



Top States & Districts for Private Equity Investment

2020



Data provided by



A message from AIC president Drew Maloney

Contents

Investments	3-11
Case study: Confie Seguros	12-13
Sector highlights	14-24
Appendix	25
Methodology & notes	26

2020 was a challenging year for the economy. For private equity firms, the first half of the year involved thousands of phone calls and Zoom meetings to make sure their portfolio companies had the resources they needed to cushion the blow delivered by COVID-19. In addition to providing hundreds of millions of dollars of equity to struggling companies, private equity firms also set up employee assistance funds for their portfolio companies, and many firms hired health care experts and CDC officials to advise their companies on best practices. Private equity once again proved its resiliency in uncertain times.

The second half of the year saw a resurgence of investment, and despite the turmoil, private equity had its most active year ever. Private equity investments eclipsed 5,000 deals last year, totaling more than \$650 billion in capital invested. Many of those investments were rescue capital—restaurant chains and hair salons bought out of bankruptcy, or public companies such as Airbnb and Expedia receiving much-needed capital to ride out the storm.

As President and CEO of The American Investment Council, it's a privilege to represent this industry, especially in times such as these. Private equity helped save countless jobs and hundreds of companies in the biggest Black Swan event since the 2008 financial crisis. After shielding its current portfolio companies, the industry set out to revive hundreds of others, not only giving them a chance to survive, but to grow once our economy comes roaring back.

