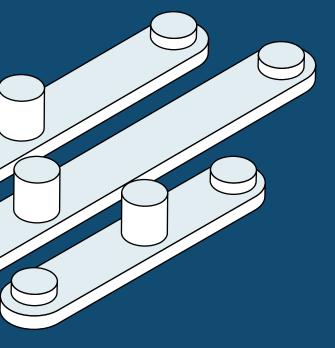


# State of startup compensation

All data aggregated from 3.8 million+employee-records on Carta Total Compensation



### A word from our lawyers

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## Hiring & Headcounts

Across all industries and stages, companies are operating with fewer employees than a year ago. The second half of 2024 saw significant declines in voluntary departures as hiring activity continued to slow from 2022 highs.

### Layoffs & voluntary departures are both down more than 30% YoY

Monthly voluntary and involuntary departures across all companies on Carta | Jan 2019 - Dec 2024





### Voluntary departures reached a four-year low in Q4

Quarterly voluntary and involuntary departures across all companies on Carta | Q12018 - Q42024

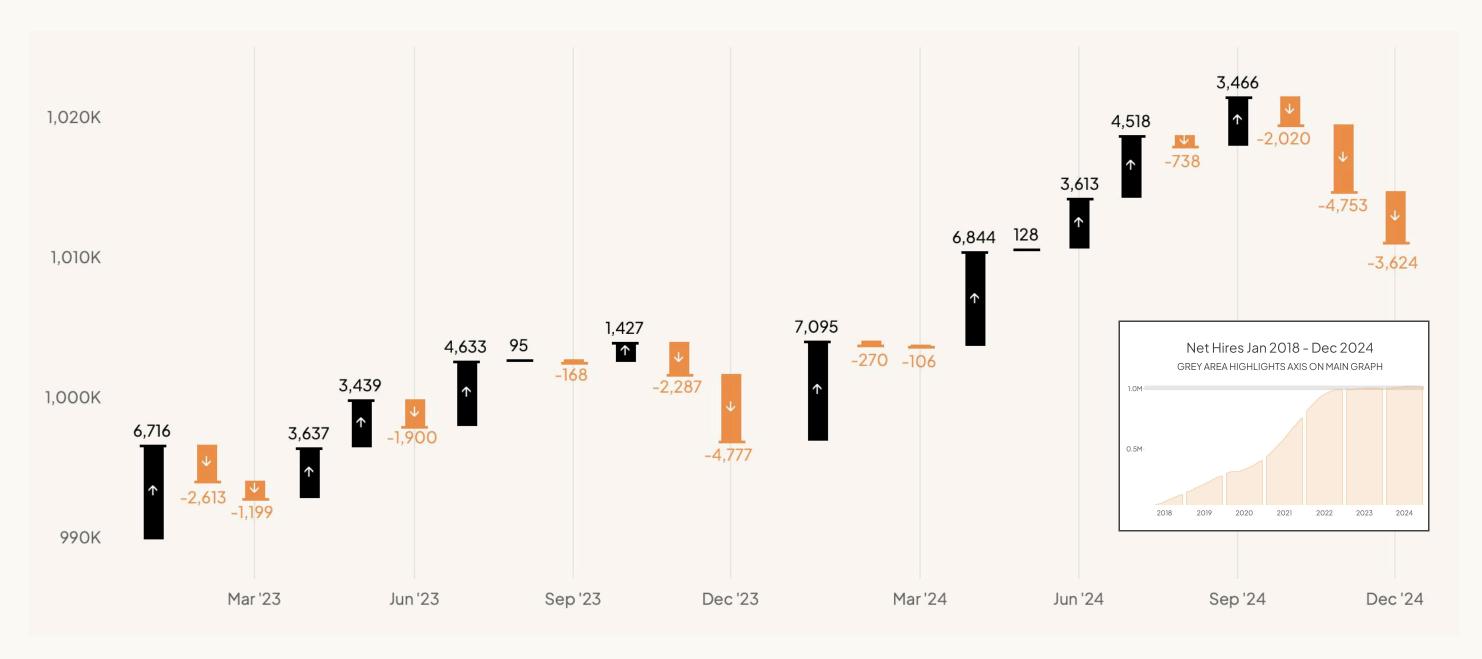


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### Net headcount began to decline in Q4 after recent growth

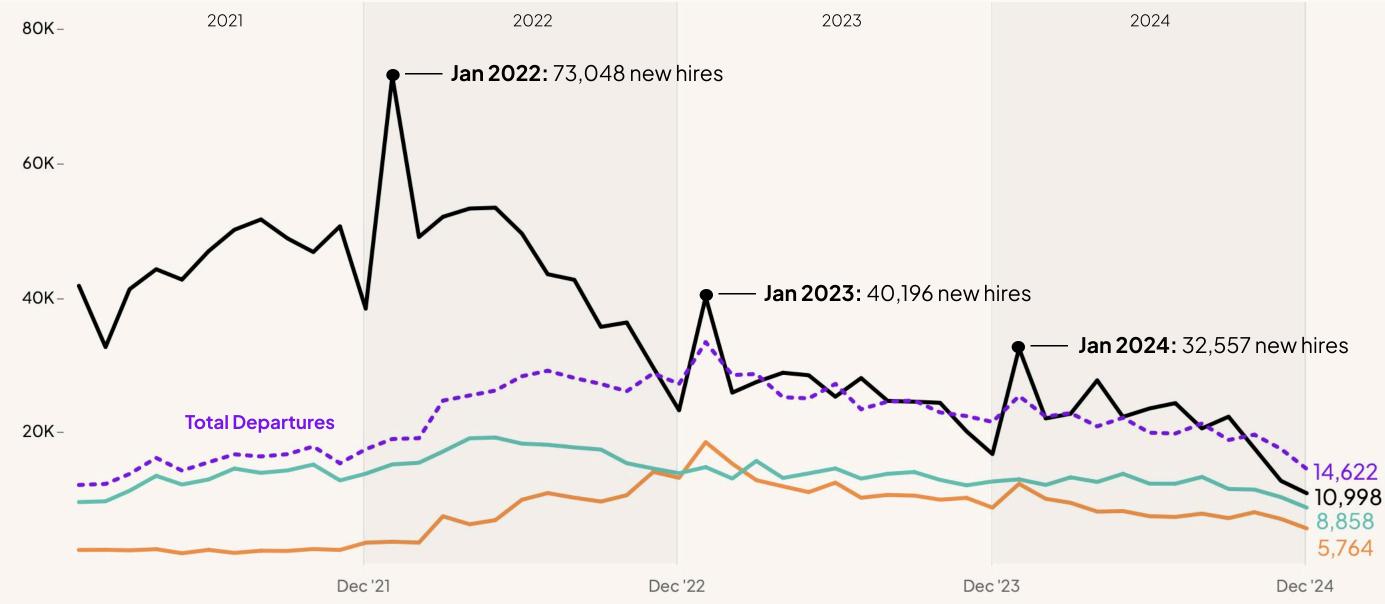
Monthly net **growth** or **reduction** in headcount across all companies on Carta | Data as of Dec 31, 2024



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#### Hiring continues to trend down from the highs of 2022

Employees hired, leaving by choice, and laid off by month across all companies on Carta | Jan 2020 – Dec 2024



### Headcount is growing fastest for energy and hardware startups

Ratio of new hires to departing employees by industry | 1 = total headcount kept flat | Jan 2018 - Dec 2024

All Industries	<b>2024</b> 1.06		<b>2023</b> 1.02	<b>2022</b> 1.75	<b>2021</b> 2.89	<b>2020</b> 1.79	<b>2019</b> 2.21	<b>2018</b> 2.32
Energy	1.46	$\uparrow$	2.1	4.1	4.5	2.9	2.3	2.0
Hardware	1.40		1.5	2.3	3.4	2.1	3.2	4.0
Medical Devices	1.25	Grew	1.6	1.7	2.7	2.9	2.8	2.7
Fintech	1.09		1.0	1.6	3.9	2.9	3.0	3.3
SaaS	1.08		1.0	1.9	3.1	1.9	2.6	2.7
<b>Health Tech</b>	1.05	Flat	1.1	1.9	3.4	2.8	2.6	2.8
AdTech	0.96	That	0.8	1.6	2.3	1.2	1.8	1.6
Pharma & Biotech	0.94		1.3	2.3	4.3	3.2	3.6	4.1
Consumer	0.84	Shrunk	1.0	1.6	2.8	1.7	2.6	3.1
Education	0.80	Shirunk	0.8	1.6	2.9	2.2	2.0	2.1
Gaming	0.75	$\checkmark$	1.1	2.1	3.4	2.7	2.7	2.3
	0.5 hires for every departure						5 hi	res for every departure

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### Headcount growth slowed in several industries as 2024 progressed

Ratio of new hires to departing employees by industry | 1 = total headcount kept flat | Jan 2024 - Oct 2024

