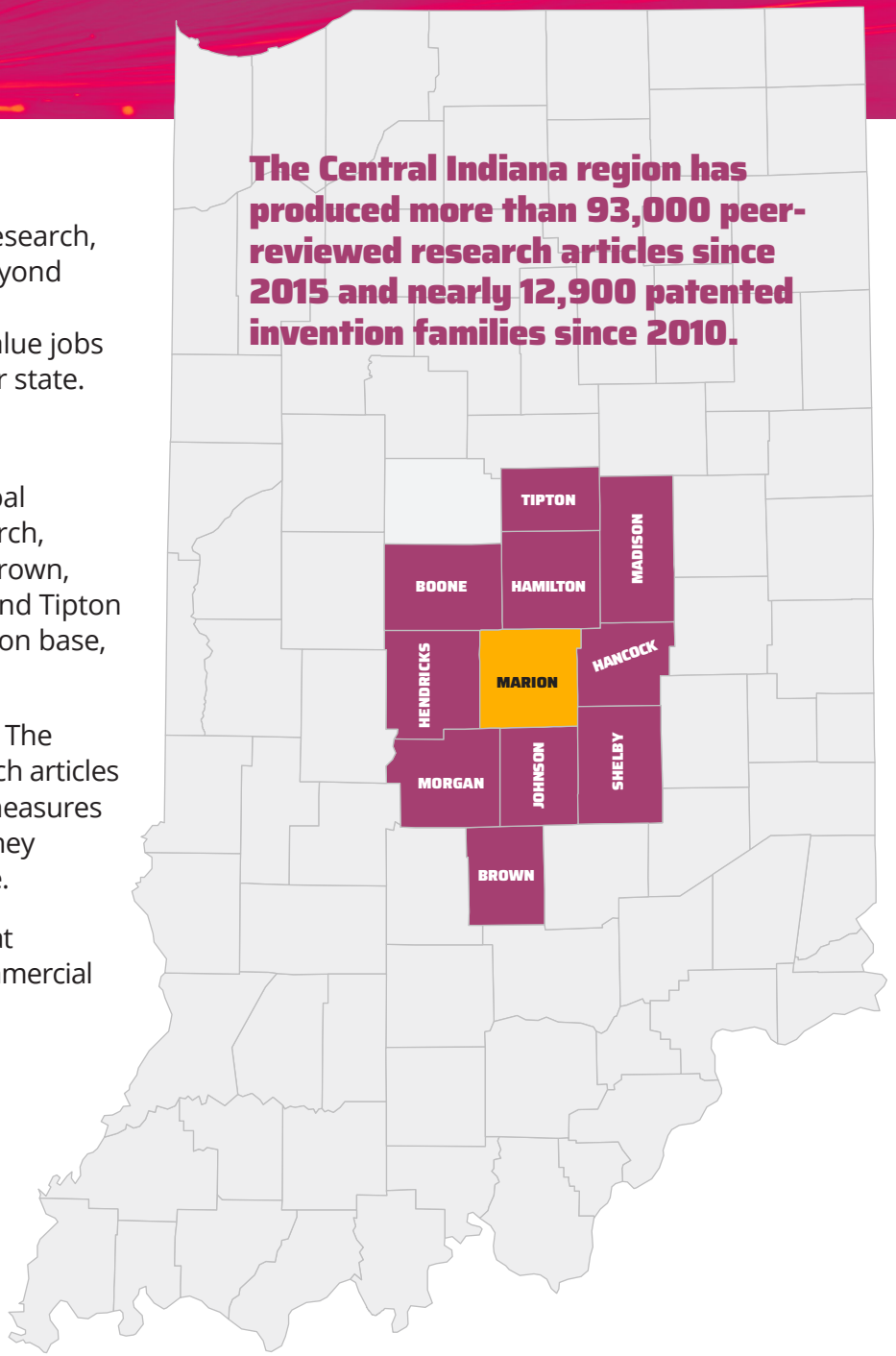
Central Indiana's Constellation of Innovation Hubs, a 2025 study by the Global Institute on Innovation Districts (GIID) for CICP, examined the region's research, invention and entrepreneurial activity across an 11-county area — Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Shelby and Tipton counties. The findings show a region with a substantial research and invention base, but a smaller startup presence than those strengths might suggest.

The scale of the research and invention happening here is significant. The Central Indiana region has produced more than 93,000 peer-reviewed research articles since 2015 and nearly 12,900 patented invention families since 2010. These measures are complementary, not stages in a single conversion pipeline, but together they illustrate the depth of knowledge and intellectual property being created here.

That knowledge is making its way into the market, to a point. GIID estimates that roughly 16% of Central Indiana's research output has an observable link to commercial application through industry co-authorship, patent citation or clinical use.[8]

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Those are signals of a functioning economy, but if you look more closely at where invention is happening, the picture becomes clearer.