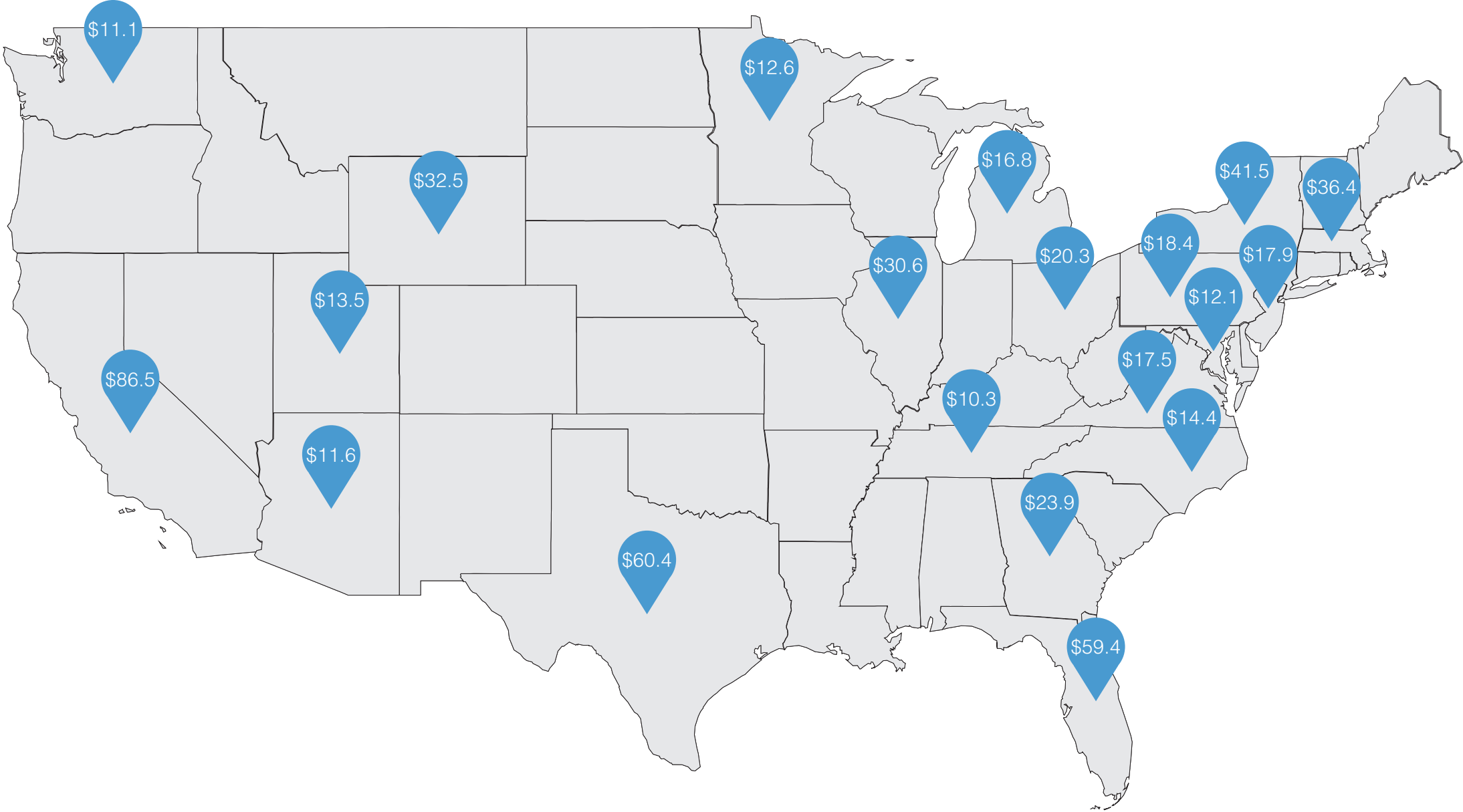


Drew Maloney
President and CEO
The American Investment Council

Investments

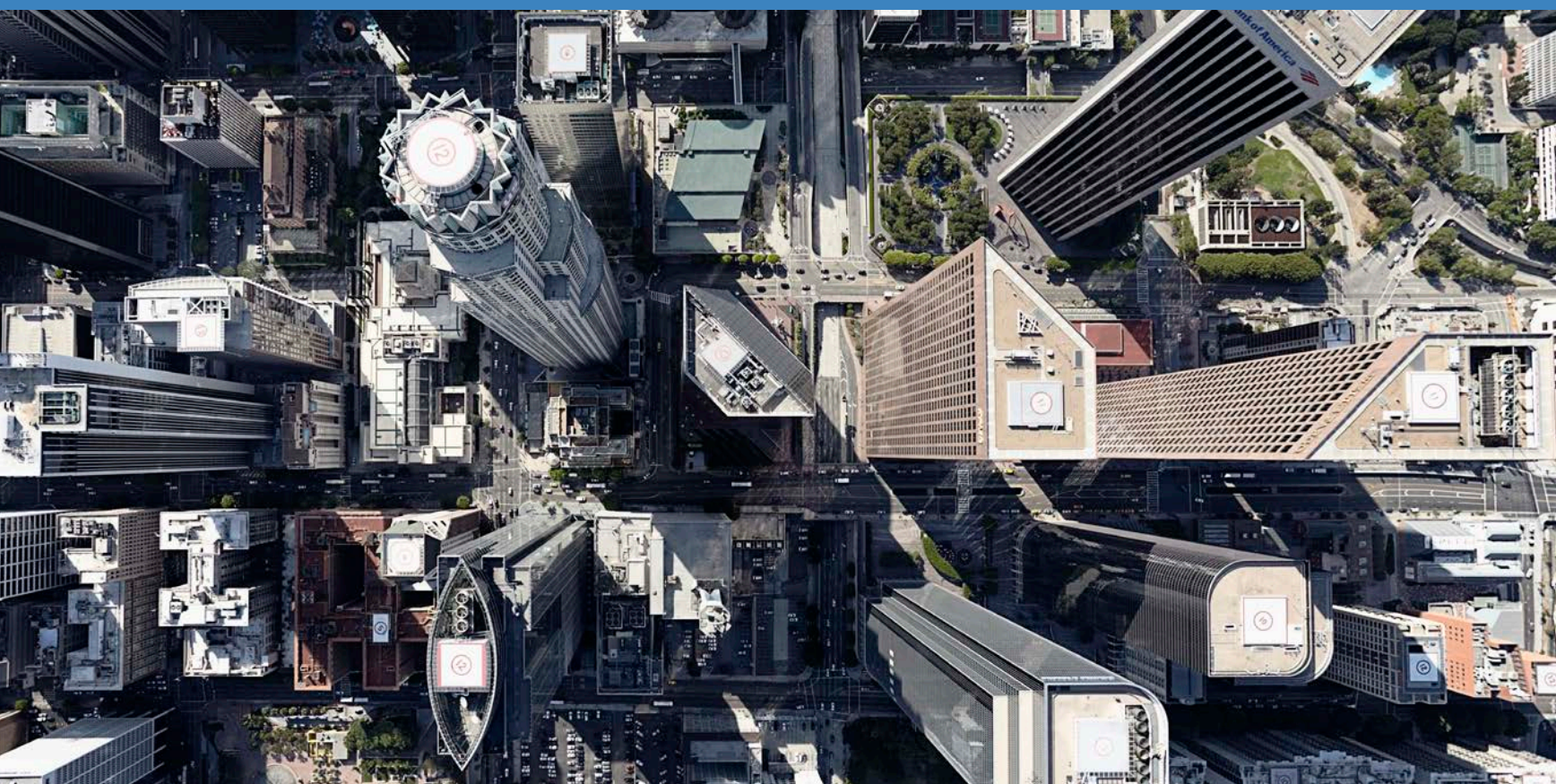


Top 20 states receiving private equity investment in 2020



Private equity investment by state

California tops the list of states receiving the most private equity investment

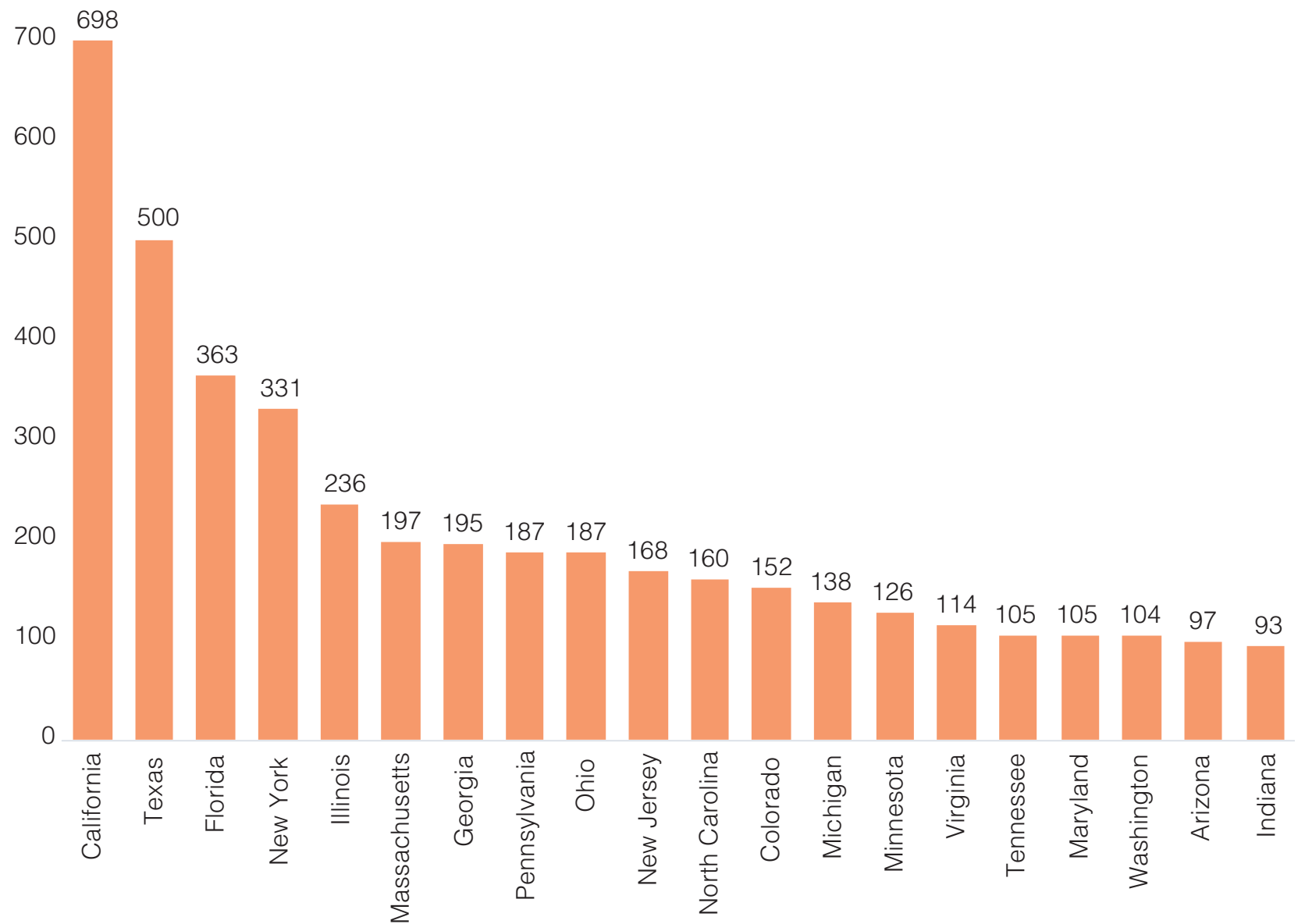


State	\$B in PE
California	\$86.5
Texas	\$60.4
Florida	\$59.4
New York	\$41.5
Massachusetts	\$36.7
Colorado	\$32.5
Illinois	\$30.6
Georgia	\$23.9
Ohio	\$20.3
Pennsylvania	\$18.4
New Jersey	\$17.9
Virginia	\$17.5
Michigan	\$16.8
North Carolina	\$14.4
Utah	\$13.5
Minnesota	\$12.6
Maryland	\$12.1
Arizona	\$11.6
Washington	\$11.1
Tennessee	\$10.3

Source: PitchBook
*As of December 31, 2020

Top states by number of companies receiving investment

