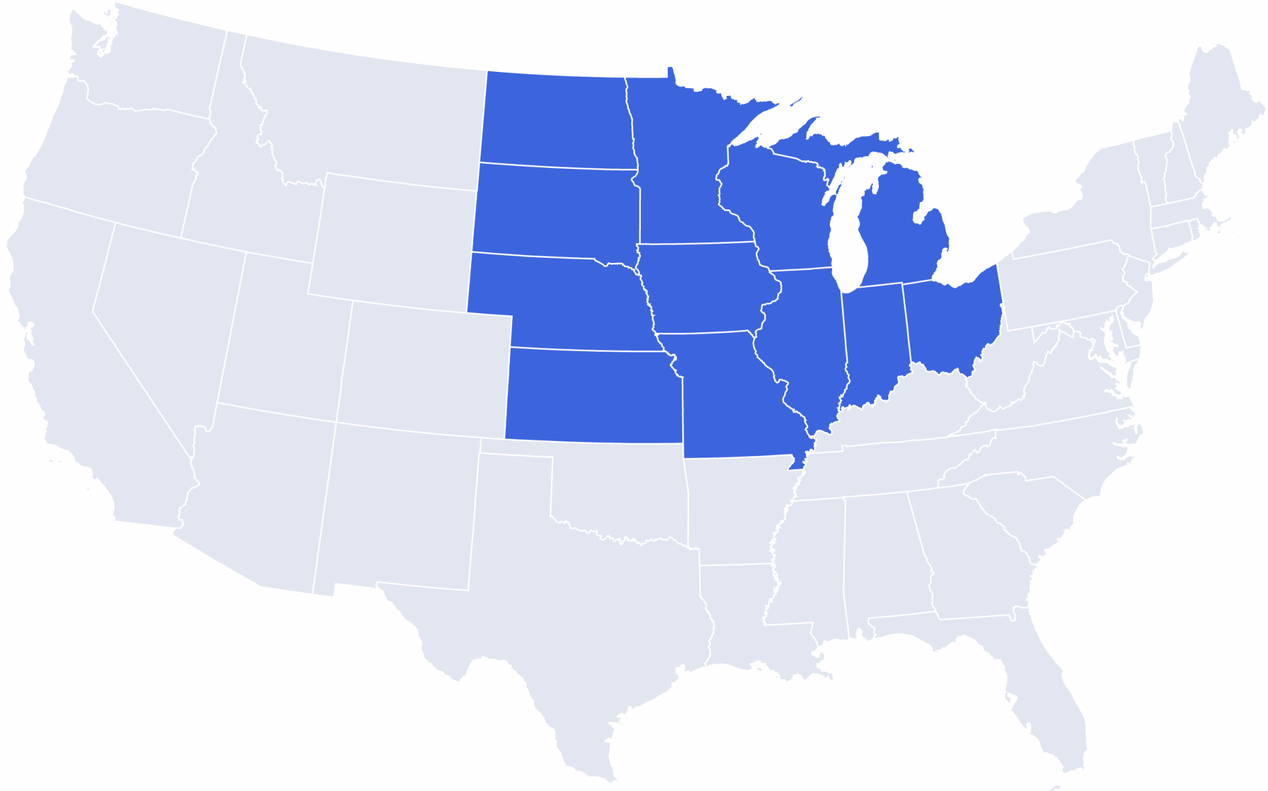
dealroom.co StartMidwest

The Midwest innovation ecosystem



Dealroom × StartMidwest

State of the Midwest Innovation Ecosystem 2026 · updated October 2026

ECONOMY

The Midwest’s economy is the size of Germany’s

The 12 Midwest states had a combined GDP of about $4.7 trillion in 2024, 16% of US GDP. GDP in 2024, US$ trillions.