Of the 12,864 patented invention families produced in Central Indiana from 2010 through 2023, Rolls-Royce, Corteva/Dow, Eli Lilly and Cummins account for about 35%. Indiana University and Purdue University account for about 5%. Growth-capital-backed startups, combined, account for just 177 families — 1.4% of the total.[9] These figures show that Central Indiana is highly capable of producing innovation inside established institutions. Far less of that invention activity is happening inside the young, growth-oriented technology companies that can become the next generation of Indiana employers.

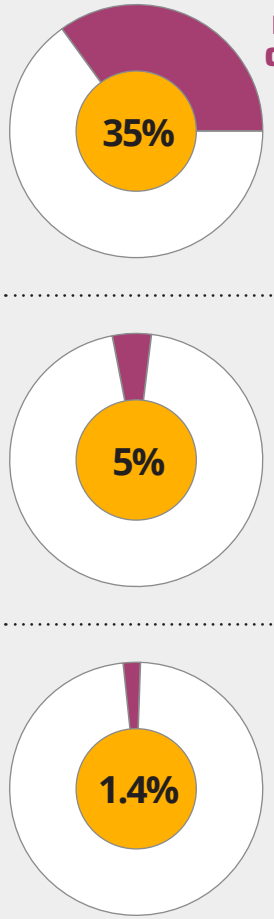
Imagine the expertise contained within Indiana's universities, research institutions and major employers: scientists advancing new discoveries, engineers solving complex manufacturing problems, technical talent building products and industry experts who understand problems that companies around the world are trying to solve. Those people and ideas are already part of the industries Indiana leads. Today, we need to create more pathways for them to become part of Indiana's entrepreneurial economy.

GIID reaches a similar conclusion, cautioning that this pattern is common across many U.S. metros and shouldn't be read as evidence that Central Indiana is uniquely weak. But it also identifies the strategic consequence: regions can excel at discovery, invention and production while leaving economic value unrealized when they don't generate enough new firms, attract enough risk capital or create enough pathways for emerging companies to scale locally.

We need to harness the research, intellectual property, technical talent and industry expertise that great technology companies are built from, and that already exists here, to turn more of what Indiana knows into companies Indiana builds.

Regions can excel at discovery, invention and production while leaving economic value unrealized when they don't generate enough new firms, attract enough risk capital or create enough pathways for emerging companies to scale locally.

12,864 PATENTED INVENTION FAMILIES PRODUCED IN CENTRAL INDIANA FROM 2010 THROUGH 2023



THE VENTURE CAPITAL PICTURE

Indiana's VC deal count peaked at **187** in 2022.

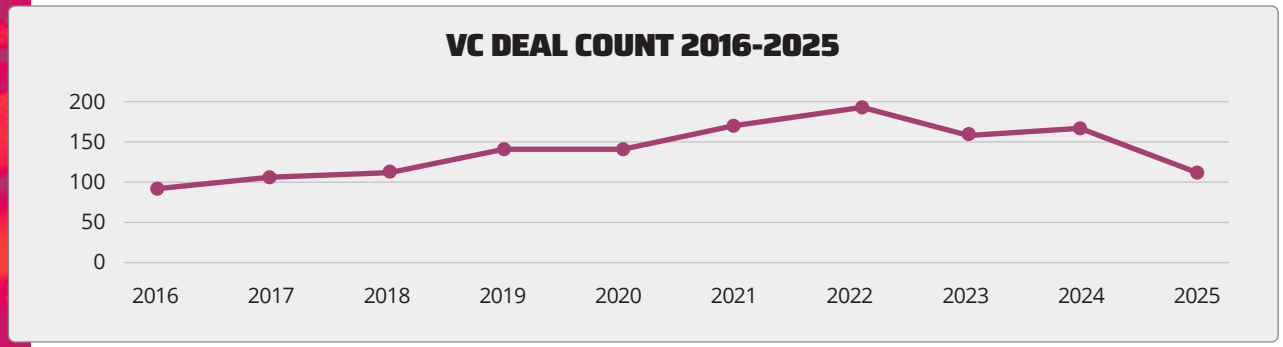
By 2025, it had fallen to **113** — the state's lowest annual deal count since 2018.

Venture capital is one of the clearest signals of whether ideas are turning into scalable companies. On this measure, the picture is increasingly urgent.

Since 2016, Indiana startups have closed nearly 1,400 venture capital deals, worth almost $4.9 billion. That's a decade-long track record of institutional investors backing Indiana companies. But the trend line has turned. Indiana's VC deal count peaked at 187 in 2022. By 2025, it had fallen to 113 — the state's lowest annual deal count since 2018 — even as the broader U.S. venture market recovered from its 2022-2023 pullback.[10]

Indiana isn't unique in facing headwinds. The 2026 national venture market has been defined by extraordinary concentration: a handful of AI mega-rounds including OpenAI, Anthropic and xAI are driving investment values to record highs, but that capital is not reaching a broad set of companies or regions. Nationally, markets outside the four largest venture hubs account for just over half of all VC deal count, but only 13% of the dollars invested.[11]

Indiana is competing in an environment where deal volume is more evenly distributed than deal value, and where capital is consolidating in fewer places and fewer categories. **Indiana is still in the game. Standing still is not a strategy, particularly as national capital becomes more selective about where it flows.**



Source: Pitchbook NVCA Venture Monitor

WHAT WE HEARD:

WHERE THE SYSTEM BREAKS DOWN

While data can show us where Indiana underperforms, it cannot fully explain what it feels like to try to build a high-growth company here. To learn more, TechPoint convened focus group discussions among technology leaders, founders, investors, corporate executives and ecosystem leaders around a simple question:

Indiana has significant economic assets. Why are we not producing dramatically more breakout technology companies, and what would actually change that trajectory?