	2024									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
All Industries	1.24	1.01	1.02	1.34	1.01	1.19	1.26	0.98	1.19	0.90
Energy	2.81	1.29	1.72	2.25	1.79	1.57	1.73	1.05	1.55	1.32
Hardware	1.86	1.25	1.45	1.39	1.24	1.86	1.44	1.04	1.81	1.24
Medical Devices	1.99	1.14	1.24	1.40	1.55	0.80	2.03	1.07	1.70	0.83
Fintech	1.21	1.16	0.94	1.34	1.11	0.98	1.14	1.09	1.25	0.71
SaaS	1.22	1.06	1.02	1.39	0.99	1.34	1.23	0.98	1.14	0.96
HealthTech	1.21	0.88	0.99	1.29	0.96	1.08	1.30	0.98	1.20	1.18
AdTech	1.15	1.06	1.01	1.15	0.86	0.85	1.89	0.75	0.85	0.65
Pharma & Bio	1.05	0.85	0.88	1.45	1.04	1.02	1.28	0.85	1.06	0.83
Consumer	0.95	0.71	0.82	1.04	0.71	0.75	1.05	0.90	1.10	0.66
Education	1.11	1.05	0.94	1.32	0.85	0.75	0.87	0.67	0.83	0.40
Gaming	1.16	0.59	0.73	0.56	1.04	0.85	1.38	0.88	0.83	0.31
	0.5 hires for every c	leparture							5 hires	for every departure

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### Median headcount is 100+ for startups valued at more than \$250M

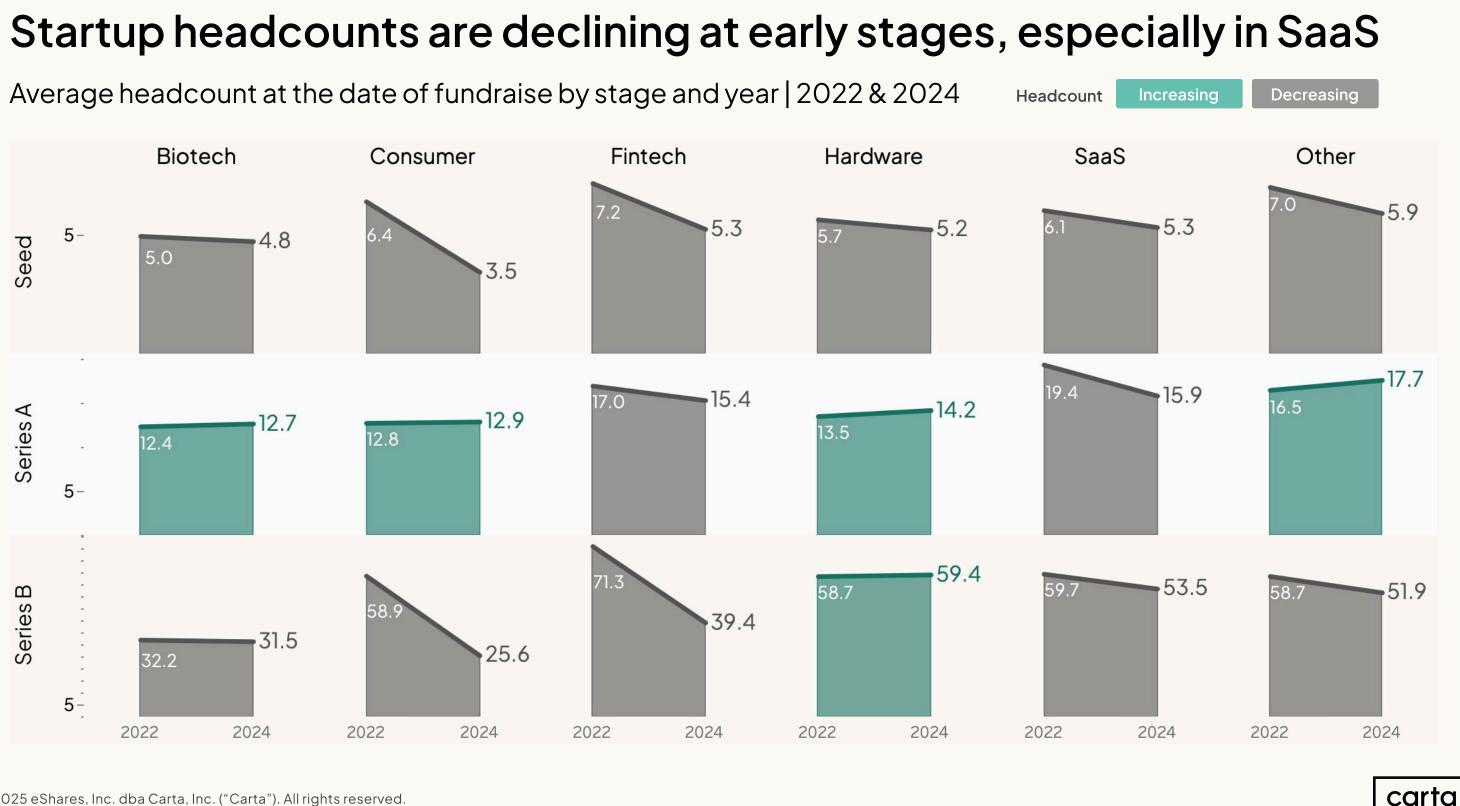
Distribution of headcount by valuation size | Each row totals 100% | As of Dec 2024

	1–10	11–25	26–50	51–100	101–250	251–500
\$1M to \$10M	50.8%	30.2%	11.9%	5.6%	1.3%	0.2%
\$10M to \$25M	42.8%	27.6%	15.2%	8.6%	3.7%	1.6%
\$25M to \$50M	18.9%	31.0%	28.9%	14.8%	6.1%	0.2%
\$50M to \$100M	10.8%	19.2%	33.1%	22.2%	11.4%	2.5%
\$100M to \$250M	4.6%	10.4%	23.3%	34.8%	21.3%	4.6%
\$250M to \$500M	3.0%	4.3%	11.5%	23.4%	43.4%	11.9%
\$500M to \$1B	2.2%	0.7%	5.1%	22.1%	37.5%	23.5%
\$1B to \$10B	1.0%	1.9%	3.8%	10.6%	22.1%	30.8%
			0%			50%

501–1,000	Over 1,000
0.3%	0.2%
0.2%	0.2%
0.4%	0.4%
0.8%	0.2%
2.6%	
6.6%	2.2%
20.2%	9.6%

## Company Composition

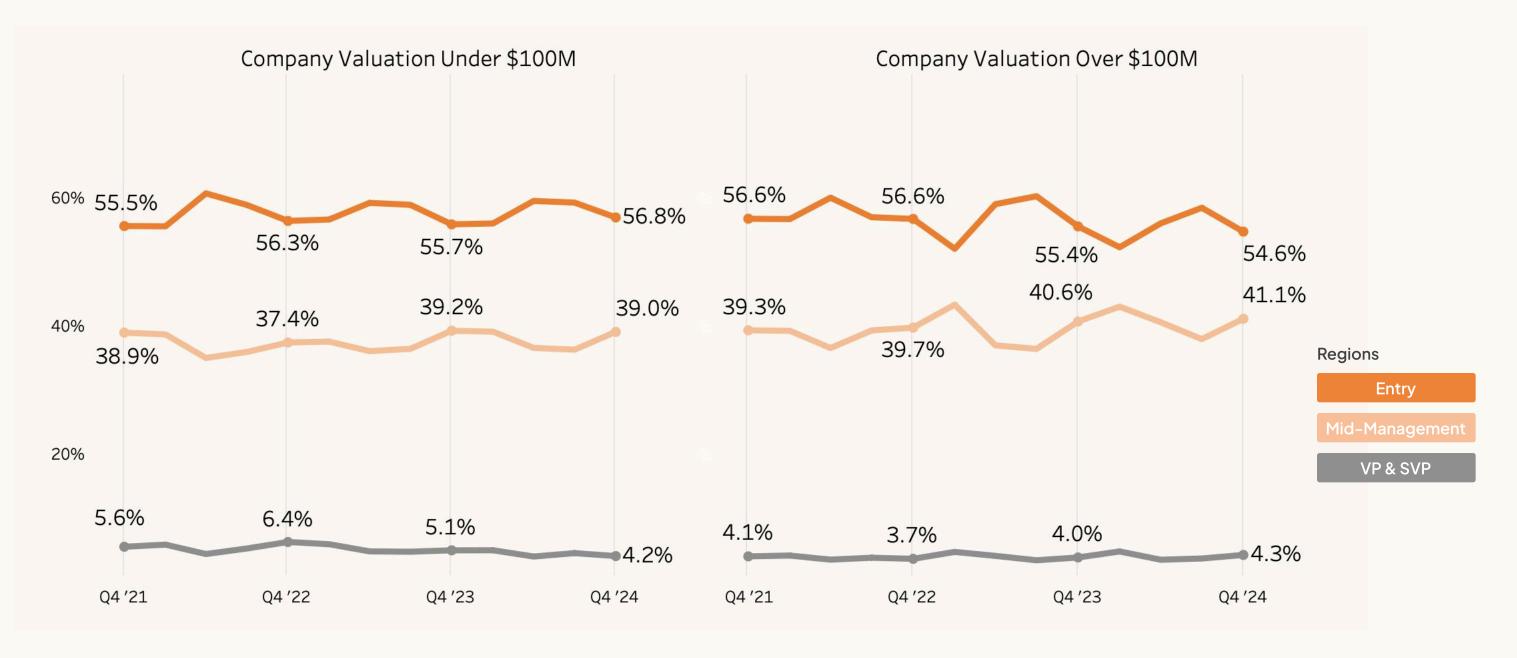
The trend of smaller teams and fewer leadership hires at early-stage startups continued. With companies focused on essential roles and growth areas like sales, startups are operating with a more streamlined and efficient workforce.



