



# 2018 Semaphore Confidence Survey Highlights

[Click here for the 2017 results](#)

[Click here for the Semaphore Signals Blog with our commentary](#)

**1. Choose one of the following descriptions that best represents you:**

- a. 15 % were from PE shops
- b. 31% were VCs
- c. 14% were LPs
- d. 13% were operating executives
- e. 7% were Investment bankers
- f. 20% were third party vendors/advisors to the industry (lawyers, accountants, etc.)

**2. Gender:**

85% Male    15% Female

**3. In what top three industries did you make deals or work on in 2017?**

- a. Health Care, Enterprise Software, Healthcare and Financial Services are #1, #2 and #3
- b. Consumer Services was # 4 and Digital Media was #5

**4. In what top three industries do you expect to make deals or work on in 2018?**

- a. Enterprise Software, Financial Services and Healthcare #1, #2 and #3
- b. Consumer Products was # 4 and Entertainment #5

**5. Please rate your confidence in ...**

- a. 88% were confident or somewhat confident in their own business and 86% believed similarly in their industry
- b. 73% were confident in their competitors
- c. Only 8% had no or little confidence in the US National economy with 76% confident
- d. 4% had no or little confidence in the International economy and 69% expressing confidence

**6. Please rate your confidence in...**

- a. 93% have confidence in themselves
- b. 61% have confidence in their immediate boss
- c. 66% have confidence in their CEO, Managing Partner with fully 76% similarly confident in their competitors' CEO, Managing Partner

- d. 74% are not confident in President Trump, only 18% are highly or somewhat confident and
- e. 68% have no confidence in Trump's economic team against 28% who are confident or somewhat confident
- f. 11% of respondents had confidence in Congress with 71% expressing no or little confidence
- g. 25% expressed confidence in Speaker Ryan and Senate Majority Leader McConnell had 16% expressing confidence and 58% and 63% respectively responding with no or little confidence
- h. 57% had little or no confidence in US national tax and spending policy with only 23% expressing confidence
- i. State Government and Legislatures fared a bit better with 35% expressing confidence and 38% having no or little confidence
- j. International respondents thought of their governments in a more neutral manner with 10% confident and 11% having no or little confidence and 89% feeling neutral

**7. In 2018 I expect to earn personally:**

74% expect to earn more than they did in 2017 with 6% expecting to earn less and 20% the same amount

**8. In 2017 I earned personally:**

73% earned more than the prior year, 14% less and 13% the same as 2016

**9. Will personal income tax rate cuts advantage you in 2018?**

55% Yes 45% No

**10. Will corporate income tax rate cuts spur the national economy in 2018?**

53% Yes 47% No

**11. Will favorable tax treatment of Carried Interest income be eliminated in 2018?**

12% Yes 88% No

**12. Should currently favorable tax treatment of Carried Interest income be eliminated?**

45% Yes 55% No

**13. Will either the House or Senate become Democratic in the 2018 mid-term elections?**

72% Yes 28% No

**14. Is sexual misconduct, harassment and gender bias a problem in our industry?**

80% Yes 20% No

**15. Where our respondents live:**

a. The top six states were 33% California, 22% Massachusetts, 21% New York, 6% Texas and 5% Connecticut. Washington DC, Pennsylvania and Illinois came in each at 4% and no other state represented more than 1%.

b. The UK represented 31% of international respondents, 14% Canada, 7% Germany, 6% China and 2% France and Italy with multiple respondents in descending order from Australia,

Singapore, the Philippines, Taiwan, Brazil, Russia, Japan, Peru, Spain, Viet Nam and single responses from 10 other nations.

**Some comments received re. sexual misconduct, harassment and gender bias:**

Any time there is a material imbalance of leaders and role models for any group (race, sex, etc.) a bias will naturally develop through a lack of representation of viewpoint

I don't see it directly though more women need to want to be in startups/founders

I believe it currently is, but this will drastically shift as younger generations age into management positions. Millennials rarely exhibit gender bias.