California, Texas, and Florida lead the nation with the number of companies receiving private equity investment



Source: PitchBook
*As of December 31, 2020

Private equity investment by congressional district

Spanning 11 states across the country, the top 20 congressional districts in 2020 all saw at least \$5 billion of private equity capital infused into their districts.

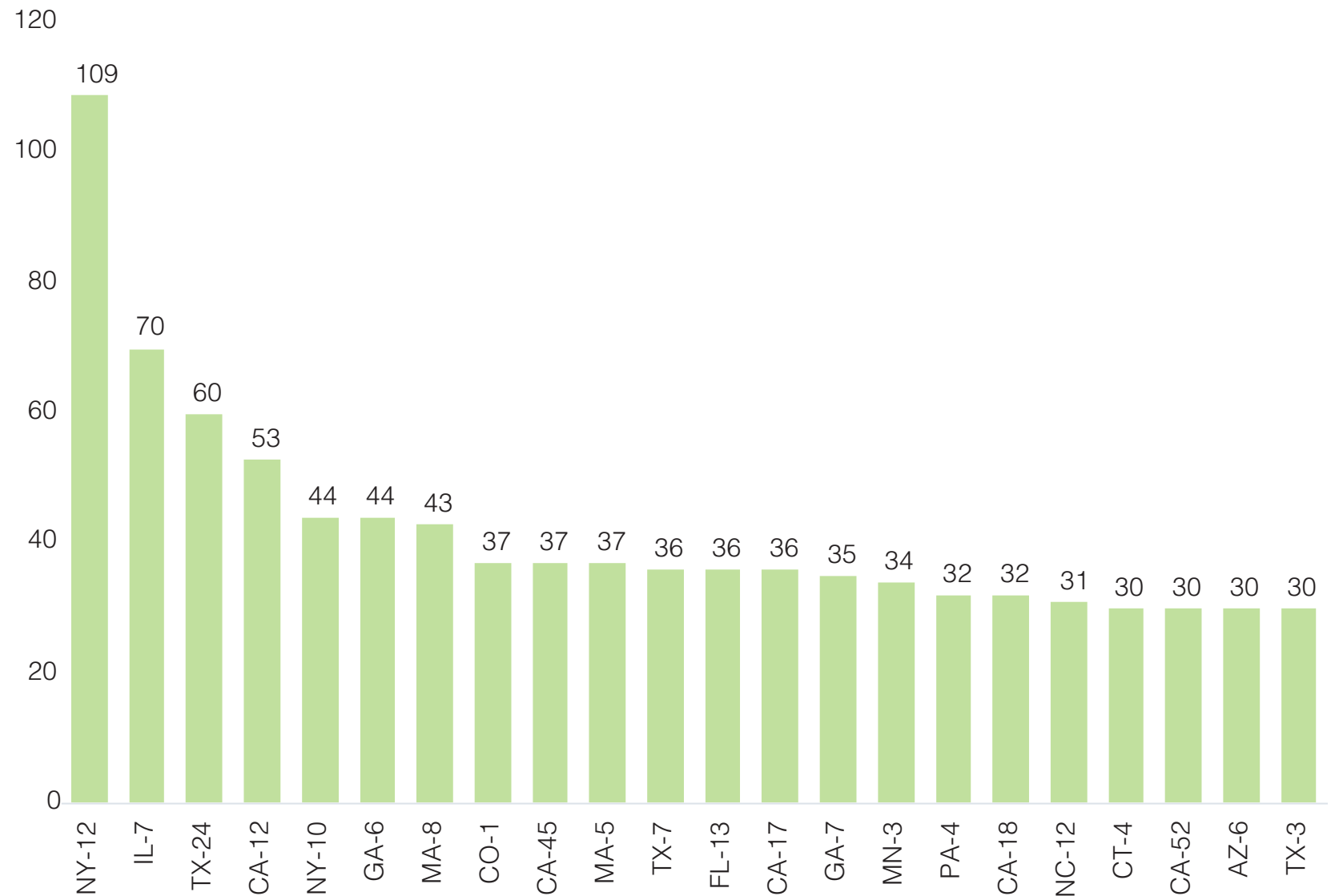
Rank	Representative	State	\$B in PE
1	 Rep. Joe Neguse	CO-2	\$16.87
2	 Rep. Stephen Lynch	MA-8	\$16.83
3	 Rep. Carolyn Maloney	NY-12	\$15.19
4	 Rep. Nancy Pelosi	CA-12	\$15.03
5	 Rep. Debbie Wasserman Schultz	FL-23	\$12.15
6	 Rep. Danny Davis	IL-7	\$10.40
7	 Rep. Charlie Crist	FL-13	\$10.35
8	 Rep. Chip Roy	TX-21	\$8.72
9	 Rep. John Curtis	UT-3	\$8.56
10	 Rep. Diana DeGette	CO-1	\$7.38