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### The percentage of VP & SVP hires is shrinking at sub-\$100M startups

Percent of new employees by hire year and level, split by company valuation | Q4 2021 - Q4 2024



#### Sales is the fastest-growing function for startup hiring Percent of new employees by hire year and function | Functions 4%+ shown below | Q12020 - Q42024



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product 5.4% 4.5% 2020 2024

### Nearly half of all startup employees have 3+ years of tenure

Employee tenure by company valuation size | Active Employees as of March 2025

	<b>15%</b> <1Year	<b>14%</b> 1-2 Yea			<b>24%</b> 3 Years	rs				<b>47%</b> 3+ Years	
\$1M to \$10M	22%		1	7%	26%			36%			
\$10M to \$25M	28	28%		20%	20% 2		21	%		32%	
\$25M to \$50M	14%	16%	þ	28%			42%				
\$50M to \$100M	15%	13%		24%				48%			
\$100M to \$250M	14%	16%	Ď		25%		45%				
\$250M to \$500M	12%	12%	28% 48%		48%						
\$500M to \$1B	13%	13%		27%			47%				
\$1B to \$10B	12%	11%		24%		53%					
		:	25%	50%					75%	100%	



### Employees in sales are more likely to have shorter tenures

Employee tenure by industry | Active Employees as of March 2025

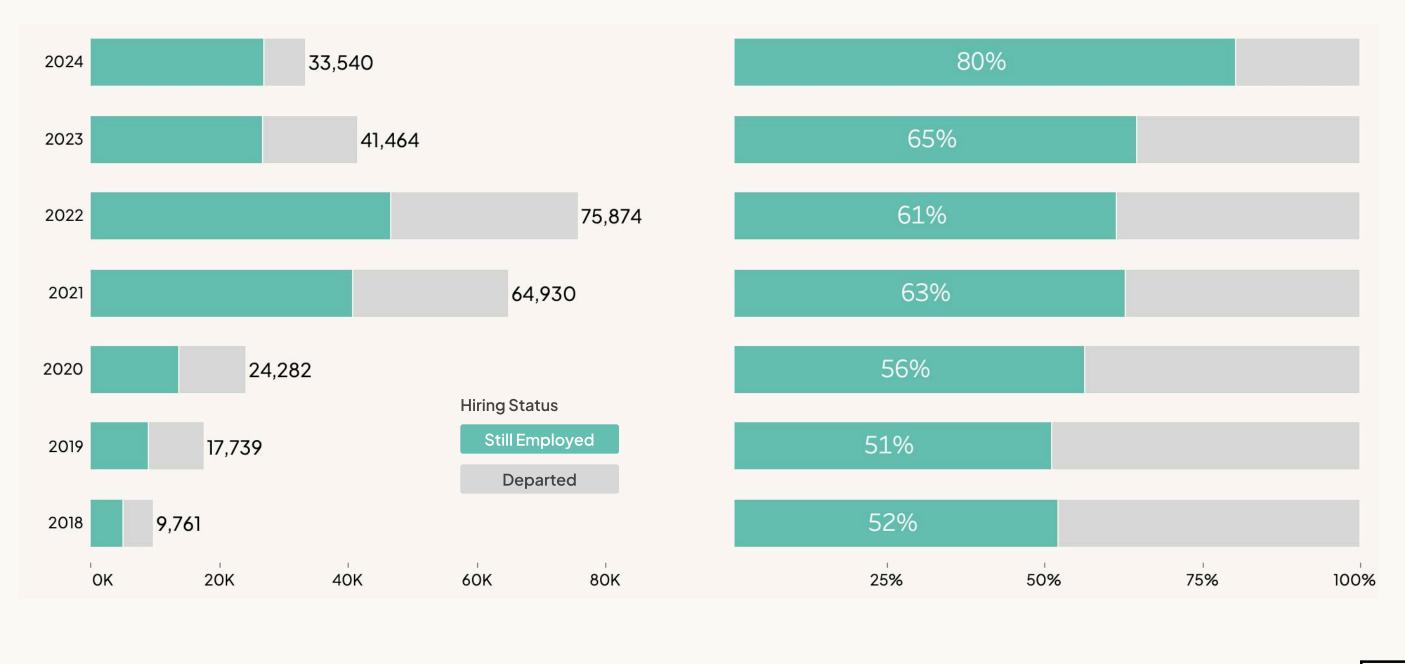
	<b>15%</b> <1Year	<b>14%</b> 1-2 Years	<b>24%</b> 2-3 Years		<b>47%</b> 3+ Years		
accounting	16.2%	14.5%	26.8%		42.6%		
admin	16.2%	14.9%	25.8%		43.1%		
customer success	14.4%	11.8%	22.8%		51.0%		
data	14.0%	13.2%	25.2%		47.7%		
design	12.9%	12.4%	24.9%		49.8%		
engineering	15.9%	13.8%	23.0%		47.3%		
finance	14.3%	13.6%	26.6%		45.5%		
hr	13.5%	11.1%	26.3%		49.1%		
legal	14.4%	13.0%	25.3%		47.3%		
marketing	16.3%	13.0%	23.5%		47.1%		
operations	12.2%	15.7%	23.2%		48.8%		
product	13.5%	12.5%	23.8%		50.2%		
research	14.6%	15.0%	31.4%		39.0%		
sales	19.6%	14.9%	21.9%		43.7%		
strategy	15.3%	11.7%	21.5%		51.5%		
support	14.9%	11.9%	22.4%		50.8%		
		25%	50		75%	100%	





### Employee retention rates are similar for cohorts from 2021–2023

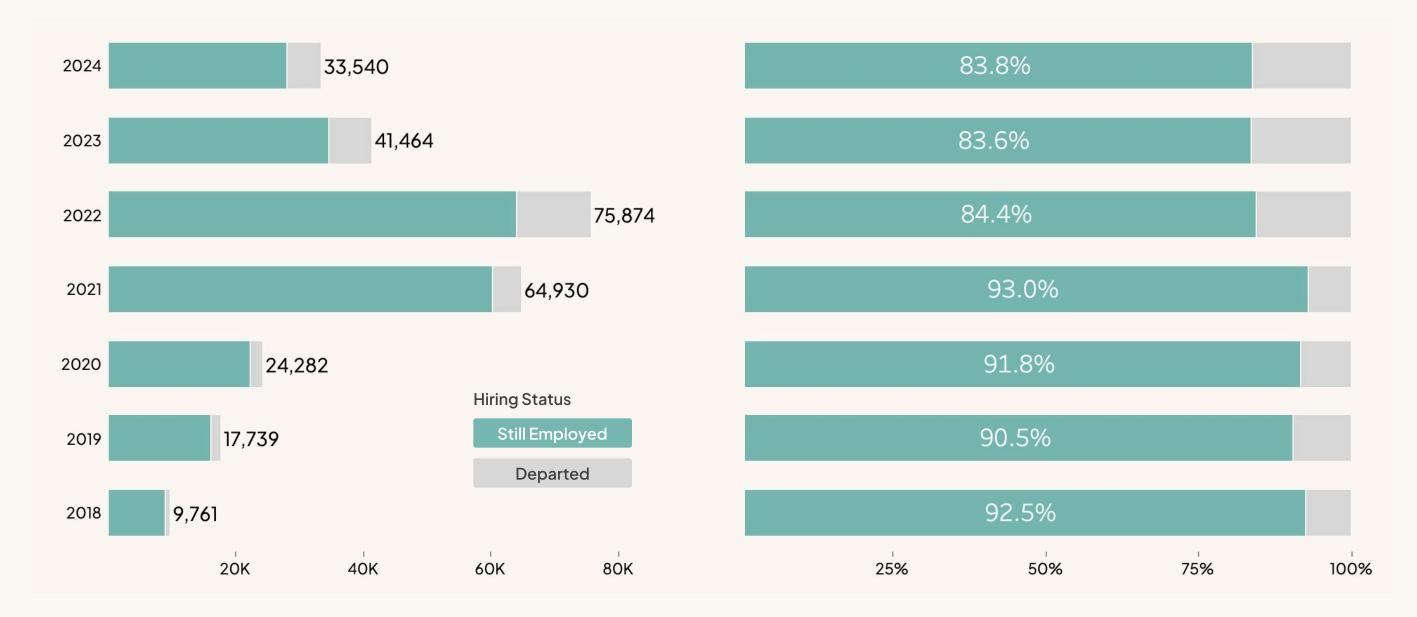
Current employee retention by hire year for companies \$1M+ in post-money valuation | as of March 2025