These conversations were not a representative survey, and their conclusions should not be read as one. But the discussion provided a useful qualitative test of the patterns emerging from the data. The overlap was striking:



WE NEED MORE PEOPLE WHO HAVE "SEEN THE MOVIE BEFORE."

One of the clearest themes was a shortage of experienced founders and operators who have built and scaled high-growth companies before. Successful ecosystems compound: founders build companies, employees gain experience, companies create wealth, and those founders and employees go on to start, fund and support the next generation. Indiana has produced meaningful successes. But too often, the cycle ends with an acquisition rather than spawning multiple new companies, experienced startup executives and repeat founders. We need to create more high-potential companies and a stronger flywheel around the people who know how to build them.





INDIANA'S CORPORATIONS CAN BE A STARTUP ADVANTAGE.

Indiana possesses an asset many startup ecosystems would love to have: globally significant companies with difficult problems, customers, technology needs, data, talent and purchasing power. Today, corporate-startup engagement is too often built around asking founders to pitch. A stronger model starts earlier, with companies identifying meaningful problems and opportunities that entrepreneurs, technologists and researchers can address. This can create a continuum from problem statement to design partner to first customer. It can also surface technologies or teams inside established companies that may have greater value as independent ventures.



CAPITAL IS A CONTINUUM, NOT A SINGLE GAP.

Capital was consistently identified alongside talent as one of Indiana's largest structural constraints, but the need changes by stage. At the earliest stage, founders need investors capable of making fast, relatively small bets that allow promising ideas and experienced people to become companies. As companies mature, they need help becoming Series A-ready and connecting with institutional investors. At the growth stage, the gap becomes more pronounced; when local growth capital is unavailable, outside capital naturally fills the void. We need to use catalytic dollars to unlock private capital, reduce early risk and help Indiana companies become investable at each stage.

FOUNDERS NEED A STRONGER NETWORK AROUND THEM.



Founders described entrepreneurship in Indiana as unnecessarily lonely, particularly when they reach the points where they need customers, institutional capital, experienced executives or connections outside the state. The resources exist, but founders do not always experience them as a coherent system.

WE NEED A CLEARER TECHNOLOGY IDENTITY.



The historical definition of technology as primarily software or SaaS is increasingly incomplete. Indiana's differentiated opportunity is at the intersection of technology and the industries where we already have extraordinary assets: life sciences, advanced manufacturing, agriculture and food, logistics and supply chain and other advanced industries. Technology and AI become the connective layer. Indiana can become unusually good at building technology for the physical and economic systems the world depends on.

The findings in this report point toward a shift in how Indiana should think about entrepreneurship: We should stop treating startup support as a collection of programs and begin treating company creation as a system.

We need more exceptional technology companies created, more companies progressing from one stage to the next, more capital activated, more customers connected, more experienced talent recycled into startups and more economic value captured in Indiana.

CONCLUSION:

THE WINDOW IS OPEN

INDIANA IS NOT SHORT ON ASSETS. WE HAVE THE UNIVERSITIES, THE CORPORATIONS, THE RESEARCHERS, THE IDEAS AND THE PEOPLE. WHAT WE DON'T YET HAVE IS A SYSTEM DELIBERATE ENOUGH TO CONVERT THOSE ASSETS INTO THE NEXT GENERATION OF INDIANA COMPANIES AT THE PACE THE MOMENT DEMANDS.

The window for that work is open, but it will not stay open indefinitely. The changing technology landscape is giving every region in the country a new opportunity to rethink how it approaches entrepreneurship, capital, talent and economic development. Indiana can either use this moment to build something distinctly its own, or watch the next generation of its researchers, engineers and inventors build it somewhere else.

We don't believe Indiana needs to become Silicon Valley, Boston or Austin. We believe Indiana can build something those places can't easily replicate: a technology economy built on top of the industries the state already leads, powered by the talent, research and capital already here.

That is the work ahead. It will take funders willing to underwrite early risk. Policymakers willing to make a small number of significant bets rather than many small ones. Corporations willing to open their hardest problems to outside builders. Universities willing to push research further into the market. And founders, current and future, willing to take the leap supported, this time by a system built to catch them.

Indiana knows how to innovate. This report is a case for spending the next several years proving that Indiana also knows how to build the companies that innovation deserves.

APPENDIX

METHODOLOGY

This report draws on quantitative survey research, patent and publication data, venture capital deal data, and qualitative input from Indiana's founder and ecosystem community. Central Indiana, as referenced throughout, is the 11-county Indianapolis metropolitan statistical area (MSA), which includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Shelby and Tipton counties.

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