Rank	Representative	State	\$B in PE
11	 Rep. Ro Khanna	CA-17	\$7.24
12	 Rep. Ted Lieu	CA-33	\$7.07
13	 Rep. Jennifer Wexton	VA-10	\$6.45
14	 Rep. Barry Loudermilk	GA-11	\$6.05
15	 Rep. Carolyn Bourdeaux	GA-7	\$5.86
16	 Rep. Beth Van Duyne	TX-24	\$5.66
17	 Rep. Dave Joyce	OH-14	\$5.49
18	 Rep. Katherine Clark	MA-5	\$5.38
19	 Rep. Lucy McBath	GA-6	\$5.19
20	 Rep. Tony Gonzalez	TX-23	\$5.02

Source: PitchBook
*As of December 31, 2020

Top districts by number of companies receiving investment

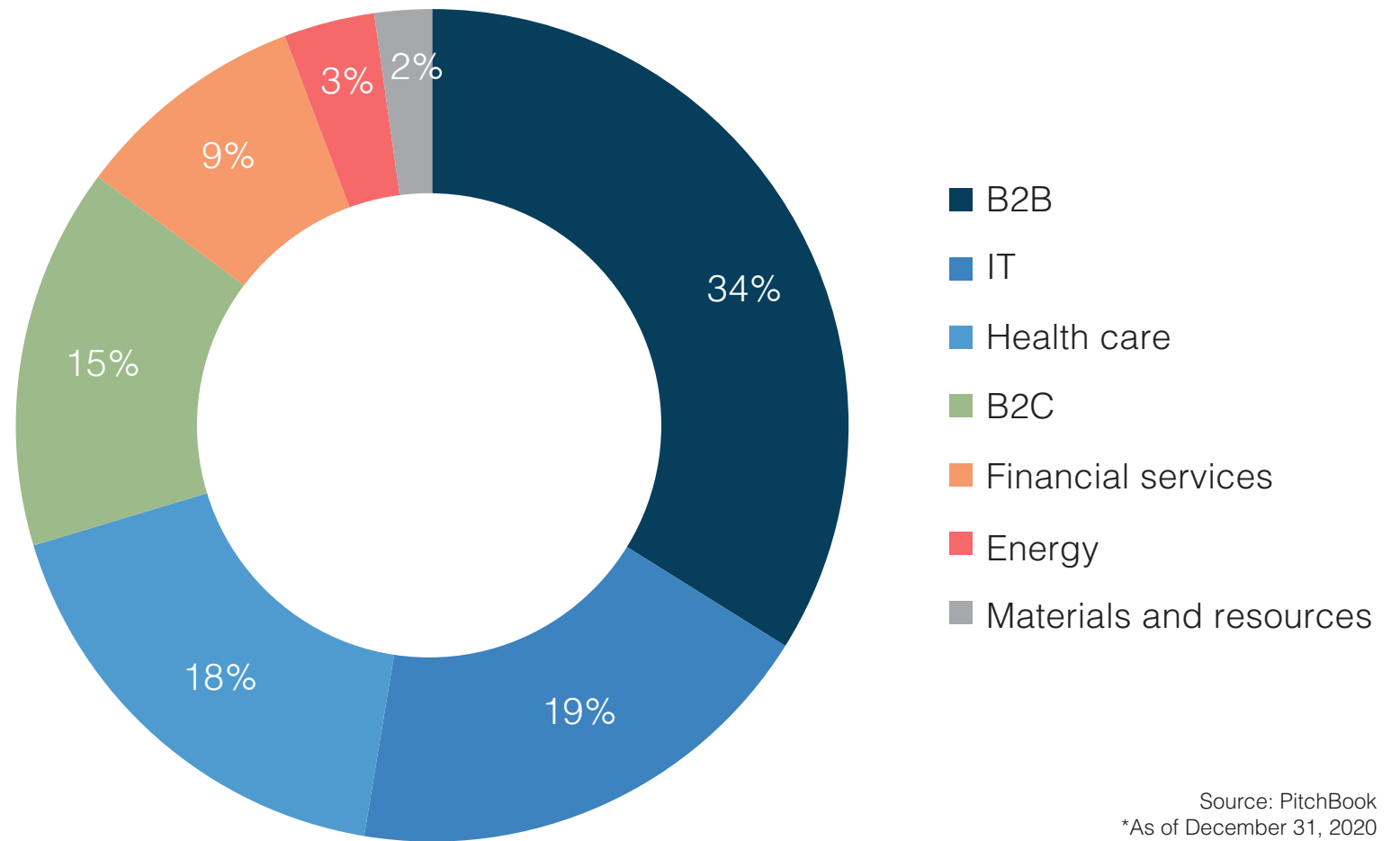
New York's 12th District saw more than 100 local companies receive private equity capital in 2020