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### 83.8% of 2024 new hires made it to the end of the calendar year

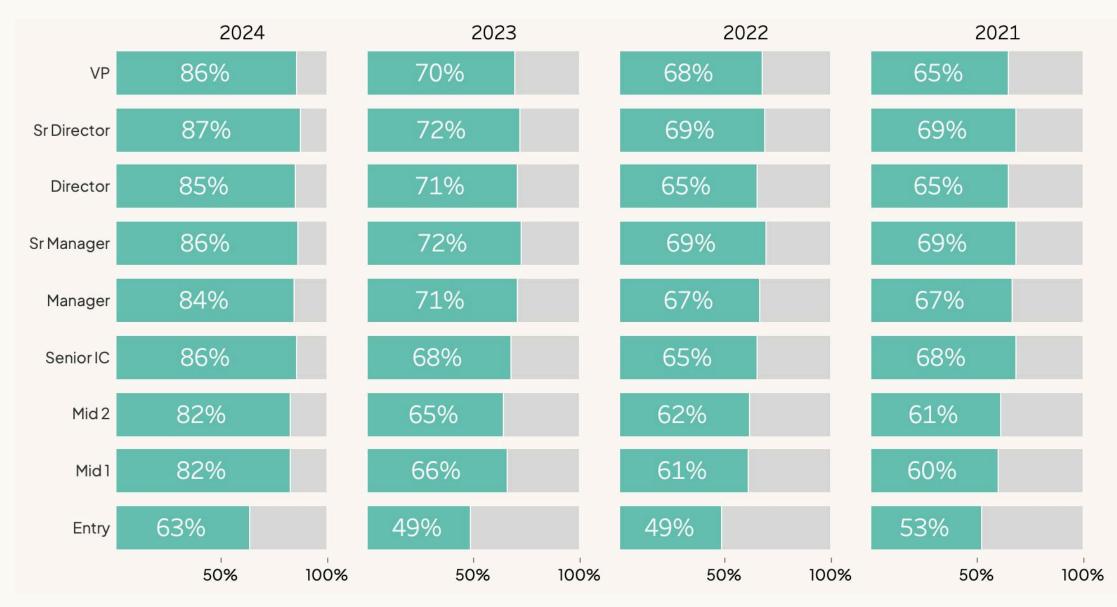
First-year employee retention by hire year for companies \$1M+ in post-money valuation | As of Dec 31st of each year

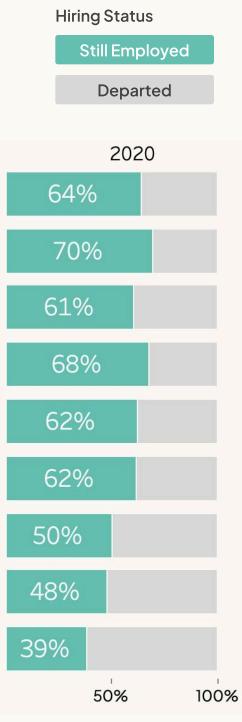




#### Retention rates are higher for leadership

Current employee retention for companies \$1M+ in post-money val | Q12020 - Q42024





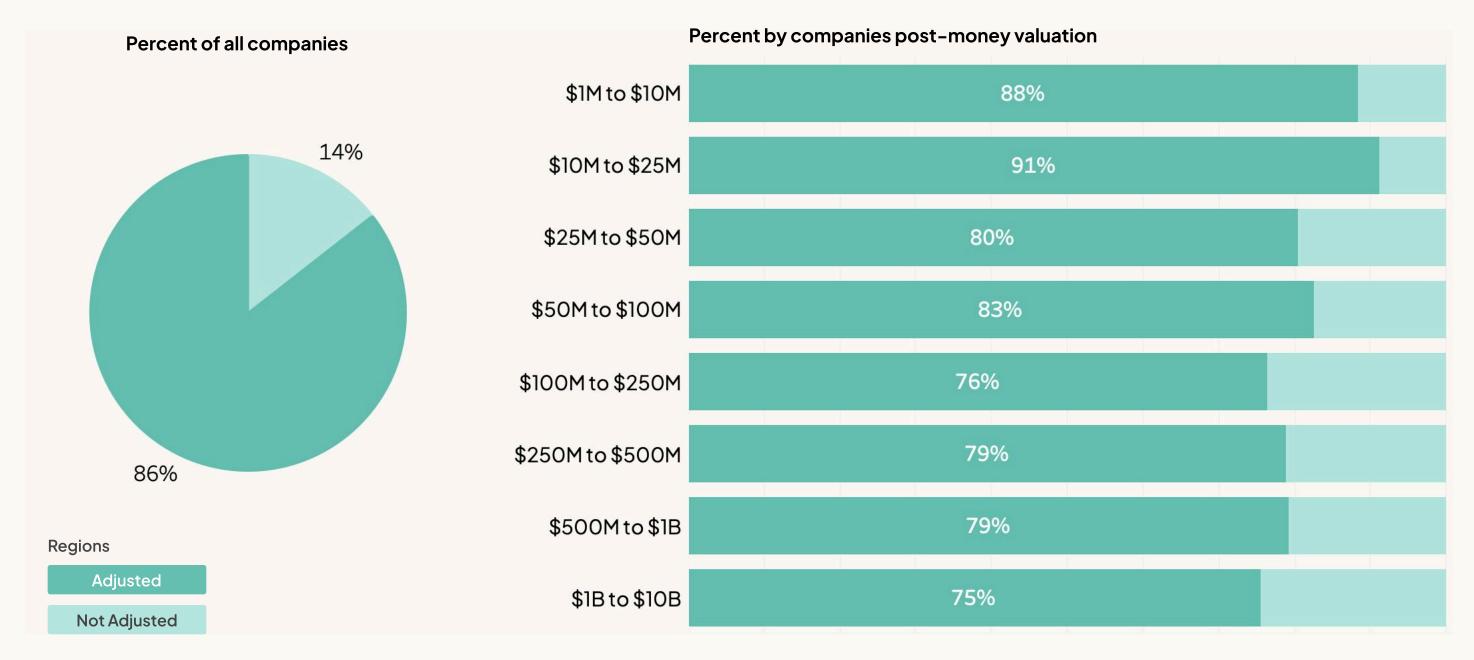


## Geographical trends

Remote hiring has plateaued, with a growing focus on in-state hires as companies prioritize local talent. At the same time, nearly two-thirds of MSAs tracked have increased their compensation levels relative to San Francisco, reflecting a shift toward more competitive pay in other regions.

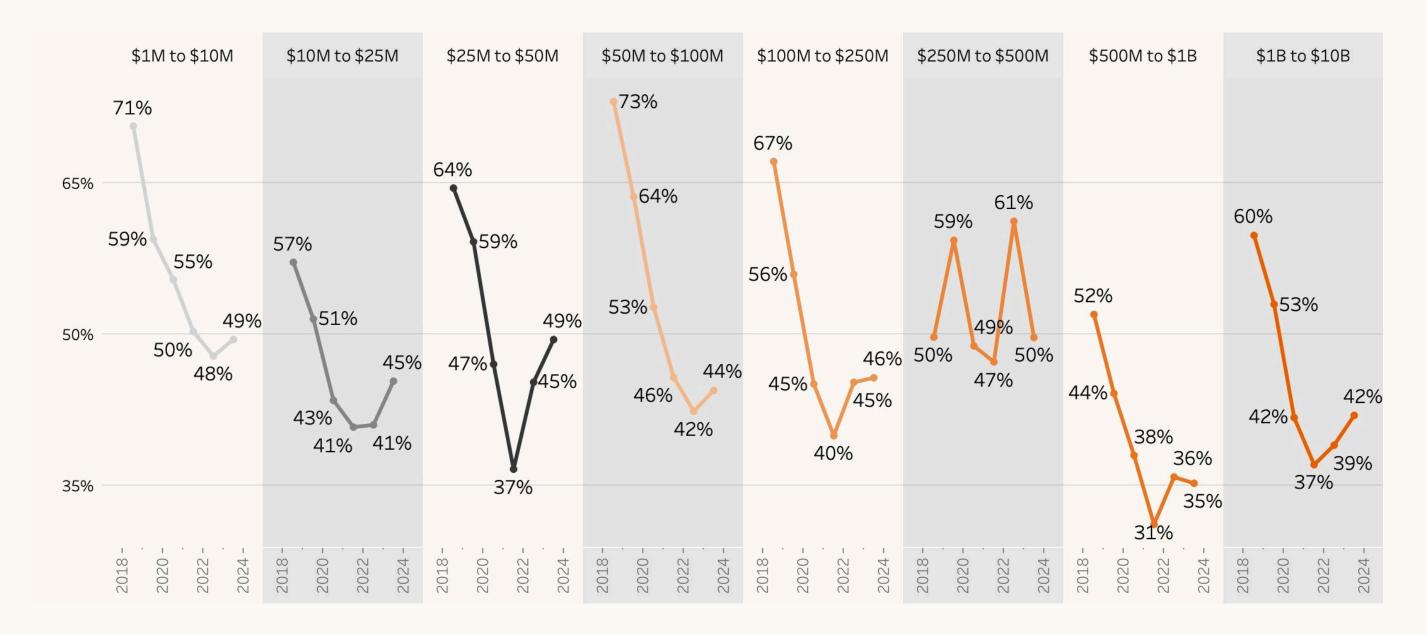
### 86% of all companies adjust compensation by employee location