I have had a front row seat. It is destabilizing, demoralizing, divisive and completely unacceptable behavior that always ruins a business.

It is an industry of big egos with little regard for others

People in our industry are just not mature in these sorts of things.

It needs to be called out more fully versus overlooked by media

It needs to be talked about, but it's being blown way out of proportion. The end result now is men will fear doing business with women

More post MBA women need to get hired. Right now it is nearly impossible to get hired as a woman over 30 despite being more qualified than peers.

Huge issue. Have to have more women in senior leadership

Implement serious monetary penalties for this type of behaviour

It is a problem in every industry

VC is one of the most competitive industries in the world. Very few participants have time or tolerance for any bias or conduct that would impact the ability to maximize returns.

I think it is pervasive across the business world. Politics, early stage, media...it is not just "our industry," but all industries.

I believe in a ground-up approach. Step 1 is awareness/transparency and 2 is solidarity. There is power in numbers, isolation makes us vulnerable.

Continues to be a problem but has gotten better since the emergence of all the stories.

It is difficult to onboard diverse candidates because the pool is so much smaller than the majority that is in the industry today.

While I have never been present, I have been in conversations with male colleagues that make it evident. They favor other males over female counterparts.

Male dominated industry; promote more women and pay them the same as men

The investor/entrepreneur dynamic breeds misconduct potential

It's a problem among a small subset of individuals across all industries - not limited to investing

PE only cares about fundraising and returns. Biases and harassment are contradictory to those ends.

Hire women. Promote women. Work extra hard to get women who are truly qualified and primed for success. Very simple - if powerful women are in a room, people do not do that shit.

Youth is very well learned on the subject - may be issues at higher levels

I'm a woman in this industry, it's a problem. Transparency is a good start.

Transparency and cultural obligation

I see it very little. Perhaps I'm naive. I take women very seriously if/when there is an incident.

Those actions impact the ability of smart women to positively impact the economy and society. What is happening now is great. Exposure is key.

PE firms need to hire women above the rank of associate. Non-investment professionals should not count towards diversity counts.

It is a problem everywhere, and entrepreneurship / finance / capital markets are no exception. What to do is a harder question, but raising awareness and being unafraid to call it out and hold people accountable is a start.

In three years of investment banking (as a male), I've seen and heard of women being treated the way I'd expect men in the 1950s to treat them several times. It's pretty annoying that it still happens and is still tolerated. No matter how old, white, bald, or revenue-generating a managing director is, they should be just as susceptible to punishment as anyone else.

### **Some of the general comments received:**

I think the entire VC industry has Trump Derangement Syndrome and it is affecting their decision making-I also see people in the VC industry actively discriminate against people that don't agree with them

As much as it must pain the journalists at Fortune to admit, GOP free market policies are essential for a strong economy. When those policies are employed, the economy is strong. When they aren't (domestically under Obama and in places like Cuba, Venezuela, etc.), the economy is weak.

Although an operator, I feel that early stage valuations are way out of control. Would not be surprised to see a correction this year.

When will Uber and AirBnb go public?!

Valuations are high across the board. 2018 may not see a VC correction, but one is coming. PE will probably cool due to rising interest rates and lower deductibility of interest (ie larger equity checks required for deals mean lower purchase multiples).

Real VC investing is not about flipping money; it's about the sustained involvement required to build high-quality, transformative companies which deliver extraordinary value to their customers every day. That is what builds lasting customer relationships and rewards the companies with lasting stockholder value.

I actually have no idea how the tax change affects me personally. I have not read the bill and do not have any first-hand informed opinion on how good/bad the bill is for each income level. In general, my assessment of any tax changes are not tied to how it will affect my personal income status. I'm young - the solution is always to just make more money.

VC industry exits are taking too long and early startups want a higher valuation but don't deserve it.

The Dow will climb but the stock exchange will no longer exist once Trump chooses to press his Big Nuclear Button to show the world how big his D\* is. A disaster.

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