Source: PitchBook
*As of December 31, 2020

Top industries by private equity investment

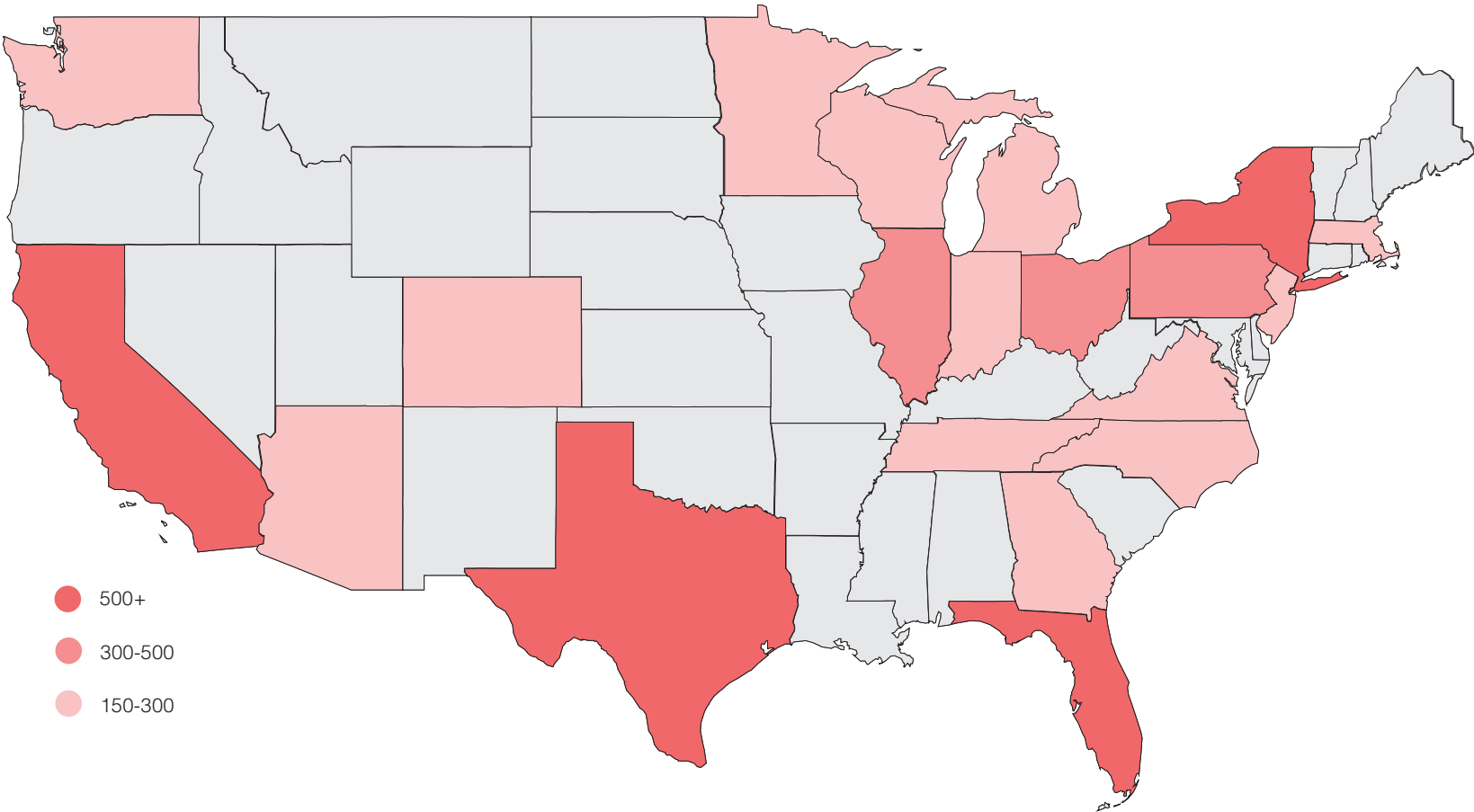
Business services and information technology attracted half of US private equity investment in 2020



Top states by total company inventory

Texas is home to more than 1,000 currently sponsored companies, and California isn't far behind

PE's intellectual and financial capital are helping grow companies in every sector of the economy and in every state in the union.



State	# of PE-backed companies as of 2020
Texas	1,061
California	983
Florida	530
New York	525
Illinois	484
Pennsylvania	343
Ohio	341
Michigan	298
Georgia	293
Massachusetts	286
Colorado	282
New Jersey	272
North Carolina	242
Minnesota	231
Wisconsin	206
Virginia	192
Tennessee	191
Washington	184
Arizona	160
Indiana	150

Source: PitchBook
*As of December 31, 2020

Top districts by total company inventory

New York's 12th District has the most companies currently under private equity sponsorship

Rank	Representative	State	# in PE
1	 Rep. Carolyn Maloney	NY-12	201
2	 Rep. Beth Van Duyne	TX-24	127
3	 Rep. Danny Davis	IL-7	110
4	 Rep. Jerry Nadler	NY-10	100
5	 Rep. Diana DeGette	CO-1	99
6	 Rep. Sheila Jackson Lee	TX-18	77
7	 Rep. Haley Stevens	MI-11	77
8	 Rep. Katie Porter	CA-45	73
9	 Rep. Lucy McBath	GA-6	73
10	 Rep. Raja Krishnamoorthi	IL-8	71

Rank	Representative	State	# in PE
11	 Rep. Van Taylor	TX-3	67
12	 Rep. Stephen Lynch	MA-8	65
13	 Rep. Dean Phillips	MN-3	64
14	 Rep. Dan Crenshaw	TX-2	64
15	 Rep. Jim Himes	CT-4	64
16	 Rep. Nancy Pelosi	CA-12	62
17	 Rep. Lizzie Fletcher	TX-7	60
18	 Rep. Carolyn Bourdeaux	GA-7	60
19	 Rep. Ted Deutch	FL-22	59
20	 Rep. Gerry Connolly	VA-11	59

Source: PitchBook
*As of December 31, 2020

Case study: Confie Seguros

Building a Hispanic-focused insurance company from scratch



- Headquarters located in Huntington Beach, CA
- More than 3,500 employees
- Over 750 retail locations across 23 states
- Phone and online services across all 50 states

Confie Seguros, a national insurance brokerage that was acquired by Alliant Insurance Services in April 2021, began with an accidental insight. In 2006, insurance executive Mordy Rothberg found an article that showed 70% of Hispanic consumers had never been pitched by a life insurance salesman.¹⁰ He also noticed that Hispanic consumers preferred to buy insurance in-person and in their own language. Online advertisements from national brokerages weren't having an impact. After more digging, Rothberg realized that the Hispanic community had a glaring lack of insurance options, despite the community's demographic growth.