Percent of companies that adjust compensation by location | Data as December 14, 2024





#### In-state hiring is on the rise, but still far below pre-pandemic rates Percent of new hires made in the same state as company HQ by year and company valuation | 2019 - 2024



### Out-of-state hiring has plateaued across all levels of organizations

Percent of out-of-state hires compared to company headquarters by role level | 2020 - 2024

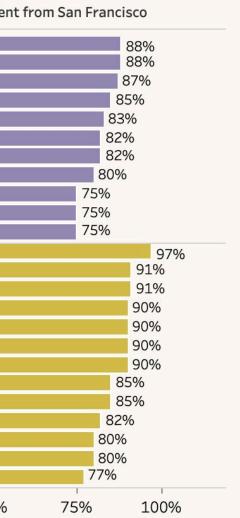


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### How compensation in other startup markets compares to pay in SF

#### Average startup compensation rate as a percentage of San Francisco in 2024

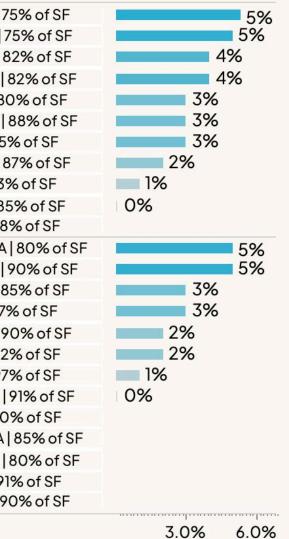
	Metro Statistical Area	% Adjustment from San Francisco		Metro Statistical Area	% A	djustmen
ast	NYC, NY Bridgeport, CT Boston, MA	100% 95% 92%		Minneapolis, MN Chicago, IL Cleveland, OH		
Northeast	Philadelphia, PA Pittsburgh, PA Providence, RI Worcester, MA	90% 85% 83% 80% 80%	Midwest	St. Louis, MO Detroit, MI Kansas City, MO Columbus, OH		
-	Burlington, VT Washington, DC Raleigh, NC Durham, NC	93% 90% 90% 90%	2	Ann Arbor, MI Omaha, NE Indianapolis, IN Cincinnati, OH		
	Baltimore, MD Austin, TX Miami, FL Atlanta, GA	89% 88% 86%		Seattle, WA Los Angeles, CA Boulder, CO		
South	Tampa, FL Richmond, VA Orlando, FL	85% 85% 85%	West	Santa Cruz, CA San Diego, CA Sacramento, CA Denver, CO		
	Dallas, TX Houston, TX Charlotte, NC Nashville, TN	85% 84% 83% 80%	M	Santa Barbara, CA Las Vegas, NV Phoenix, AZ		
	Charleston, SC San Antonio, TX Jacksonville, FL	78% 76% 75%		San Bernardino, CA Salt Lake City, UT Tucson, AZ		÷
		25% 50% 75% 100%			25%	50%



### Relative compensation is rising in much of the Northeast & Midwest

Average startup compensation rate as a percentage of San Francisco in 2024 | Percent change from 2023

9	% Decrease from 2023	Metro Statistical Area	% Increase from 2023		Cincinnati, OH   75
		Burlington, VT   80% of SF	E9/		Indianapolis, IN 7
Northeast		Philadelphia, PA   90% of SF	3%		Columbus, OH 82
ס נו		Pittsburgh, PA   85% of SF	3%	st	Kansas City, MO   8
5		Bridgeport, CT   95% of SF	3%	Midwest	Ann Arbor, MI   80
5			3%	d d	Minneapolis, MN   8
		Providence, RI 83% of SF	2%	ž	Omaha, NE   759
		Boston, MA   92% of SF		-	Cleveland, OH   87
		Jacksonville, FL   75% of SF	5%		Detroit, MI   83%
		Richmond, VA   85% of SF	5%	00/	St. Louis, MO   85
		Atlanta, GA   86% of SF	3%	-2%	Chicago, IL   889
		Baltimore, MD   90% of SF	3%		San Bernardino, CA
		Durham, NC 90% of SF	3%		Sacramento, CA   9
		Tampa, FL   85% of SF	3%		Las Vegas, NV   85
		Raleigh, NC   90% of SF	2%		Tucson, AZ   77%
		Dallas, TX   85% of SF	0%		Santa Cruz, CA   90
		Orlando, FL   85% of SF	0%	st	Phoenix, AZ   829
	-1%	Washington, DC   93% of SF		West	Seattle, WA   979
	-1%	Austin, TX   89% of SF		3	Los Angeles, CA   9
	-1%	Houston, TX   84% of SF		-1%	Denver, CO   909
	-2%	Charlotte, NC   83% of SF		-1%	Santa Barbara, CA
	-3%	Miami, FL   88% of SF		-2% 💻	Salt Lake City, UT 8
	-4%	San Antonio, TX   76% of SF		-2% 💻	Boulder, CO   919
-3	5%	Nashville, TN   80% of SF		-3%	San Diego, CA 90



## Salary & Equity

With median salaries and equity packages have increased slightly, the gap between the two relative to mid-2022 has remained unchanged. Managers and senior manager have seen the largest gains in equity, while salaries in technical roles continue to outpace those in other functions.

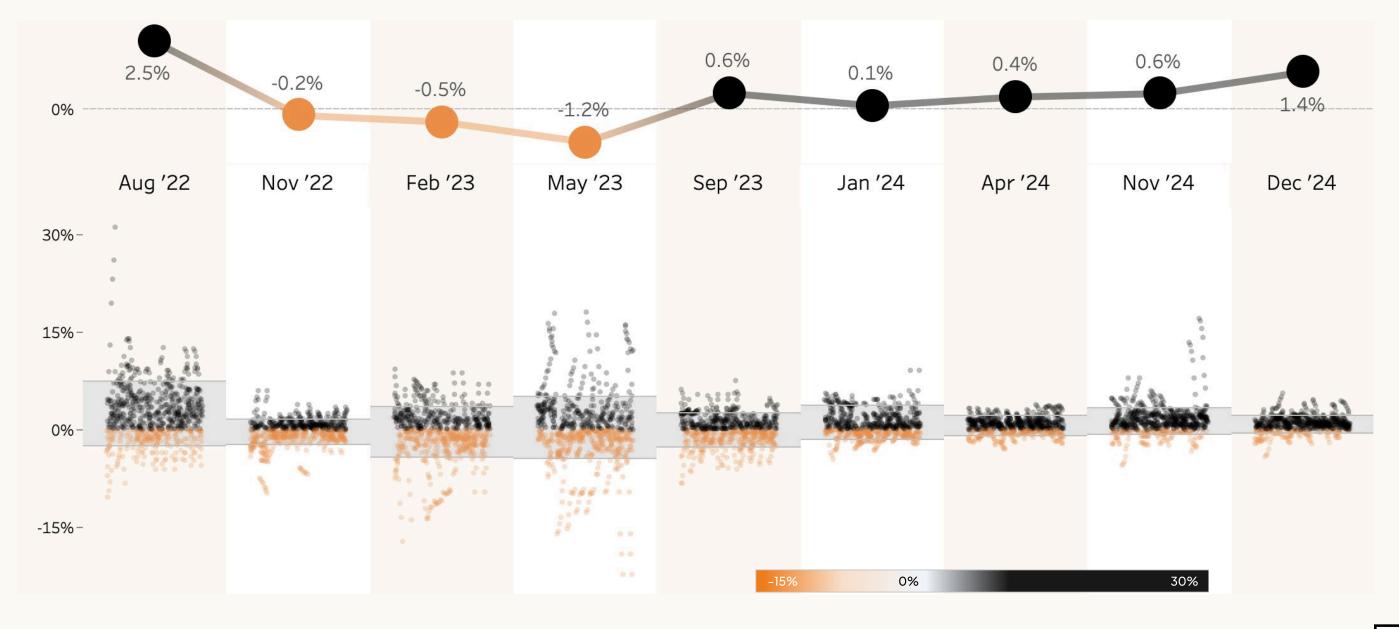
#### Equity definitions

- Option pools are defined as the percentage of fully diluted company equity reserved for compensating employees. Many companies do not utilize the full option pool before raising their next funding round.
- Early employee equity refers to the initial equity grant (typically vesting over 4 years) expressed as a percentage of fully diluted company equity. Grants of 5% or higher have been classified as "founder" equity and were removed from this analysis.
- Advisor equity refers to the initial equity grant (typically vesting over 2 years) expressed as a percentage of fully diluted company equity.
- Board member equity refers to the initial equity grant (typically vesting over 4 years) expressed as a percentage of fully diluted company equity.
- Average headcount by stage relates to full-time employees who have been issued equity. It does not track part-time or fractional resources.

