



# 2019 Semaphore Confidence Survey Highlights

[Click here for the 2018 results](#)

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

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

- a. 30 % were from PE shops
- b. 21% were VCs
- c. 9% were LPs
- d. 10% were operating executives
- e. 9% were Investment bankers
- f. 21% were third party vendors/advisors to the industry (lawyers, accountants, etc.)

**2. Gender:**

81% Male    19% Female

**3. In what top three industries did you make deals or work on in 2018?**

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

**4. In what top three industries do you expect to make deals or work on in 2019?**

- a. Healthcare, Real Estate and Enterprise Software #1, #2 and #3
- b. Consumer Products was # 4 and Crypto/Blockchain #5

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

- a. 87% were confident or somewhat confident in their own business and 65% believed similarly in their industry
- b. 54% were confident in their competitors
- c. 41% had no or little confidence in the US National economy (as opposed to 8% last year) with 37% confident (versus 76% last year)  
53% had no or little confidence in the International economy (as oppose to 4%) and 13% expressing confidence (compared to 69% last year)

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

- a. 93% have confidence in themselves
- b. 70% have confidence in their immediate boss
- c. 60% have confidence in their CEO, Managing Partner with fully 69% similarly confident in their competitors' CEO, Managing Partner

- d. 81% are not confident in President Trump, only 14% are highly or somewhat confident and
- e. 71% have no confidence in Trump's economic team against 17% who are confident or somewhat confident
- f. 5% of respondents had confidence in Congress with 78% expressing no or little confidence
- g. 41% expressed confidence in Speaker Pelosi and Senate Majority Leader McConnell had 12% expressing confidence
- h. 71% had little or no confidence in US national tax and spending policy with only 12% expressing confidence
- i. State Government and Legislatures fared a bit better with 42% expressing confidence and 35% having no or little confidence
- j. International respondents thought of their governments in a decidedly negative manner with 91% having no or little confidence and

**7. In 2019 I expect to earn personally:**

75% expect to earn more than they did in 2018 with 11% expecting to earn less and 14% the same amount

**8. In 2018 I earned personally:**

61% earned more than the prior year, 21% less and 17% the same as 2017

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

41% Yes 59% No

**10. Did corporate income tax rate cuts influence business and investment judgments you made in 2018??**

28% Yes 72% No

**11. Will favorable tax treatment of Carried Interest income be eliminated in 2019?**

9% Yes 91% No

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

37% Yes 63% No

**13. Will President Trump remain in office at the end of this calendar year?**

79% Yes 21% No

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

88% Yes 12% No

**15. Where our respondents live:**

a. The top six states were 21% New York, 20%, California, 19% Massachusetts, 7% Texas and 6% Connecticut. Washington DC, Pennsylvania and Illinois came in each at 5% and no other state represented more than 1%.

b. The UK represented 21% of international respondents, 17% Canada, 7% Germany, 7% China and 2% France and Italy with multiple respondents in descending order from Australia, Singapore, the Philippines, Taiwan, Brazil, Russia, Japan, Israel, Columbia, Spain, Viet Nam, I and single responses from 9 other nations.

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

I'm guilty of it. Not proud of it but trying to change my abuse of the power dynamic. I can't honestly promise I will succeed.

It's a HUGE problem, sexual misconduct and harassment yes, but gender bias is more subtle and more sinister. Gender bias dominates my daily life. I've exhausted a variety of personal tactics designed to improve how myself and the women I work with are treated, but it's been futile (I can prove there is a dramatic gender pay gap at my firm). I'm left with the resolve that the only way to effect change is for women to organize within their respective companies and essentially strike.

Men remain pigs

The obvious difference in funding and jobs for women. Promote and fund more women.

It's a national problem, not just the industry

While improved, gender bias remains in the legal profession. Sexual harassment will continue until cultural norms and mores cause it to be widely understood to be absolutely unacceptable. Human nature is an impediment

Industry continues to be dominated by men. More women as fund managers.

Hard to change these problems in a still predominantly male industry.

Too deeply embedded to be solved quickly

It is deeply rooted in the culture. Needs to be addressed both at a high level with regulations and at a firm level with professional development objectives.