Source: BEA, IMF World Economic Outlook · Midwest = the 12 Census Bureau states

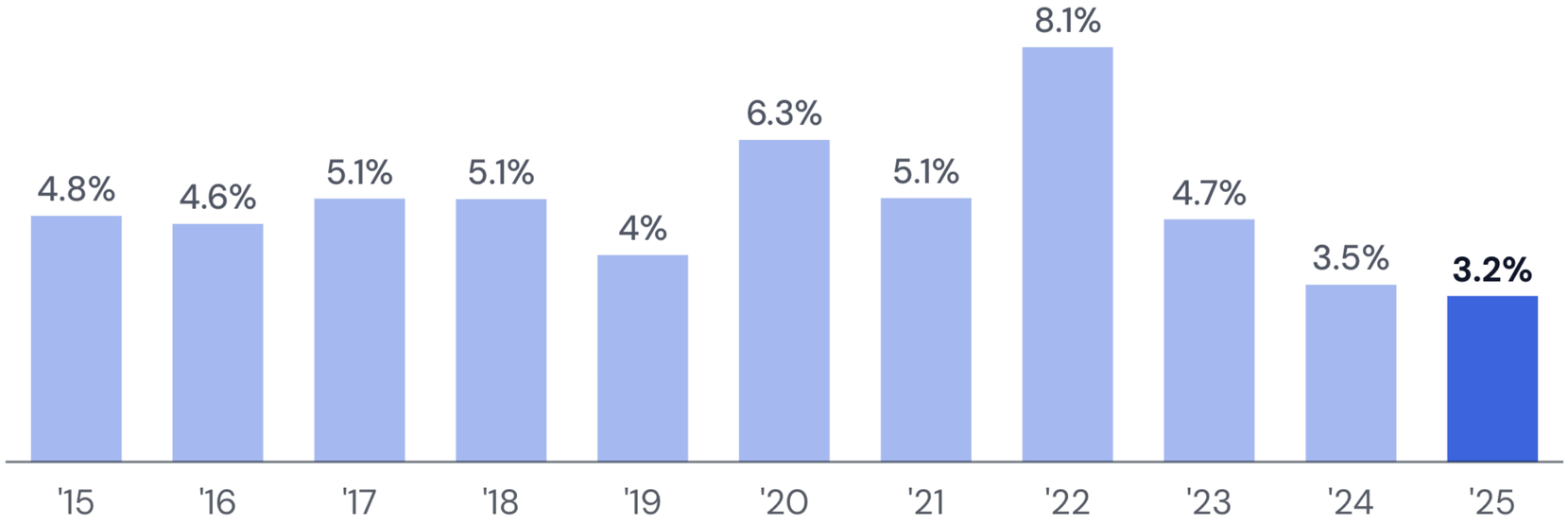
VENTURE CAPITAL

The Midwest produces 16% of US GDP and raises 4.9% of its tech venture capital

From 2021 to 2025, Midwest companies raised $58.2B of tech VC. Midwest share of US tech VC, by year of the round.

16%
of US GDP

4.9%
of US tech venture capital, 2021–2025

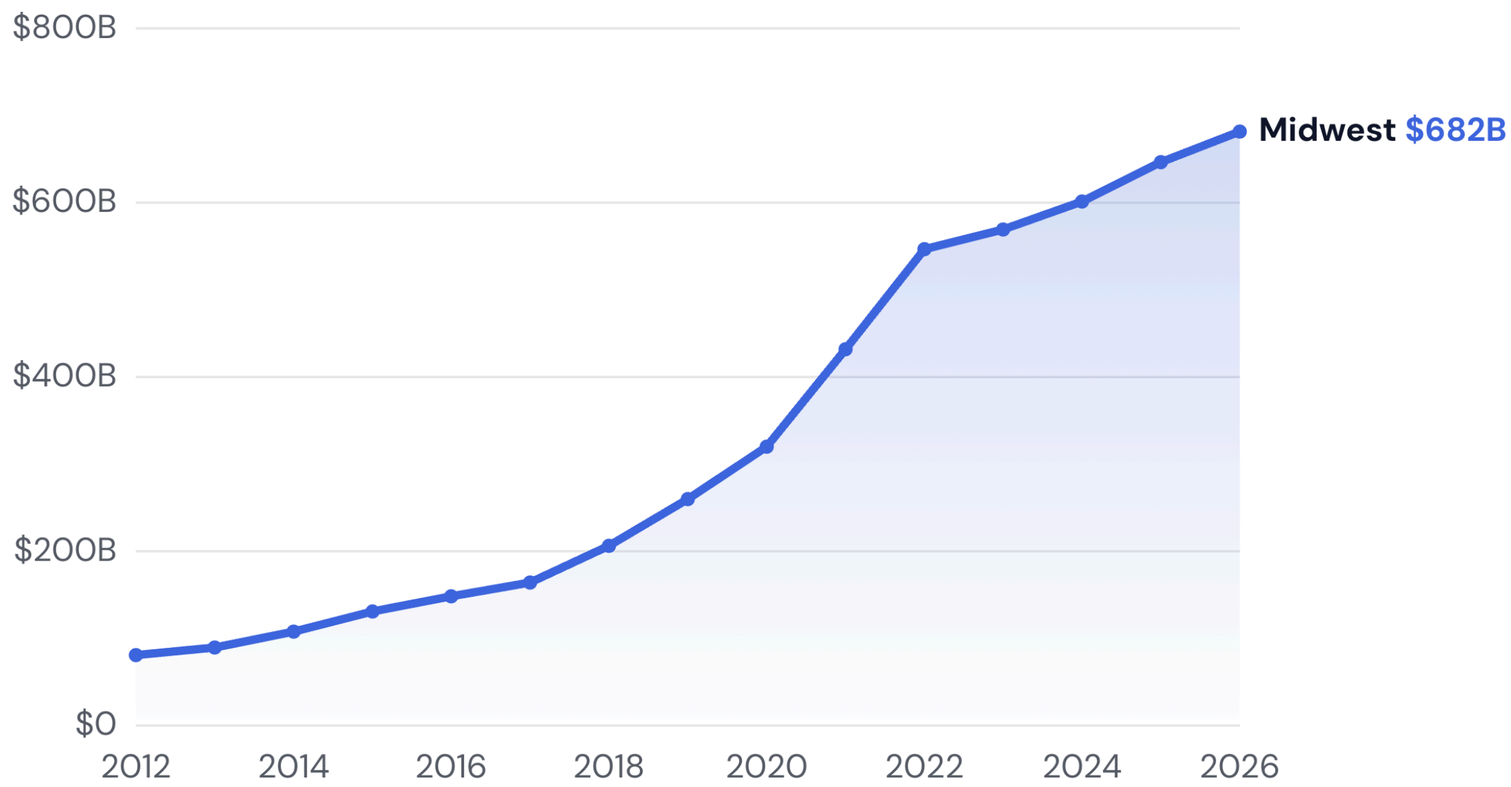


 Source: Dealroom.co, October 2026 · verified tech VC rounds by company HQ · GDP: BEA, 2024