### Salary benchmarks rose by 1.4% on average in last month of 2024

Each benchmark dot is a combined function, role, and post-money valuation from Carta Total Compensation

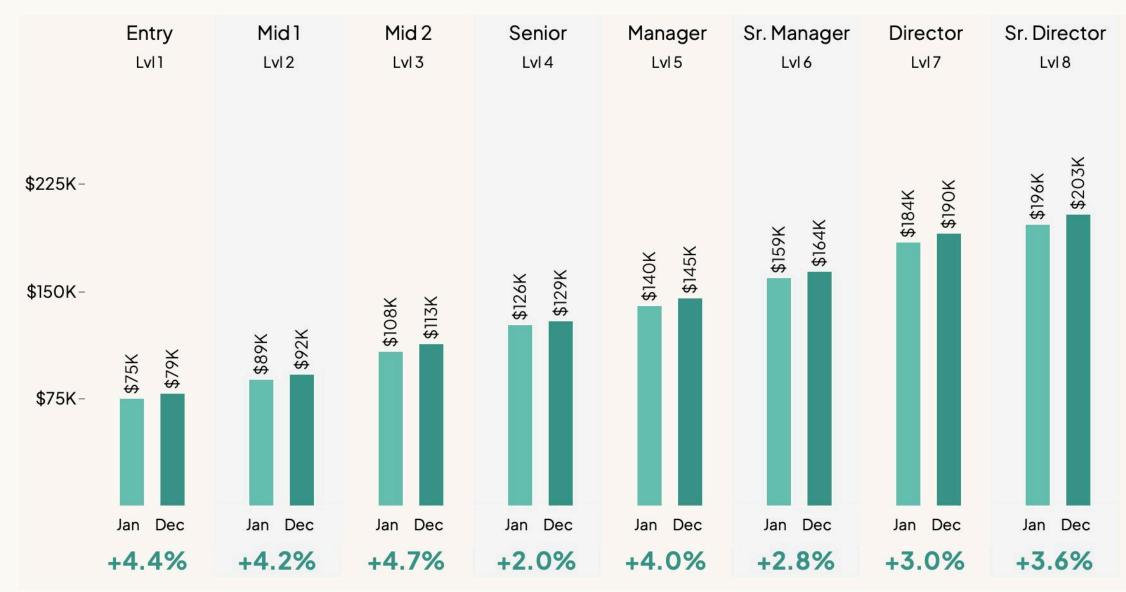
Note: Bands include the following job functions - Customer Success, Data, Design, Engineering, HR/Recruiting, Marketing, Operations, Product, Sales, Support

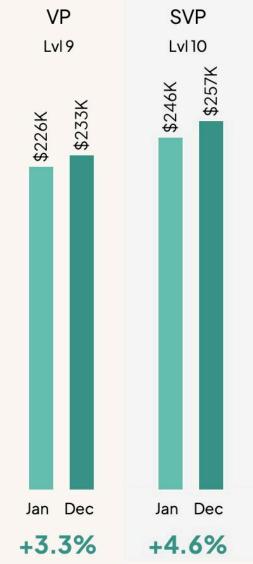




### Averages salaries climbed by 2%+ at every job level during 2024

Average salary by level and percent change from Jan 2024 to Dec 2024 | Companies worth \$1M-\$10B

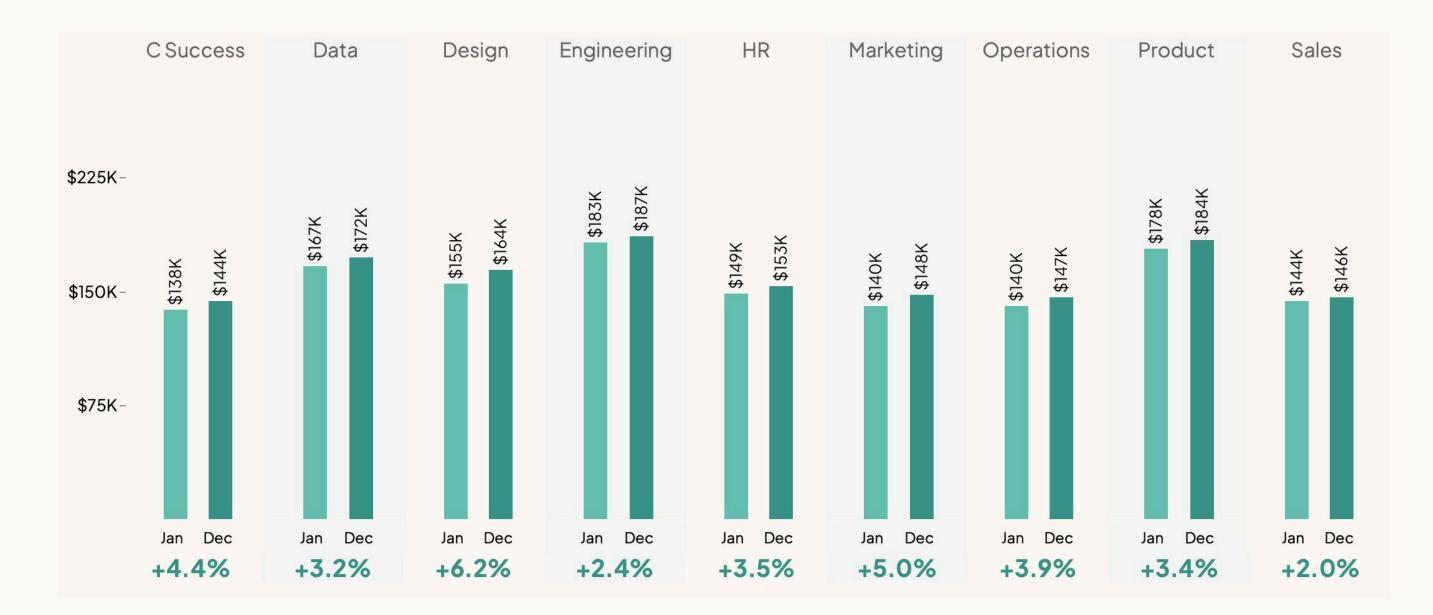






### Average salaries increased the most in 2024 in design, marketing

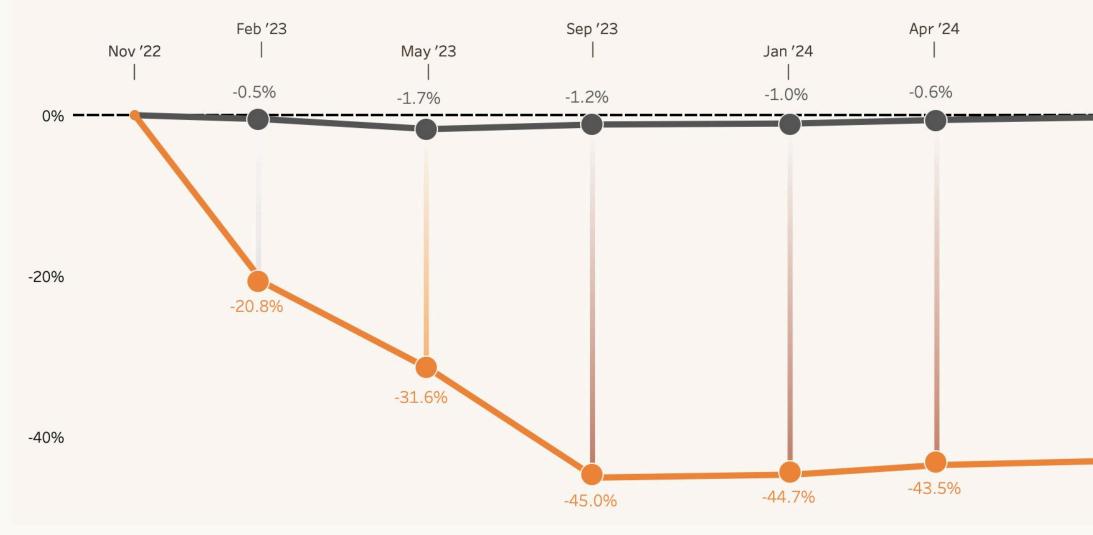
Average salary by level and percent change from Jan 2024 to Dec 2024 | Companies worth \$1M-\$10B