In 2008, he set out to change that. He partnered with another insurance executive, John Addeo, and private equity firm Genstar Capital. The goal: to build a national insurance brand with a focus on Hispanic consumers and business owners. Genstar invested \$75 million in upfront capital to the team, which bought a small California brokerage called Westline Corp. as

a starting point. The company was renamed Confie Seguros, which means "trust insurance" in Spanish, with an aim to become a national brand in five years.

Under Genstar, Confie acquired 38 insurance brokerages across nine states. Genstar sold Confie to another PE firm, ABRY Partners, in 2012, having achieved its five-year plan a year ahead of schedule. ABRY continued Confie's acquisitive growth, buying insurance brokerages across 14 more states. ABRY also continued its diversifying insurance platform, which now offers auto, motorcycle, homeowners, renters, life, and health insurance across 750 offices.

In April 2021, Confie was acquired by Alliant, one of the largest brokerages in the US. Confie itself had become the largest personal lines insurance distributor in the country, ranking first in the category every year since 2016, according to *Insurance Journal*.

Case study: Confie Seguros

How it happened

Recognizing the problem: Research showed that a majority of Hispanic consumers weren't being reached by marketing and had a glaring lack of resources for personal and business insurance. Hispanic consumers said they needed a personal touch before buying insurance, and they preferred to have those conversations in their own language. They needed to understand the details of each policy without misunderstanding the legal terms involved. They needed ease of mind, and there were few compelling options to turn to.

Finding solutions: With private equity financing, Confie set out to expand its brick-and-mortar presence across the country and in every major metropolitan area. Confie acquired local insurance companies that knew their markets, and it emphasized a bilingual sales staff to help individuals, families, and business owners—many of whom were buying insurance for the

first time—walk through the legal ramifications. New stores were strategically opened around Hispanic grocers and restaurants for maximum visibility and ease. Through acquisitive growth, Confie was able to reduce overhead costs and become competitive with established national brands such as Allstate and State Farm.

When it acquired Confie in 2021, Alliant CEO Tom Corbett said that “Confie and its diverse team of insurance professionals have set the standard for excellence in personal lines insurance and have carried the company to the top of the market. We are excited to be able to further empower them to do what they've always done well.”¹¹ In just over a decade, private equity capital and entrepreneurial insights helped build Confie from scratch and created the first leading Hispanic-focused insurance broker in American history.



Sector highlights

Private equity helps companies in every sector of the economy



Health care



Energy



Renewable
energy



Manufacturing



Technology



Agriculture



Environmental
services



Education



Restaurants

Health care

Private equity has a long history in the health care industry, reshaping companies in every corner of the sector. From cutting-edge pharmaceutical companies to the urgent care center down the street, PE capital is helping to grow hundreds of health care portfolio companies.

Private equity at work

AIC member Advent International acquired Genoa Healthcare in 2013. Genoa is a pharmacy provider

that specializes in behavioral health. Advent helped Genoa expand its footprint and serve more behavioral health patients across the country, but it also implemented a long-term plan to expand into new markets. That eventually led to the acquisition of a telepsychiatry provider, which helped with staffing and an influx of demand from patients.¹

Notable companies



Hopebridge
Indianapolis, IN



MainStreet Family Care
Birmingham, AL



Vertara Health
Nashville, TN



Altus Infusion
Pearland, TX

State	# of PE-backed companies as of 2020
California	117
Texas	106
Florida	106
Tennessee	50
New Jersey	48
Pennsylvania	48
Georgia	47
New York	46
Illinois	46
Massachusetts	44

Source: PitchBook
*As of December 31, 2020

Energy

Private equity sponsors hundreds of energy companies in the US, including more than 250 in Texas alone. PE expertise is found throughout the industry, from exploration to production to refining. PE is also active in equipment manufacturing, energy transportation, and storage as well as utilities such as electricity and natural gas.

Private equity at work

In 2003, AIC member Warburg Pincus financed a new exploration and production company called

Antero Resources. Built from the ground up, Antero surveyed several basins, including the Arkoma, Piceance, and Appalachian basins. It began production in 2012 and became a public company a year later. During the ten-year holding period, Warburg Pincus helped Antero develop its business plan and enhance its corporate governance. It also infused Antero with significant capital during the global financial crisis in September 2008.²

State	# of PE-backed companies as of 2020
Texas	257
California	36
Colorado	36
Oklahoma	32
New York	26
Pennsylvania	22
Louisiana	21
New Jersey	14
Massachusetts	12
Illinois	11

Source: PitchBook
*As of December 31, 2020

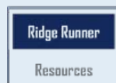
Notable companies



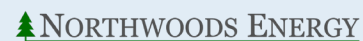
Tallgrass Energy
Leawood, KS



Altera Infrastructure
Louisville, KY



Ridge Runner Resources
Midland, TX



Northwoods Energy
Denver, CO

Renewable energy

Private equity is increasingly active in renewable energy. Wind turbines, solar farms, hydroelectric projects, nuclear power generators, and hydrogen fuel manufacturers have all benefited from PE capital. A broad swath of the country has taken in PE dollars, from the windy Northeast to the Sunbelt states.

Private equity at work

Blackstone, which owns a sprawling complex in Stuyvesant, has installed more than 9,000 solar panels across 56 apartment rooftops in the New York

neighborhood. The combined energy production is enough to power about 1,100 apartments. It's the largest rooftop solar array in the United States, and it tripled the solar capacity for Blackstone properties in New York City.³

Notable companies



Vivint Solar
Lehi, UT



Safe Harbor Water Power
Conestoga, PA



US Wind
Baltimore, MD



TerraForm Power
New York, NY

State	# of PE-backed companies as of 2020
Texas	54
California	32
New York	21
Pennsylvania	14
New Jersey	12
Michigan	11
North Carolina	10
Colorado	10
Illinois	10
Florida	9
Connecticut	9
Wisconsin	9

Source: PitchBook
*As of December 31, 2020

Manufacturing


Private equity is synonymous with manufacturing, tracing its earliest roots to American manufacturers. PE firms help expand and streamline companies across a wide range of manufactured products, including industrial parts, commercial machinery, construction supplies, plastics, metals and castings, textiles, steel, paperboard, and furniture. The Midwest is heavily represented every year.

