

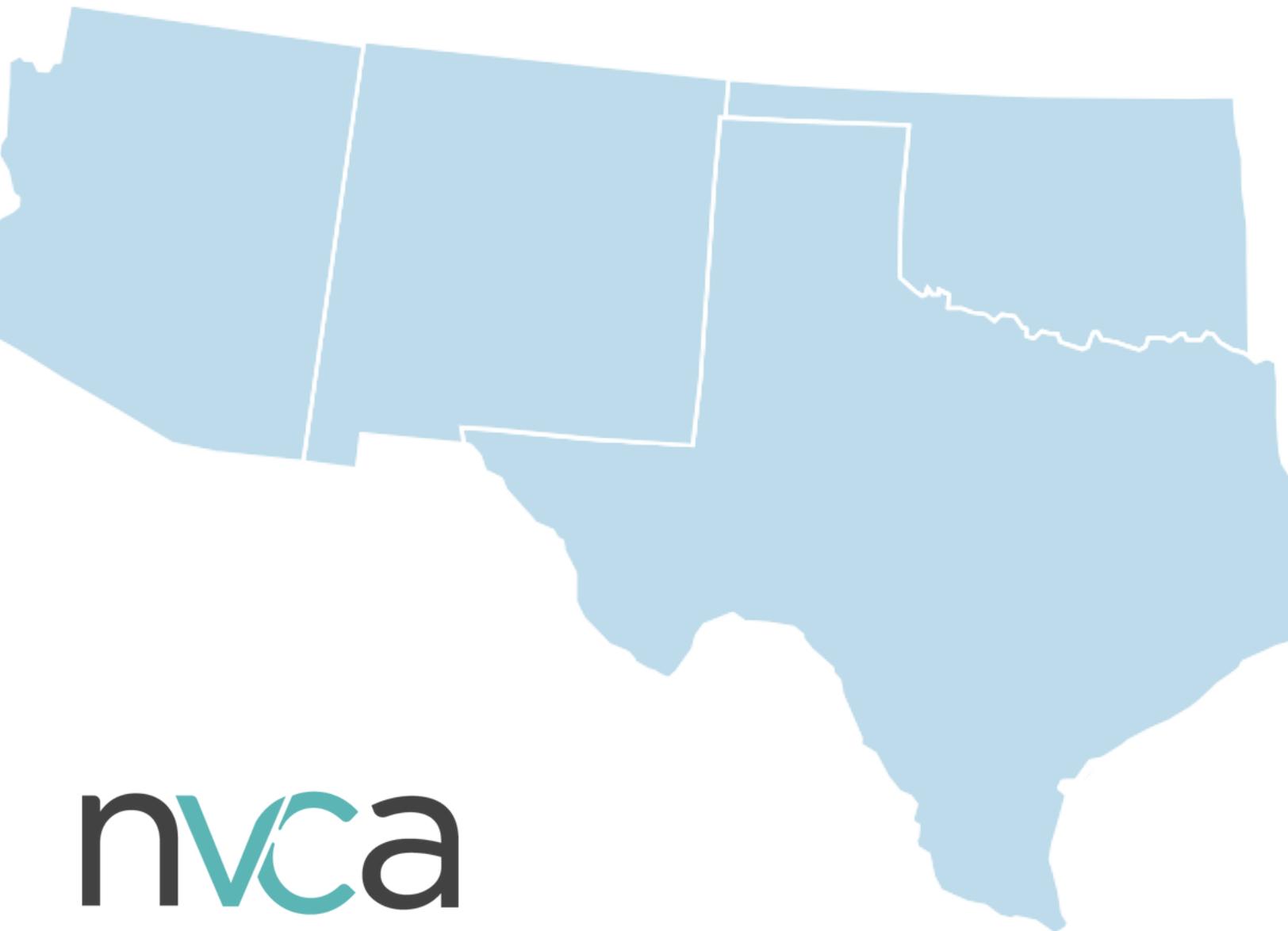


# Regional Report

# **Southwest**

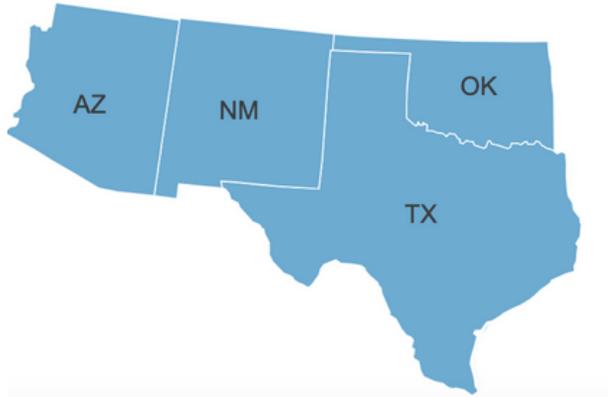
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AZ, NM, OK, TX