ENTERPRISE VALUE

Midwest startups are worth $682B, up 4.6× since 2016

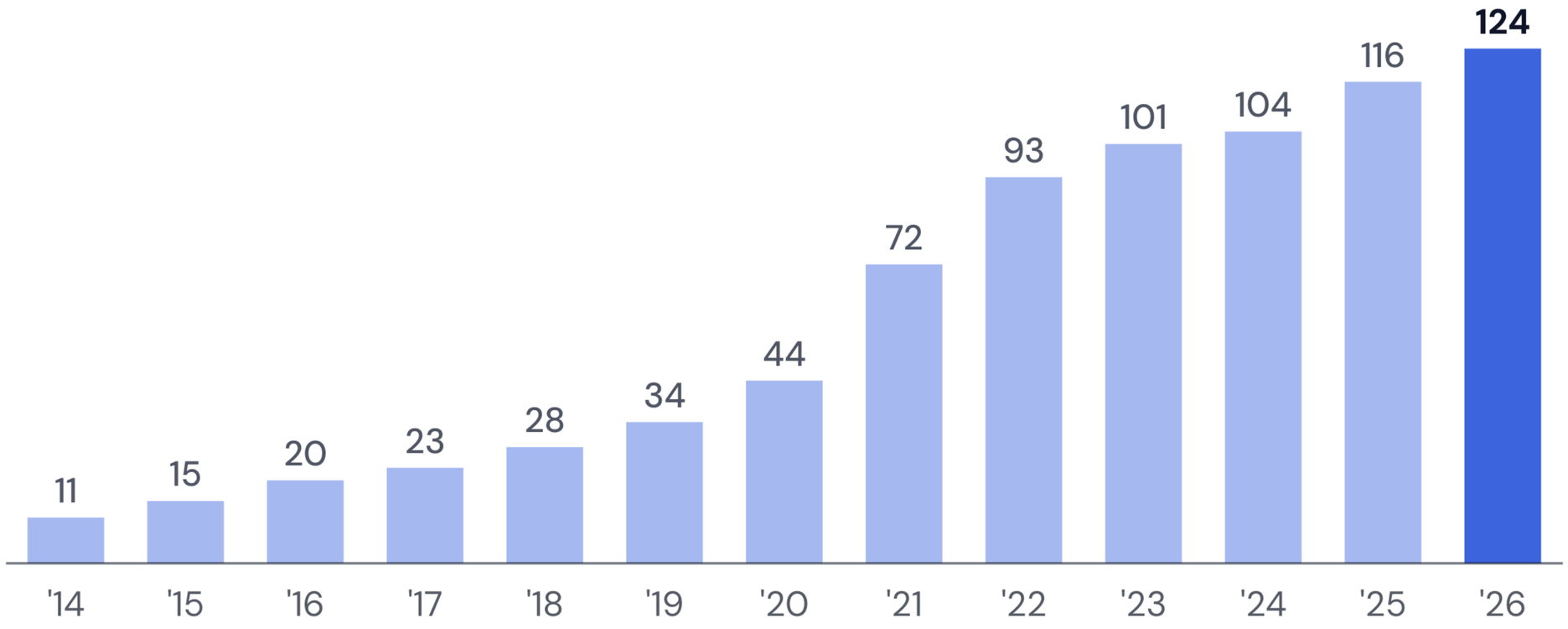
Combined enterprise value rose from $148B in 2016 to $682B in 2026, 16.5% a year. Year-end values, 2026 to date.



$1B+ COMPANIES

124 Midwest companies have reached a $1B valuation

52 of them did so in the last five years. 107 are valued at $1B or more today. Cumulative count, by the year a company was first valued at $1B.