Private equity at work


Power Partners, a Georgia-based manufacturer of pole- and pad-mounted distribution transformers,

was acquired by OpenGate Capital in 2016. In a little under four years, OpenGate revamped Power Partners' manufacturing footprint, which increased daily unit production rates, and put money behind a product redesign, which helped improve product quality and reduce manufacturing costs. They also helped Power Partners make a new product and made significant improvements to the company's operations, leading to a three-fold jump in Power Partners' EBITDA under OpenGate sponsorship.⁴


Notable companies




Associated Materials
Cuyahoga Falls, OH



American Scaffold
San Diego, CA



Molded Dimensions
Port Washington, WI



Sierra Machinery
Sparks, NV

State	# of PE-backed companies as of 2020
California	232
Texas	188
Illinois	148
Michigan	140
Ohio	134
Wisconsin	119
Pennsylvania	113
New York	100
Florida	95
Minnesota	86

Source: PitchBook
*As of December 31, 2020

Technology

Private equity has taken to technology by storm. Typically associated with venture capital, software providers and tech manufacturers have benefited from private equity just as much. PE firms are active investors in semiconductors, telecommunication providers, IT infrastructure, cloud storage, and cyber security.

Private equity at work

Marketo, a popular digital marketing firm, was acquired by Vista Equity Partners in 2016. In a little over two

years, Vista more than doubled Marketo's value, thanks to investments in machine learning and artificial intelligence and a partnership with Google Cloud. Their product offerings expanded, new technologies were implemented, and the company changed the way it recruits new talent. Vista "created an environment where you can take risks," said former Marketo CEO Steve Lucas.⁵

Notable companies



Payscale
Seattle, WA



Zayo Group
Boulder, CO



Tech Data
Clearwater, FL



Apptio
Bellevue, WA

State	# of PE-backed companies as of 2020
California	357
Texas	230
New York	192
Florida	142
Massachusetts	125
Illinois	109
Virginia	95
Colorado	91
Pennsylvania	87
Georgia	85

Source: PitchBook
*As of December 31, 2020

Agriculture

Private equity’s experience in agriculture is vast, ranging from cattle farms to fisheries, seed suppliers, irrigation specialists, fertilizer manufacturers, and vineyards.

Private equity at work


Paine Schwartz Partners, an AIC member and a sustainable food chain investor, invested in FoodChain ID in late 2016. FoodChain ID, which

develops technology-enabled food safety solutions, thrived under Paine Schwartz ownership. The partnership resulted in better technology, an expanded customer base, and access to new markets. FoodChain ID now has a proprietary database that tracks more than 100,000 products, surpassing 100,000 regulatory references spanning 218 countries and product recalls in 40 different languages.⁶

State	# of PE-backed companies as of 2020
California	13
Washington	3
Colorado	2
Iowa	2
Pennsylvania	2
Florida	2
Indiana	2
Kansas	2

Source: PitchBook
*As of December 31, 2020

Notable companies



Legacy Farms
Anaheim, CA



Spectrum Seed
Lafayette, IN



Five Rivers Cattle Feeding
Johnstown, CO



Midwestern BioAg
Blue Mounds, WI

Environmental services

Private equity has a deep background with environmental services, which range from daily waste management services to more specialized cleaning companies (radioactive waste, oilfield cleanup, wastewater solutions, and recycling centers, to name a few). PE has also helped grow environmental engineering firms and environmental recovery providers across the country.

Private equity at work

As part of its investment in the Oswegatchie River Hydroelectric Project in upstate New York, Brookfield

Asset Management had to find a way for local fish to migrate through or around the dam. After several technical problems were solved, Brookfield began construction on the new Heuvelton Dam fishway, an innovative fish passage that mimics a natural river channel. Its efforts were recognized by the National Hydropower Association, which gave Brookfield the 2019 Outstanding Stewards of America's Waters award in the Recreational, Environmental, and Historical Enhancement category.⁷

Notable companies



Advanced Disposal
Ponte Vedra Beach, FL



Denali Water Solutions
Russellville, AR



PSC Environmental Solutions
Houston, TX



Liberty Tire Recycling
Pittsburgh, PA

State	# of PE-backed companies as of 2020
Texas	34
Illinois	10
Pennsylvania	9
Florida	8
Ohio	6
New Jersey	6
California	6
Washington	6
North Carolina	5
New York	5
Louisiana	5

Source: PitchBook
*As of December 31, 2020

Education


Private equity is a quiet contributor to the country's education system. PE-backed companies provide everything from test preparation to language learning services, study abroad programs, and career advancement services. They often help students succeed directly, too. PE firms currently sponsor charter schools, Montessori schools, early childhood education, and online programs for high school dropouts.

Private equity at work


As the COVID-19 pandemic upended higher education in 2020, many businesses that cater to

colleges and universities were severely impacted. Cultural Experiences Abroad, the fourth largest study abroad program in the US, took an investment from Infinedi Partners in the summer of 2020. The investment allowed CEA to remain afloat until the market rebounded. The capital was also used to add significant health and safety resources to the company's programs and maintain its university partnerships during a disruptive period.⁸


Notable companies




McGraw-Hill Education
New York, NY



Rosetta Stone
Arlington, VA



The Great Courses
Chantilly, VA



Teachers of Tomorrow
Houston, TX

State	# of PE-backed companies as of 2020
Texas	9
Pennsylvania	8
California	8
Florida	8
New York	7
Arizona	6
New Jersey	5
Michigan	5
Massachusetts	4
Illinois	3
Georgia	3
Utah	3

Source: PitchBook
*As of December 31, 2020

Restaurants

Private equity has been helping the restaurant industry to grow for several decades. PE has sponsored national restaurant chains, local sensations, bakeries, coffee shops, sports bars—even food trucks.