**nvca**

# Regional Spotlight: Southwest



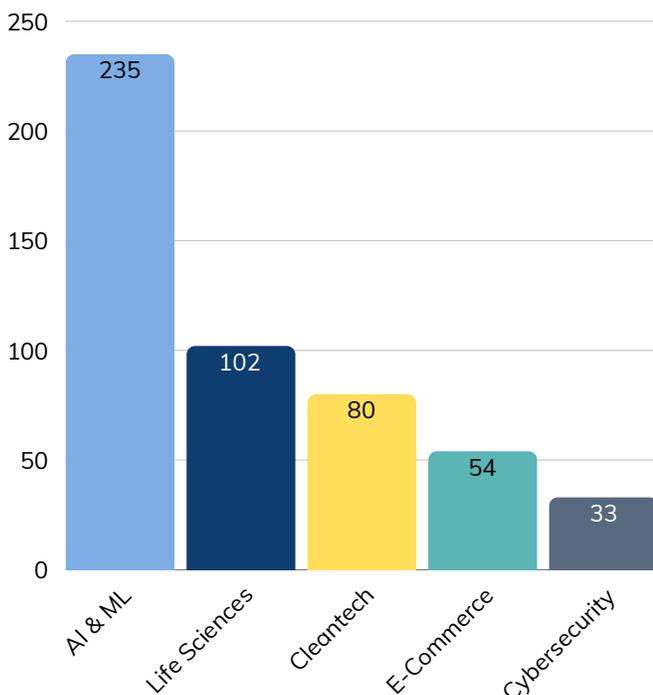
This report explores the venture capital ecosystem and its role in supporting startups, job creation, and economic growth across the Southwest. Produced by the National Venture Capital Association (NVCA), this series examines eight distinct regions (see map on final page) to highlight the unique strengths and contributions of each to the national innovation economy. NVCA is the leading trade association for the U.S. venture capital industry, advocating for policies that support entrepreneurship, capital formation, and the growth of high-growth companies.

The Southwest is fast becoming one of America’s most forward-looking innovation ecosystems, pairing its pioneering spirit with a new generation of entrepreneurs transforming how the world moves, and connects. Once known for its oil fields and defense bases, the region now stands at the center of our global energy transformation and the space economy.

Anchored by Texas and energized by the growing ecosystems of Arizona, New Mexico, and Oklahoma, the Southwest has drawn founders and investors who thrive on scale, science, and frontier thinking. From aerospace and semiconductors to energy and artificial intelligence, new companies are emerging from research institutions, national labs, and universities that have long defined the region’s scientific strength.

Today, the region’s innovation landscape reflects both its heritage and its horizon. Venture investment is fueling growing pockets of innovation in everything from defense technology to spaceports, while a new generation of founders are redefining what it means to build in America’s innovation frontier.

**Number of Companies Across Top Sectors in the Southwest:**



**559,214**

The number of VC-backed startups jobs in the Southwest, as of 2022, the latest data available.

**484%**

\$8.9B in 2024 venture investment from \$1.5B in 2004.

**501%**

Deal count quintupled from 196 to 981 deals (2005-2024).

**426%**

Growth in AUM (2005-2024).

**\$9.1M**

Average deal size (2024).

**\$1.75B**

Machine Learning & AI investment (2024).

**\$584M**

Cleantech investment (2024).

**\$15B**

Deal flow to double by 2030 - compound growth accelerating.

## Startups in The Region



College Contact is a college, career, and military readiness platform that matches high school students with trained undergraduate college and

career coaches for individualized postsecondary planning support in 30+ languages. By partnering directly with school districts and higher education institutions, College Contact helps address the \$10B national advising gap and ongoing counselor shortage, providing outcomes-based, supplemental support for schools and families. A three-time EdTech Product of the Year winner in 2025, College Contact is a female-founded, venture-backed company based in Austin, Texas.



90% of goods travel by sea, emitting over 1 billion tons of CO2 a year.

Houston, TX-based Fleetzero is building autonomous, battery-electric cargo ships and modular marine batteries to decarbonize ocean freight while making shipping cheaper, safer, and more reliable than today's diesel fleets. Battery-powered ships will lower the costs of operation and provide higher reliability than fossil-fuel ships, resulting in order-of-magnitude reductions in fuel, maintenance, and crew costs.