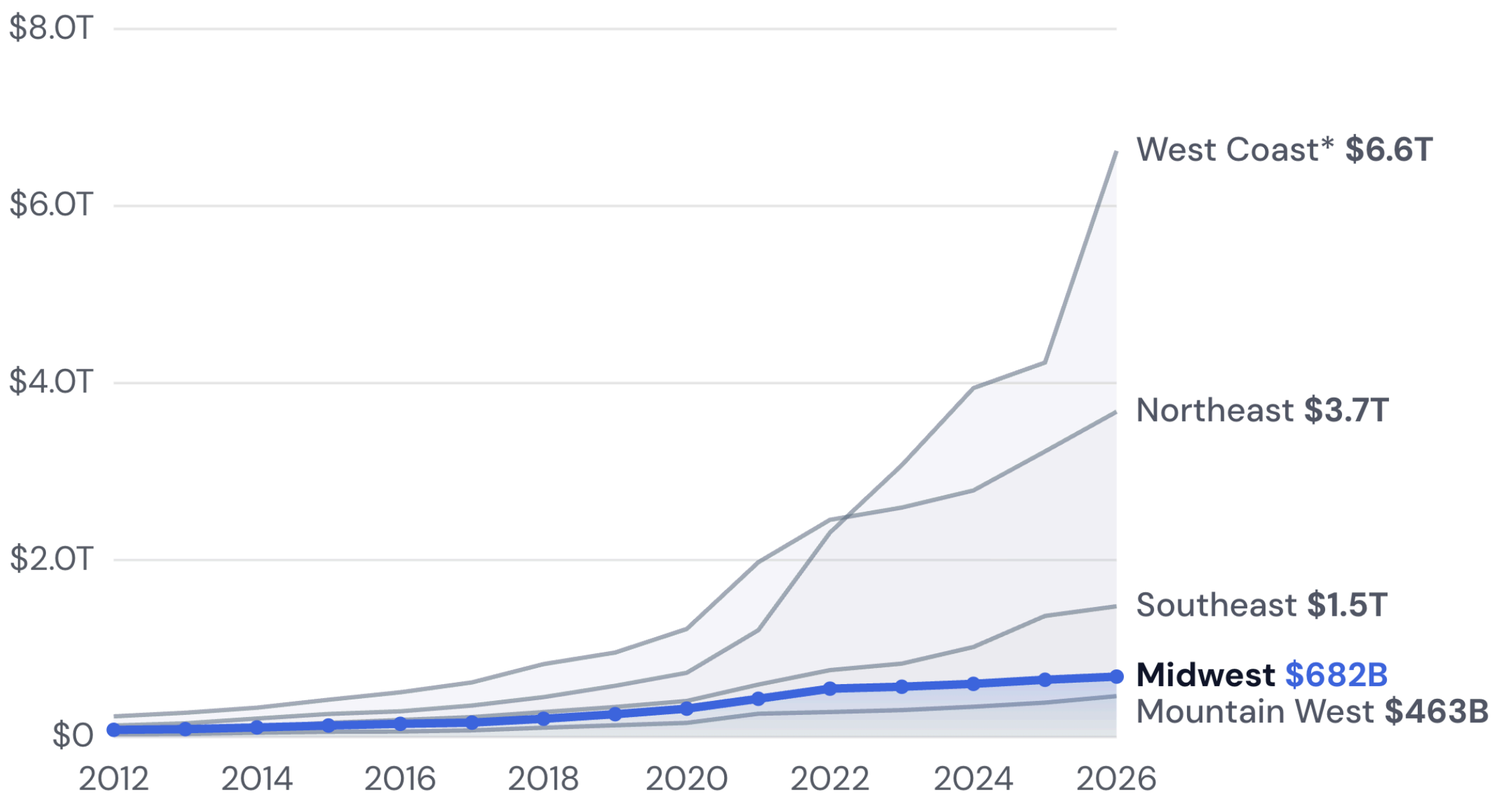


 Source: Dealroom.co, October 2026 · includes companies since acquired or listed

US REGIONS

The Midwest ranks fourth of five US regions by startup value

Combined enterprise value by US region, 2012–2026. Bay Area excluded.

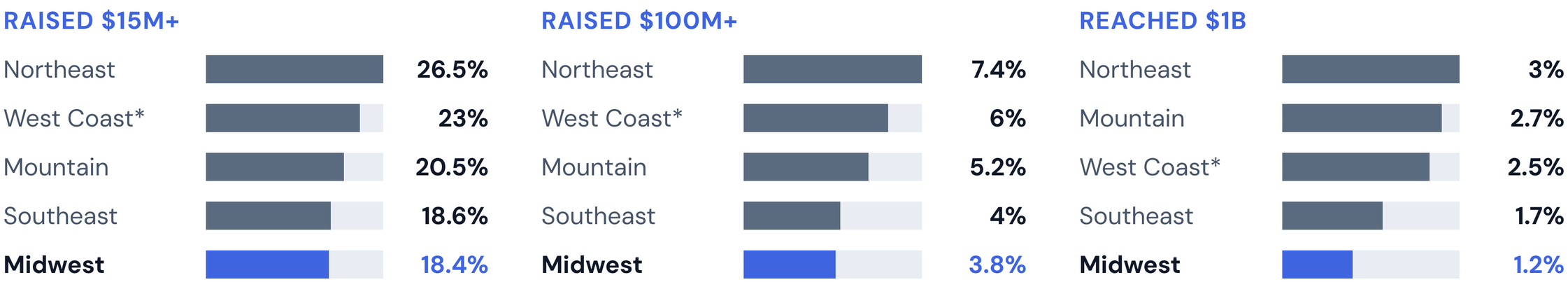


 Source: Dealroom.co, October 2026 · *West Coast excluding the Bay Area

US REGIONS

Midwest startups reach a $1B valuation less often than in other US regions

Startups founded 2010–2019 that raised $100K+, share that went on to each milestone. Midwest cohort: 4,001 startups.



