

Portrait of a business angel as a young man

A new generation of private investors plays an increasingly important role in the business ecosystem in Spain, and they're younger than expected.

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Contrary to popular belief, most business angels in Spain are under the age of 50, invest over a broad geographic area, and share their projects with partners.

Thus reads a report entitled [Business Angels AEBAN 2016](#), carried out by IESE professor [Juan Roure](#) and Amparo de San José, in collaboration with AEBAN, the Spanish Association of Business Angel Networks.

Debunking myths in favor of objective data on what these investors do, the report identifies the main trends and challenges faced by business angels in today's Spanish business environment.

A clear profile

So who are these people? The report highlights a variety of characteristics:

- **Male.** Women account for just 8 percent of investors, far below their share in countries such as the United States (20 percent) and the United Kingdom (14 percent).
- **Young.** The traditional image of a mature executive gives way to the reality that only 14 percent of Spanish investors are over 55, while 44 percent are under 45.
- **Mobile.** More than half of investors are comfortable investing anywhere in Spain, rather than just close to home. Furthermore, 29 percent are open to investing abroad — well above the percentage of their British and American counterparts.

- **Short track records.** The proportion of new investors is high: six out of 10 have only begun investing within the past five years, and a mere 17 percent have more than 10 years' experience.
- **Small portfolios.** The relative inexperience of most business angels is probably reflected in the fact that 44 percent are involved in just one to five projects and fewer than 30 percent have more than 10 projects.
- **Deep pockets.** On the flip side, up to 60 percent say they have more than 100,000 euros a year to invest.
- **Digitally hungry.** Most investors are interested in investing in the internet and digital startups, which account for 75 percent of portfolios. News organizations and digital content, trade and distribution (including e-commerce) are the most popular sectors.
- **Partnered.** The most common practice is to co-invest with other business angels (88 percent), public-private joint investment programs (63 percent), venture capital funds (56 percent) and crowdfunding platforms (21 percent). A mere 2 percent invest solo.
- **Patient.** More than 40 percent rule out divesting this year, perhaps due to their shorter track records.
- **Not using tax breaks.** Although there are many financing resources for entrepreneurs, the use of investment tax breaks is limited: only 27 percent of business angels take advantage of them.
- **Quick to blame entrepreneurs.** When it all goes pear-shaped, Spain's business angels are unlikely to blame either circumstances or themselves. Instead, 60 percent attribute failure to entrepreneurs' inability to manage growth.

Challenges ahead

The report also draws attention to measures that could allow business angels in Spain to perform better.

These include increasing the number of investments in order to diversify portfolios and reduce risk, enhancing professionalization through training, embracing transparency, and sharing experiences.

There are also calls for the government to streamline red tape and expand corporate tax breaks to stimulate more investment.

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