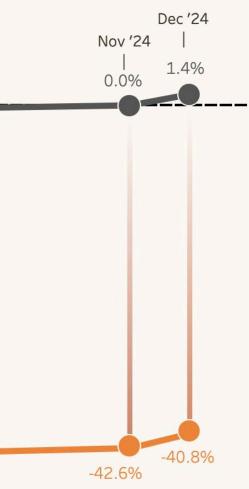




### Equity packages and salaries both trended up in 2024

Percent change of **salary** and **equity** from Nov 2022 to Dec 2024







### Managers, senior managers have seen the biggest gains in equity

Change in median equity and salary by role from Jan 2024 to Dec 2024 Companies worth \$1M-\$10B

		Negative 0% Positiv
Entry	4.7%	1.5%
Mid 1	<b>1.7%</b>	••••••••••••••••••••••••••••••••••••••
Mid 2	7.4%	4.2%
Senior	••••••••••••••••••••••••••••••••••••••	1.1%
Manager	12.1%	•••• •• ••••••••••••••••••••••••••••••
Sr. Manager	<b>13.6%</b>	2.3%
Director	11.0%	3.1%
Sr. Director	1.6%	2.8%
VP	-1.4%	2.9%
SVP	4.3%	• • • • • • • • • • • • • • • • • • •
C-Suite	5.0%	3.8%
	-30% -15% 0% 15% 30% 45% 60% % Difference in Avg. Mid Equity ★	-10% -5% 0% 5% 10% 15% 20% 25% % Difference in Avg. Mid Salary

cartc

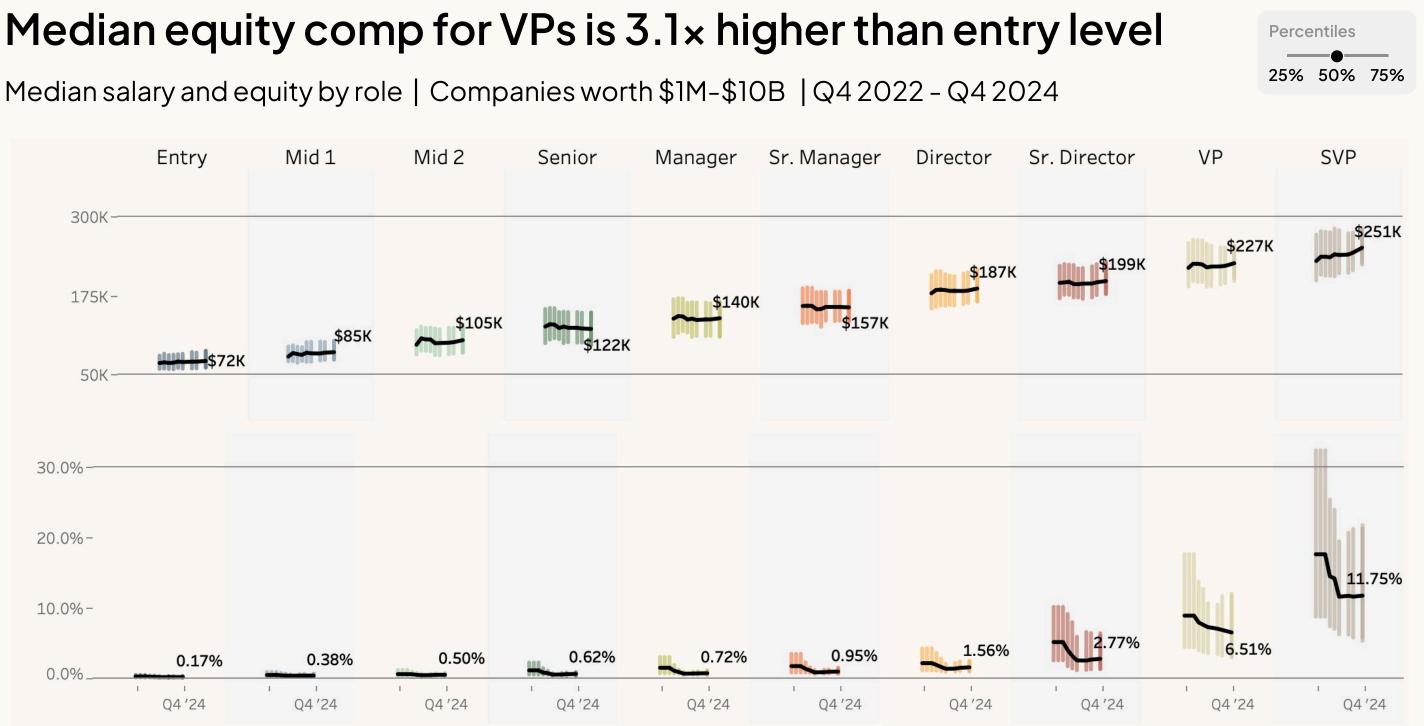
### Median equity declined for product and data functions in 2024

Change in median equity and salary by function from Jan 2024 to Dec 2024 Companies worth \$1M-\$10B

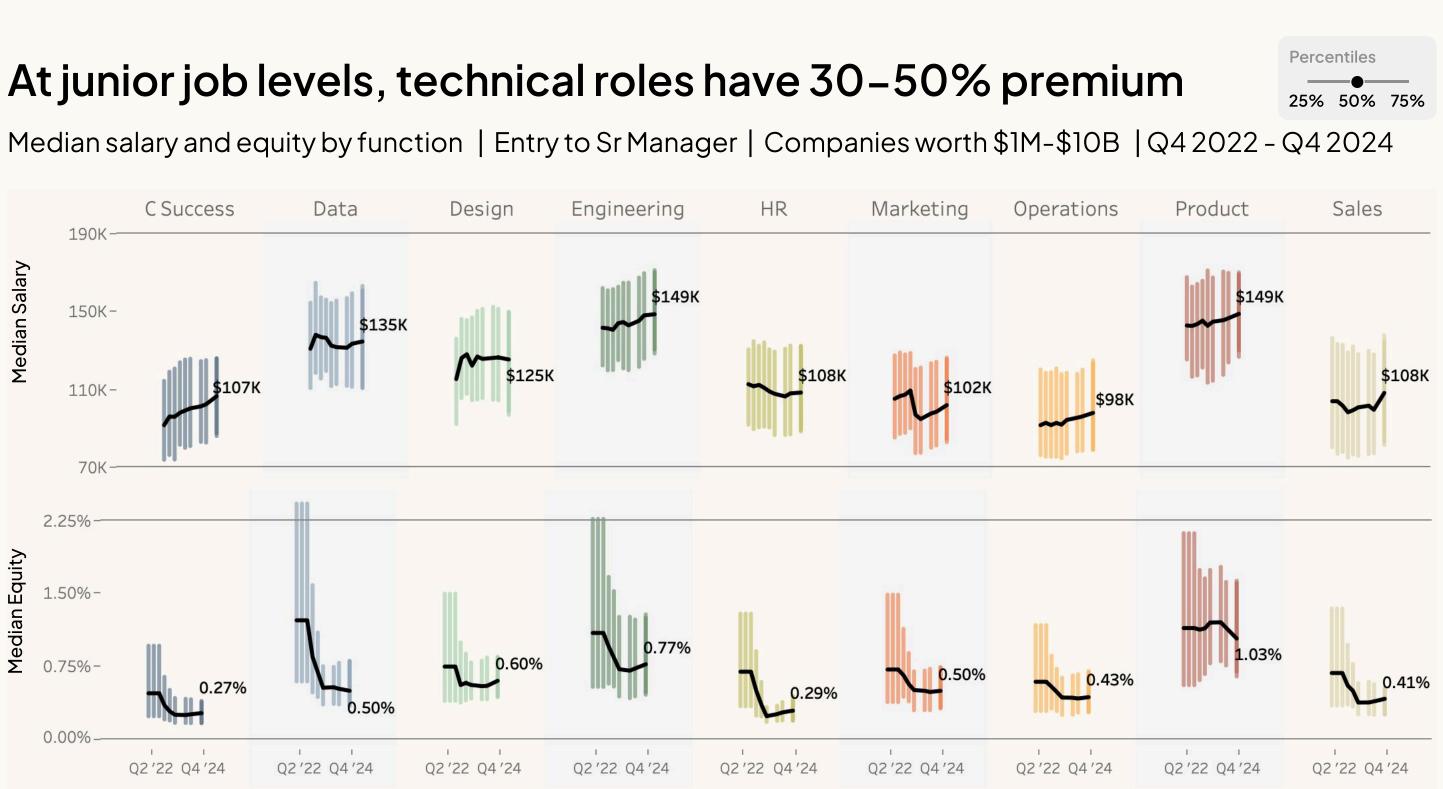
		Negative 0% Positiv
C Success	11.1%	4.6%
Data	-0.2%	1.5%
Design	6.9%	4.0%
Engineering	8.7%	2.3%
HR	13.7%	1.8%
Marketing	2.9%	2.9%
Operations	<b>3.9%</b>	2.8%
Product	-2.9%	3.2%
Sales	•. • • • • • • • • • • • • • • • • • •	2.4%
	-30% -15% 0% 15% 30% 45% 60% % Difference in Avg. Mid Equity ★	-10% -5% 0% 5% 10% 15% 20% 25% % Difference in Avg. Mid Salary