 Source: Dealroom.co, October 2026 · *West Coast excluding the Bay Area

SECTORS

Health, fintech and enterprise software hold 64% of Midwest startup value

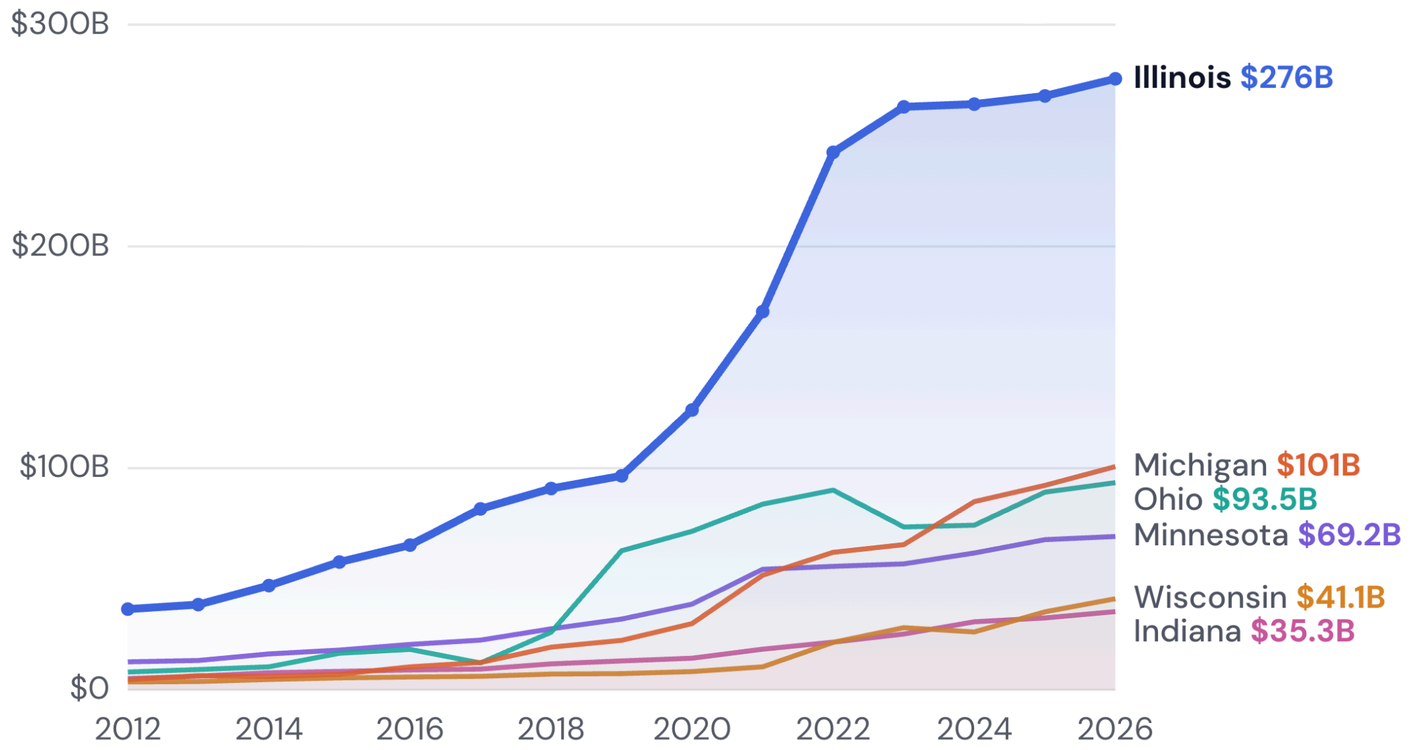
Startups raised $100K+, breakouts $15M+, scaleups $100M+; $1B+ = reached a $1B valuation.

Industry	Startups	Breakouts	Scaleups	$1B+	Enterprise value
Health	1,727	471	97	29	$220B
Fintech	699	199	41	29	$169B
Enterprise software	821	242	58	31	$114B
Transportation	318	79	25	11	$55.1B
Marketing	449	99	19	7	$32.6B
Energy	453	104	25	6	$29.5B
Food	509	89	19	3	$21.9B
Security	210	50	12	6	$21.1B
Real estate	216	44	12	5	$18.2B
Telecom	119	43	7	3	$15.3B

STATES

Illinois holds 40% of Midwest startup value; Michigan and Wisconsin grew fastest

Since 2016, Michigan grew 9.7× to $101B and Wisconsin 7× to $41.1B. Combined enterprise value, six largest states.