Traditional defense operations often rely on expensive, human-intensive systems that struggle to adapt in dynamic battlefield environments.

Headquartered in Scottsdale, AZ, Swarmbotics AI addresses this challenge with its innovative ANTS system— a networked, tactical swarm robotics solution that enhances operational efficiency with autonomous, low-cost ground robots. Designed for applications such as contested logistics, flight line operations, and mobile security, Swarmbotics AI leverages commercial off-the-shelf components and advanced AI to empower defense agencies with adaptable, mission-ready robotic capabilities.

Across the Southwest, venture capital firms are fueling leading-edge industries, including:



## VCs in The Region



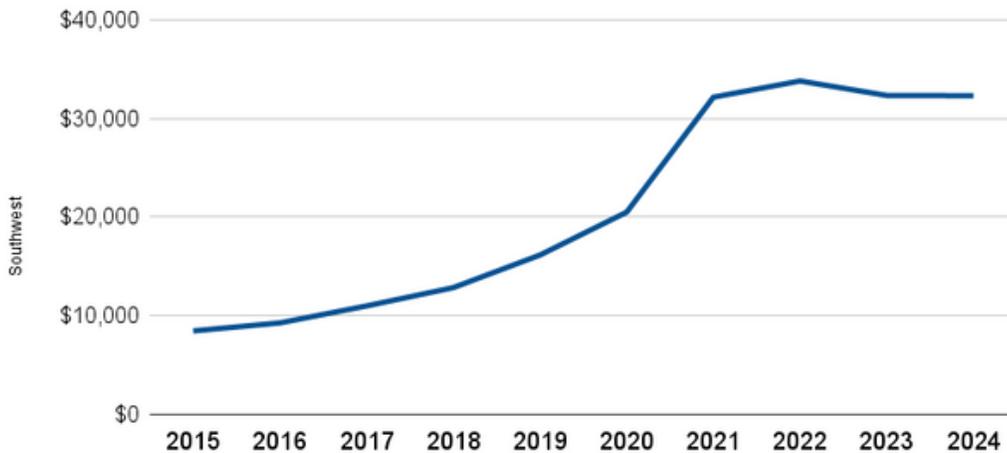
AZ-VC is the largest venture fund in Arizona, investing in early-stage software companies across Arizona and other overlooked regions. The Scottsdale-based firm partners with exceptional founders in regions that have historically been underserved by venture capital to ensure that geography is never a barrier to building a great company. AZ-VC's team brings deep operating experience and hands-on support to founders blazing new trails, working alongside them to build enduring companies in emerging markets.

With an eye on bolstering the New Mexico startup ecosystem and investing in locally-affiliated companies, Albuquerque-headquartered New Mexico Vintage Fund actively invests in early-stage and high-growth companies and entrepreneurs seeking to make a difference in the Land of Enchantment. With a diversified portfolio spanning consumer products to manufacturing, the experienced team of investors at New Mexico Vintage Fund support companies across all stages of the startup lifecycle, partnering with founders and teams that want to make an impact on New Mexico.



Plain Ventures is grounded in the belief that good ideas require more than just capital. Based in Oklahoma City, the venture firm provides the resources, guidance, and support needed to grow successful companies throughout the startup journey, with a focus on early stage capital. Believing that the growth process is more than just a financial transaction, the firm has built the blueprint for sustainable funding for startups between the coasts. Plain Ventures has the know-how and experience to truly grow a business, investing in companies across a range of industries, including software, life sciences, advanced materials, manufacturing, and more.

## Assets Under Management (\$M)



2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$8,428.73	\$9,243.32	\$10,967.89	\$12,824.86	\$16,135.58	\$20,485.93	\$32,157.63	\$33,802.11	\$32,330.94	\$32,307.57

# Startup Founders



Jeff Cardenas is the Co-Founder and CEO of Apptronik, based in Austin, TX, a robotics company developing ai-powered humanoid robots designed to work safely alongside humans in industries like logistics, manufacturing, and elder care. A two-time University of Texas at Austin graduate (BBA '08, MSTC '13), Jeff began his career in Deloitte's technology practice before helping innovators bring research to market at UT's IC<sup>2</sup> Institute. Inspired by the potential of technology to improve quality of life, he spun Apptronik out of UT's Human Centered Robotics Lab in 2016. His vision: "embodied AI" robots that can ease labor shortages, assist aging populations, and advance human potential on Earth and beyond.