cartc

Median salary and equity by role | Companies worth \$1M-\$10B | Q42022 - Q42024



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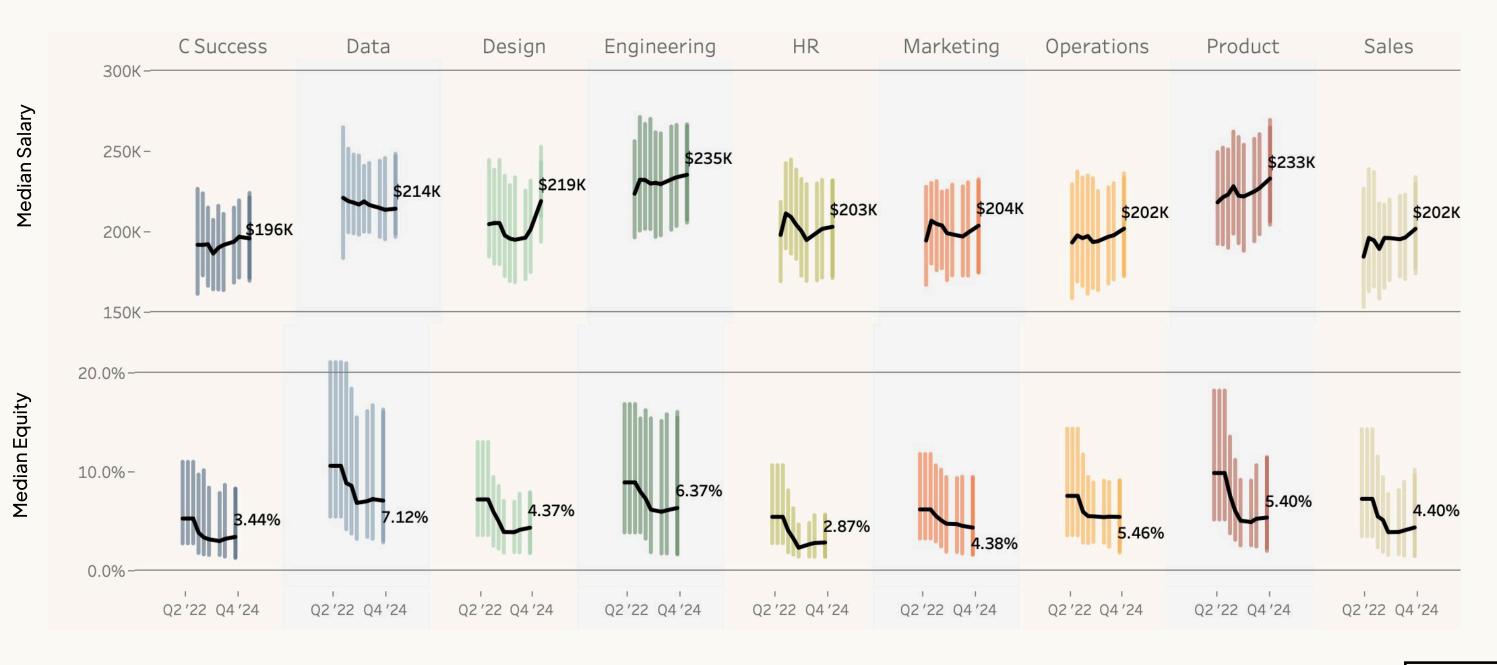


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### At higher job levels, median salaries near \$200k in all functions

Median salary and equity by function | Director to SVP | Companies worth \$1M-\$10B | Q42022 - Q42024





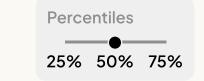


#### The median salary at unicorn startups is north of \$170k

Median salary and equity by valuation size | Companies worth \$1B-\$10B | Q42022 - Q42024



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#### In sales, salaries at VP and SVP levels are tightly distributed Salary at 25th and 75th percentile by function | VP & SVP | Companies worth \$1M-\$10B | Q4 2022 - Q4 2024



#### Employees exercised less than a third of their vested options in Q4 Percent of vested, in-the-money employee equity grants exercised before expiration | Q12017 - Q42024

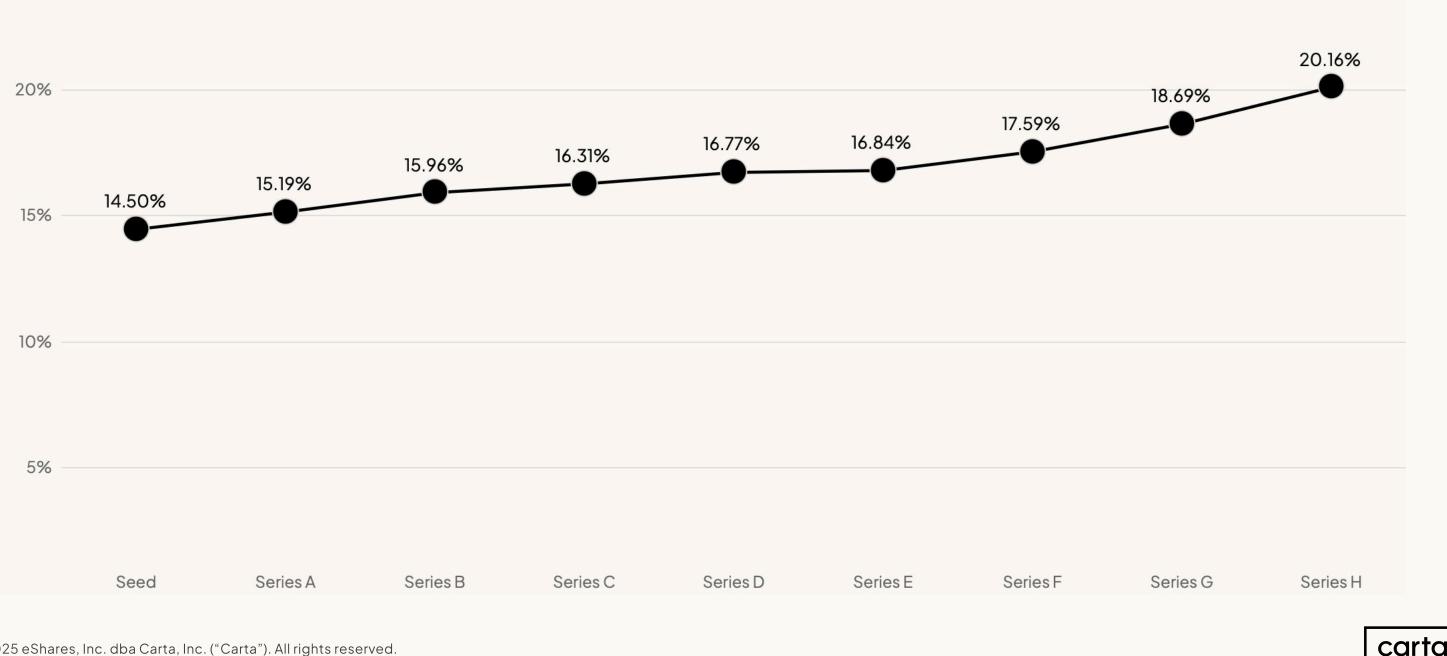


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### Employee option pools typically comprise <20% of startup equity

Median employee option pool plan size by stage | As of Oct 2024



#### carta

## Carta Total Compensation

- Largest startup comp database
- Forecasting, planning, and scaling tools
- Total comp view for every employee

Get started at carta.com/equity-management/

l am looking for a	an		Location
Engineer		) (	San Francisco
Engineering - IC 1			
Engineering – IC 2			
Engineering – IC 3			
Engineering – IC 4			$\subset$
Engineering – IC 5			
Engineering – IC 6			
	\$0	\$50K	\$100K \$

#### **Compensation Summary**

Projected Annual Salary Spend	Large Salary S
\$15,840,581	\$4,073
All departments	Enginee
	11

Job Area	Current Salary Spend
Product	\$2,145,660
Engineering	\$4,073,478
Data	\$1,109,778
Marketing	\$1,189,062