Private equity at work

Popeye’s Chicken, a New Orleans-style restaurant chain, owes much of its success to private equity. Facing bankruptcy, the company was acquired by

Freeman Spogli in 1996. The investment allowed Popeye’s to temper its debt burden and emerge out of bankruptcy. Freeman Spogli helped grow its operating income by 40% over the next three years. Many years later, in 2017, Popeye’s was again acquired by a private equity firm (3G Capital) and developed a new menu process that included a crispier chicken sandwich. When the new sandwich was unveiled, it was so popular that most of Popeye’s stores were sold out for several months.⁹

Notable companies



Whataburger
Austin, TX



Huddle House
Atlanta, GA



Checkers & Rally’s
Tampa, FL



Pitfire Pizza Company
Los Angeles, CA

State	# of PE-backed companies as of 2020
California	25
Texas	20
Florida	20
Georgia	10
North Carolina	9
Illinois	8
Pennsylvania	7
New York	7
Colorado	7
Massachusetts	7

Source: PitchBook
*As of December 31, 2020

Appendix

State	\$B of PE-backed companies as of 2020
California	\$86.55
Texas	\$60.44
Florida	\$59.37
New York	\$41.54
Massachusetts	\$36.70
Colorado	\$32.51
Illinois	\$30.56
Georgia	\$23.91
Ohio	\$20.25
Pennsylvania	\$18.44
New Jersey	\$17.91
Virginia	\$17.53
Michigan	\$16.76
North Carolina	\$14.41
Utah	\$13.53

State	\$B of PE-backed companies as of 2020
Minnesota	\$12.56
Maryland	\$12.09
Arizona	\$11.61
Washington	\$11.15
Tennessee	\$10.26
Wisconsin	\$9.71
Connecticut	\$7.89
Indiana	\$7.58
Louisiana	\$6.66
Oregon	\$6.51
Missouri	\$6.44
South Carolina	\$6.05
Alaska	\$5.92
Kansas	\$5.51
Alabama	\$4.09

State	\$B of PE-backed companies as of 2020
Kentucky	\$3.63
Nevada	\$3.33
Oklahoma	\$2.58
Iowa	\$2.56
Nebraska	\$2.51
New Hampshire	\$2.44
Wyoming	\$2.18
Idaho	\$1.94
Rhode Island	\$1.91
Arkansas	\$1.86
Maine	\$1.70
District of Columbia	\$1.66
Delaware	\$1.34
New Mexico	\$1.14
Mississippi	\$1.03

State	\$B of PE-backed companies as of 2020
Montana	\$0.76
Vermont	\$0.67
South Dakota	\$0.66
West Virginia	\$0.58
Puerto Rico	\$0.41
Virgin Islands	\$0.38
Hawaii	\$0.29
North Dakota	\$0.27

Source: PitchBook
 *As of December 31, 2020
 Note: An additional \$4 billion was invested in US-based companies with unavailable contact information

Methodology and notes

Methodology

- This analysis of private equity investment in 2020 is based on data provided by PitchBook. PitchBook collects information on private equity investment from public sources, surveys, and primary research.
- “Company inventory” reflects all current portfolio companies sponsored by a private equity firm, as of December 31, 2020.
- Not all private equity transactions have publicly disclosed investment values. For these transactions, PitchBook applies an algorithm to extrapolate the investment values. As a result, private equity transactions without publicly disclosed investment values are calculated in the total capital invested for each state and congressional district.

Notes

[1: “Genoa Healthcare,” Advent International, 2021.](#)

[2: “Antero Resources,” Warburg Pincus, n.d.](#)

[3: “New AIC & PitchBook Report: Private Equity Investment in Renewable Energy Rose Four-Fold to Nearly \\$24 Billion in 2020,” American Investment Council, April 13, 2021.](#)

[4: “Power Partners Inc.” OpenGate Capital, 2021.](#)

[5: “Spurring Growth and Innovation,” Vista Equity Partners, 2021.](#)

[6: “Paine Schwartz Partners Announces Sale of FoodChain ID, Completing Successful Investment,” Cision PR Newswire, December 9, 2020.](#)

[7: “Brookfield Renewable Constructs Nature-Like Fishway to Transport Migratory Fish Species,” National Hydropower Association, April 3, 2019.](#)

[8: “Infinedi Partners Completes Investment in Cultural Experiences Abroad,” Businesswire, August 10, 2020.](#)

[9: “ICYMI: Popeyes Chicken Sandwich Is Back— Another Reason to Thank Private Equity,” American Investment Council, Drew Maloney, November 4, 2019.](#)

[10: “Storefront Marketer Grows by Acquisition,” Rough Notes, Susan R.A. Honeyman, April 2012.](#) The Confie case study includes several details from Ms. Honeyman’s article. We are grateful for the insights the author was able to gather about the company’s development.

[11: “Alliant Announces Definitive Merger Agreement with Personal Lines Insurance Leader Confie,” Alliant, April 21, 2021.](#)

About AIC

The American Investment Council (AIC) is an advocacy and resource organization established to develop and provide information about the private investment industry and its contributions to the long-term growth of the U.S. economy and retirement security of American workers. Member firms of the AIC consist of the country's leading private equity and growth capital firms united by their successful partnerships with limited partners and American businesses.

About PitchBook

PitchBook is a financial data and software company that provides transparency into the capital markets to help professionals discover and execute opportunities with confidence and efficiency. PitchBook collects and analyzes detailed data on the entire venture capital, private equity, and M&A landscape—including public and private companies, investors, funds, investments, exits, and people. The company's data and analysis are available through the PitchBook Platform, industry news, and in-depth reports. Founded in 2007, PitchBook has offices in Seattle, San Francisco, New York, Hong Kong, and London and serves more than 50,000 professionals around the world.