STATES

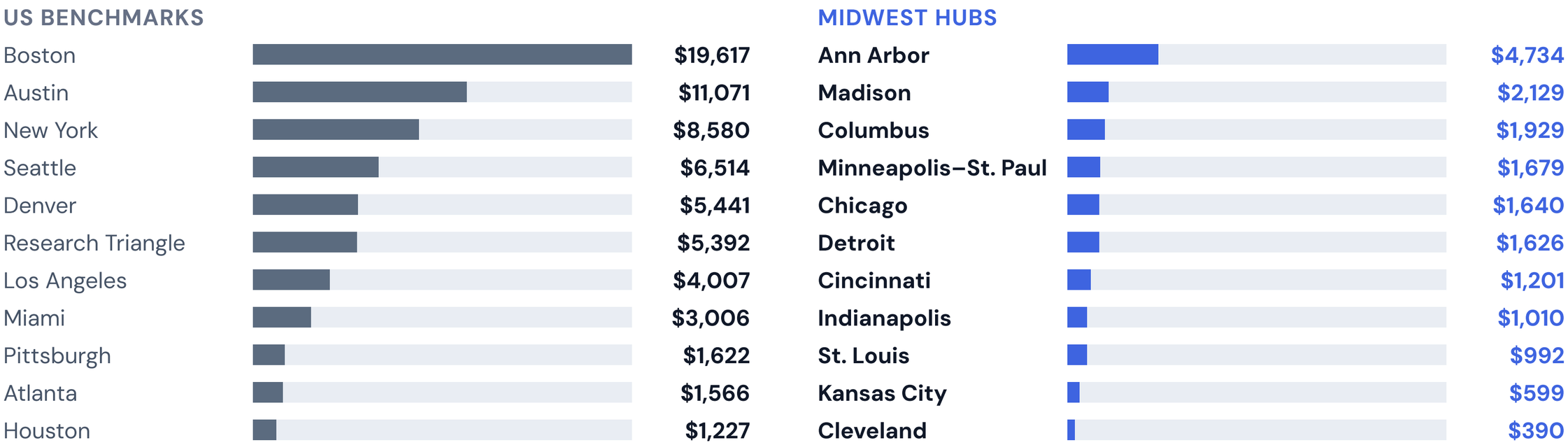
Midwest states: startup value and $1B+ companies

State	Value	Since 2016	$1B+	Most valuable $1B+ companies
Illinois	$276B	4.2×	55	Horizon Therapeutics* $27.8B, Citadel Securities* $22B
Michigan	$101B	9.7×	12	Acrisure $32B, Lineage $19B
Ohio	$93.5B	5.1×	19	WorldPay $24.3B, Sotera Health $5.2B
Minnesota	$69.2B	3.4×	14	Life Time Fitness $8.5B, Arctic Wolf $4.3B
Wisconsin	$41.1B	7×	4	Exact Sciences $23B, Clarios $13.2B
Indiana	$35.3B	3.9×	5	Metronet $4.9B, MBX Biosciences $2.8B
Missouri	$32.2B	3.6×	7	EquipmentShare $6.4B, Lumeris $1.3B
Iowa	$16.8B	2.7×	2	Workiva $3.8B, Summit Carbon Solutions $1.1B
Kansas	$9.7B	4.3×	2	NIC $2.3B, Astron Aerospace $1B
Nebraska	$6.5B	3.8×	2	TransFirst $2.4B, CompanyCam $2B
South Dakota	$1.8B	–	1	BitGo $973M
North Dakota	$1.1B	–	1	Aldevron $9.6B

STARTUP HUBS

Ann Arbor raises the most venture capital per resident in the Midwest

Tech VC raised 2021–2025, divided by metro population. Both columns use one scale; the Bay Area ($64,230) is off it.