Fran Maier is the Founder and CEO of BabyQuip, a Santa Fe, NM-based startup making family travel easier through a trusted baby gear rental marketplace. A trailblazer in consumer internet ventures, Fran previously co-founded Match.com and led privacy pioneer TRUSTe (now TrustArc). With more than three decades of experience scaling startups, she's built BabyQuip into a community of over 3,200 independent "Quality Providers" across 2,000 markets. Under her leadership, the platform empowers mostly women entrepreneurs while helping parents "pack light and travel happy." A Stanford alum, Fran continues to champion confidence, trusted brands, and greater investment in female founders.



Edna Martinson is the Co-Founder of Boddle Learning, an education technology startup headquartered in Tulsa, OK, transforming K-6 learning through gamified, AI-powered experiences. Originally from Ghana, Edna was inspired by her parents' belief in education as a pathway to opportunity and co-founded Boddle with her husband, Clarence Tan, to help students learn at their own pace. Under her leadership, Boddle has grown from its "mom's basement phase" to serving over 7 million users worldwide. Named to Forbes' 30 Under 30 in Education (2023), Edna champions equity in learning and envisions a future where technology makes education joyful, inclusive, and personalized for every child.

## The Southwest's Top Ranked States

Ranked by the number of VC backed companies in 2024:

<b>1</b>	TEXAS
<b>2</b>	ARIZONA
<b>3</b>	OKLAHOMA

Ranked by growth of VC investment 2005-2024:

<b>1</b>	OKLAHOMA
<b>2</b>	ARIZONA
<b>3</b>	TEXAS

Ranked by fundraising in 2024:

<b>1</b>	TEXAS
<b>2</b>	ARIZONA
<b>3</b>	NEW MEXICO

## Charting New Frontiers

**\$7B+**

In aerospace investment (2024).

**Top 3**

Leading regions in energy exploration tech by 2030.

**3x**

Growth in cleantech investment 2005-2024.

## Venture Leaders



Beezer is a Partner at Sapphire Partners, the LP arm of Sapphire Ventures, where she aims to invest in exceptional early-stage venture funds in the U.S., Europe and Israel. With 60% of Sapphire Partners' relationships starting as emerging managers, Beezer uses her pattern recognition, instincts and market foresight to identify the next generation of top VCs and ushers them to become established and franchise firms. Recognizing early on that LPs operate in an opaque corner of the ecosystem, Beezer co-founded OpenLP to demystify the LP perspective and share wisdom and insights not taught by professors. Beezer has ascended to one of venture's most respected and sought after LP resources for founders, GPs and media alike. She has graced the covers of Fortune Magazine and Venture Capital Journal (VCJ), was a Forbes 50 Over 50 honoree, VCJ Woman of Influence, and a Wall Street Journal Woman to Watch.

Aziz Gilani is a Managing Director at Mercury Fund, a Texas-based venture capital firm, where he focuses on early-stage investments in AI, SaaS, and Infrastructure across HealthTech and Cyber. With over 15 years of investment experience, he is recognized as a thought leader and expert on seed level growth, regularly featured in The Wall Street Journal and The New York Times, among other nationally prominent publications. Aziz received his MBA from Northwestern University's Kellogg School of Management, where he was an FC Austin Scholar. He teaches entrepreneurial finance as a lecturer at the Jones Graduate School of Business at Rice University. A graduate of the Kauffman Fellows Program, he is deeply engaged in advocating on behalf of the venture capital industry. Aziz also served on the National Advisory Council for Innovation and Entrepreneurship under the Biden administration and is a board member of the National Venture Capital Association (NVCA).

