



Illinois Wesleyan University
Digital Commons @ IWU

John Wesley Powell Student Research
Conference

2000, 11th Annual JWP Conference

Apr 15th, 2:00 PM - 3:00 PM

Venture Capital in the United States

Sunil Jagwani
Illinois Wesleyan University

Michael Seeborg, Faculty Advisor
Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>

Jagwani, Sunil and Seeborg, Faculty Advisor, Michael, "Venture Capital in the United States" (2000). *John Wesley Powell Student Research Conference*. 30.
<https://digitalcommons.iwu.edu/jwprc/2000/posters2/30>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Poster Presentation 56

VENTURE CAPITAL IN THE UNITED STATES

Sunil Jagwani and Michael Seeborg*

Department of Economics, Illinois Wesleyan University

Venture Capital has proven to be of great importance in the formation and development of new products, companies and markets. Hitherto, very little research has been devoted to finding ways to encourage this relatively nascent industry. This paper provides a structural framework to understand the workings of the venture capital market. It looks at certain exogenous factors to determine their influence on the supply and demand of venture capital. Based on the findings, it makes suggestions to predict and boost venture capital activity using these factors.

Particular attention has been paid to the Capital Gains Tax. Theoretically, the tax can affect both the entrepreneurs and Venture Capitalists. The paper develops an empirical model to estimate the differential in the disincentive resulting from capital gains taxation between these two groups.