STARTUP HUBS

Midwest startup hubs and their strongest sectors

Chicago

Fintech
Health and medtech
Food

Minneapolis–St. Paul

Health and medtech
Cybersecurity
Life sciences

Detroit

Transportation
Robotics
Climate tech

Ann Arbor

Cybersecurity
Defence
Semiconductors

Columbus

Cybersecurity
Crypto
Robotics

Cincinnati

Health and medtech
Software
Food

Indianapolis

Life sciences
Food
Health and medtech

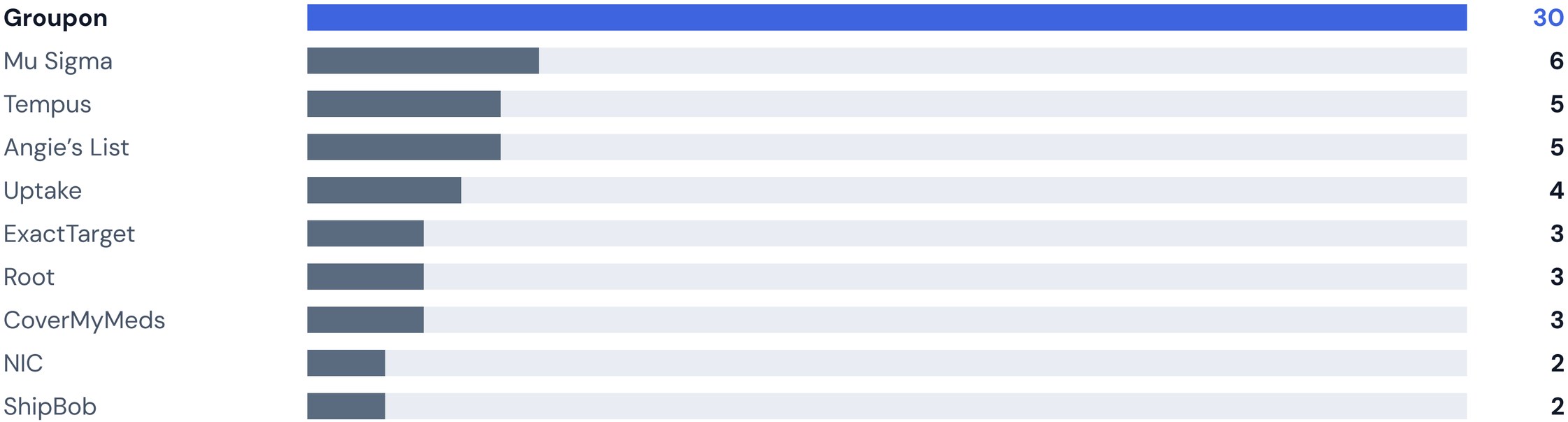
St. Louis

Health and medtech
Cybersecurity
Food

FOUNDERS

Former Groupon employees have founded 30 VC-backed startups

VC-backed startups that raised $1M+, founded by former employees of Midwest $1B+ companies.



FOUNDERS

The largest companies founded by Groupon alumni

More than 100 companies on six continents, worth $15B+ combined. Latest valuation or total funding.

Chronosphere US — **$3.4B**	**Linear** US — **$1.3B**	**Kite** US — **$1.2B**
JOKR Europe — **$800M**	**Jüsto** Latin America — **$760M**	**Moss** Europe — **$550M**
Pinwheel US — **$500M**	**Aspire** Asia — **$500M**	**Patient21** Europe — **$420M**
Vedrai Europe — **$264M**	**Turquoise Health** US — **$240M**	**PSQUARED** Europe — **$220M**

FOUNDERS

71% of the founders of Midwest $1B+ companies are American

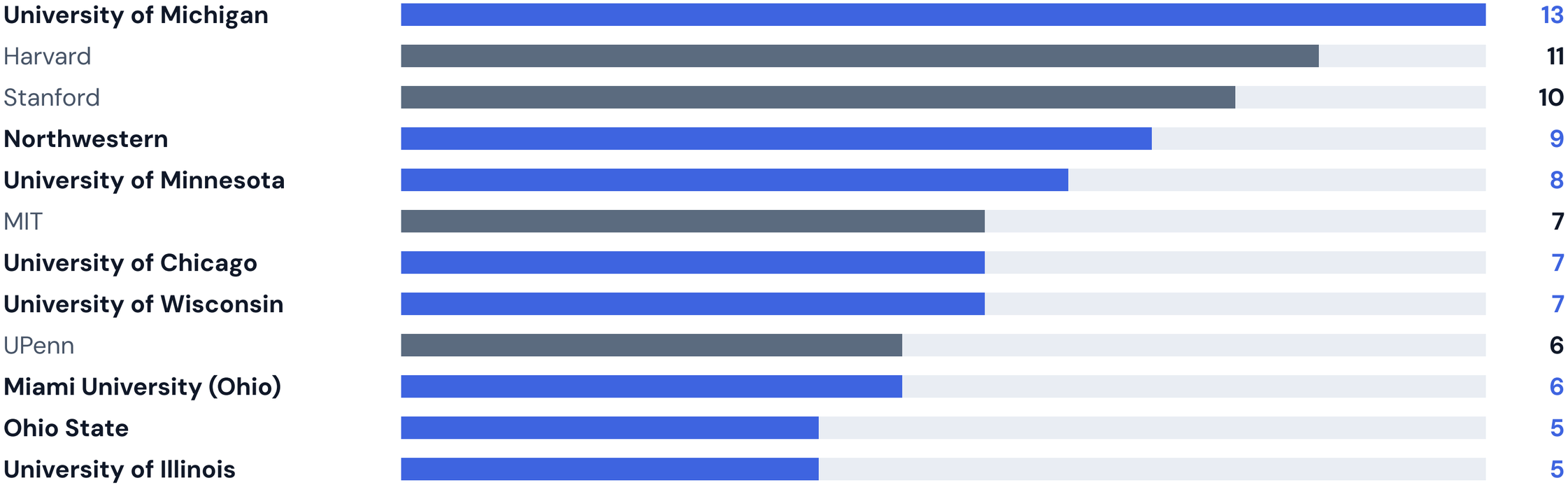
Country of origin of 171 founders of Midwest $1B+ companies.