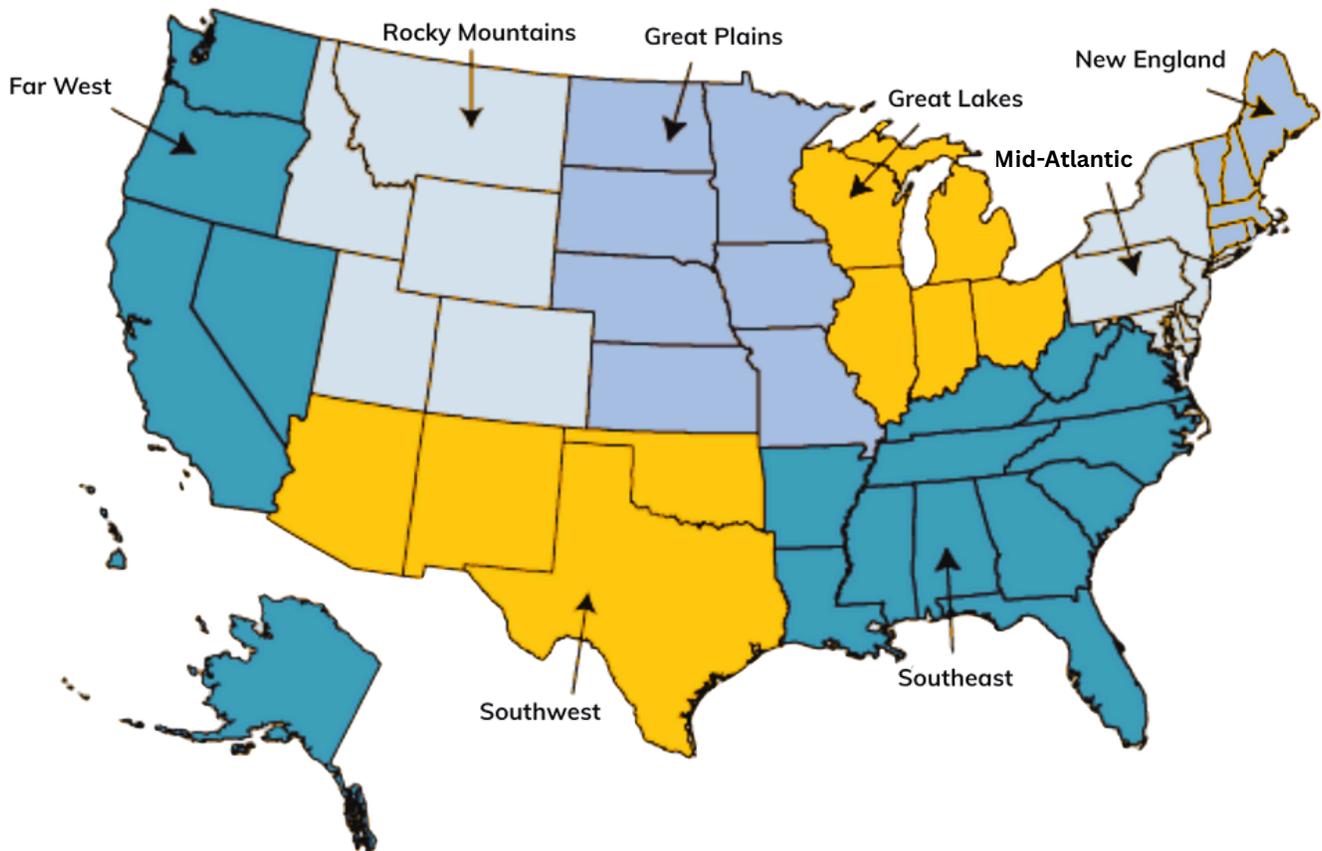


Anthony Bajoras is the Founder and Managing Director of CANCER FUND, a Phoenix-based venture firm investing exclusively in early-stage cancer innovations, including therapies, diagnostics, devices, and emerging technologies. Built around a novel stakeholder-driven model, CANCER FUND engages a growing network of more than 10,000 physicians, scientists, investors, and patients who collaborate to evaluate and invest together through Cancer Fund I or other vehicles. Anthony brings over 20 years of experience as a founder, early-stage investor, and seed fund LP with multiple exits. Like many of us, he's lost too many friends and family members to cancer and launched CANCER FUND to help change that.

Sector	2024 Investment (\$M)	5 Year Growth	Rate vs. National
Semiconductors	\$2,103	3.5x	1.5x
E-Commerce	\$1,403	4.2x	3x
Energy Exploration	\$1,976	1.9x	5.3x
Defense	\$7,032	5.9x	7.5x
Biotech	\$2,049	6.8x	2.4x

# 8 Regions of the United States

This regional reports series offers a comprehensive look at how venture capital shapes local economies and contributes to national growth. By examining eight distinct regions, as defined the U.S. Bureau of Economic Analysis, NVCA highlights the diverse strengths, industries, and innovation drivers that power the U.S. startup ecosystem. Together, these reports provide a deeper understanding of how VC-backed companies create jobs, spur technological breakthroughs, and strengthen America's global competitiveness.



The National Venture Capital Association (NVCA) empowers the next generation of American companies that will fuel the economy of tomorrow. As the voice of the U.S. venture capital and startup community, NVCA advocates for public policy that supports the American entrepreneurial ecosystem. Serving the venture community as the preeminent trade association, NVCA arms the venture community for success, serving as the leading resource for venture capital data, practical education, peer-led initiatives, and networking.

For more information about NVCA, please visit [www.nvca.org](http://www.nvca.org).

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