FOUNDERS

The University of Michigan educated the most founders of Midwest $1B+ companies

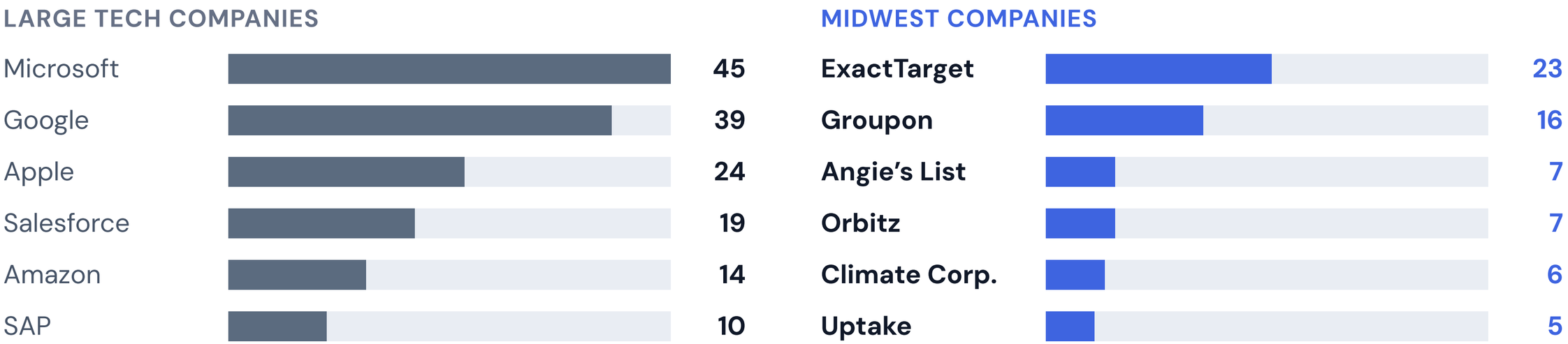
Founders per university; Midwest universities in blue. 255 universities in total.



FOUNDERS

Where Midwest startup founders worked before

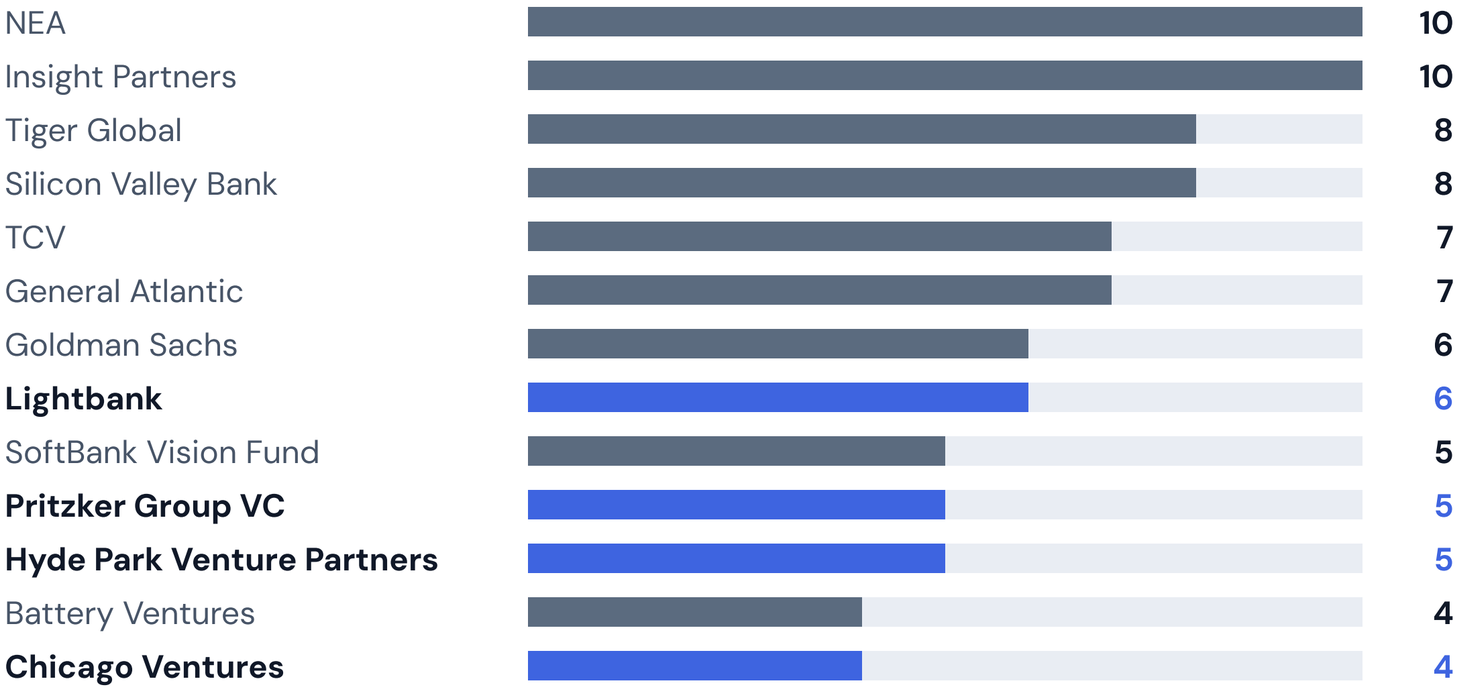
Previous employers of 841 Midwest startup founders. ExactTarget and Groupon trained the most among Midwest companies.



INVESTORS

NEA and Insight Partners each backed 10 Midwest $1B+ companies

Number of Midwest $1B+ companies backed; Midwest firms in blue.



Other Midwest investors

Pre-seed and seed
M25, Origin Ventures, Serra Ventures, Ludlow Ventures

Series A and growth
Drive Capital, Jump Capital, Dundee VC, Allos Ventures

Angels and networks
Queen City Angels, Michigan Capital Network

Public and non-dilutive
Ohio Third Frontier, SBIR / STTR



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