Focus more on Training and education, less on punishment.

Cultural change takes time and real costs to not making changes need to be "felt" before change happens.

In my own experience, investment decision makers at my firm have previously excluded companies run by women CEOs from being potential investment opportunities. While some funds are taking initiative to specifically support female-run businesses, it will be a slow routing of the ship as the culture shifts to an understanding that women can run businesses just as well as men can.

I believe that it will be lingering for the foreseeable future but I believe progress has and will continue to be made to reduce it. I think the best way to address it is to incur severe punishment on those that violate this (ie terminate employment or significantly reduce compensation) and companies need to do a better job of not covering up wrongdoings of those in power. Personally I think it is easy to act appropriately, respect your co-workers and promote employees based on merit, and I cannot fathom how people still struggle to do that.

If it's bold enough to be asked about, it's a problem.

Socioeconomic bias is a larger issue

Subtle gender bias is the most prevalent issue in private equity, but I don't think it's limited to this industry.

Please. It is rampant.

On both sides

Not as bad as people make it out to be

Just be a normal human being.

Force more white men into the conversation, not just ask minorities how they feel about the issue

I personally have not witnessed it, but as a male, I hear stories that let me know this is happens more than it should. Education at an early age.

Accounting is becoming more female dominant. Just look at the graduation rates.

Yes still a problem, albeit, somewhat inflated

It is still a male-dominated industry, so it will continue to be an issue until the demographics change and people in power are willing to make the hard decisions to change it

It remains a problem because the finance field is disproportionately male dominated. While no one wants to talk about it, this is driven by the fact that very few women coming out of college are focused on finance careers, let alone finance careers that last more than 3-5 years. Society as a whole keeps trying to encourage women participation but for some reason it does not stick. It is not as if finance is the only industry with this issue (e.g., Hollywood, modeling, advertising), we just happen to get the lens focused on us. At the end of the day, if women disproportionately don't want to participate in finance long term, this will continue to be a problem with no real way to address it. The other reality is that the knee-jerk reaction of the "me too" movement has lead to some more conservative men in finance to disengage from meaningful interaction with female peers and direct reports due to perceived heightened risk around doing so. Social media has done harm in terms of giving voice and credence to the loudest, most acrimonious viewpoints vs. allowing for a constructive discussion. The Kavanaugh nomination process is a good example.

My firm is not subject to this, we are an older more established firm

There will always be creeps out there.

It remains a problem in every industry. For tech, I actually am hopeful as the need for talent is so great. As for action, all business groups and leaders should actively push for more women on boards.

**Some of the general comments received:**

Years ago I suggested I wished my uninformed boss were dead. I may have even suggested murder. Oh well, he turned out to be much more aware than me. Thanks for the net worth, boss.

I've believed for years that PE industry would implode out of greed and avarice. I'm apparently wrong again.

Has the PE community seemingly abandoned rationale pricing and building companies for the long term as opposed to trading companies to each other?

Leverage ratios and covenant monitoring need to be a topic of interest in new deals as we transition from high prices deals of 2018 in to a potentially risky 2019. Bankruptcies pose a bigger threat to snowballed economic deterioration than shaky POTUS policies.

Valuations come back to earth and this will seed a new boom in 2021.

I expect the new Congress to put a lot of pressure on Trump. Although somewhat happy on principle, I hope we don't waste time and derail agendas both parties agree should be fixed. Economic inequality, infrastructure, healthcare, etc. should be addressed.

I think that there may be a VC bubble burst in the next year or two with the inflated valuations and enormous amount of dry powder currently in place.

I have been in the investment banking world since 1982, I believe we are in the worse possible position globally, and expect market downturn unlike I've experienced before.

My biggest concern is that funding parties stay too close to their network and tend to focus funding on experienced CEOs. There is no easy pathway for new CEOs (women especially) to get to institutional funding.

I continue to wonder when we Scorpions of Sand Hill Road will be deservedly bit themselves.

### **Comments on tenure of President Trump:**

I hope so rather more than believe so. I wish him to be rebuked by the electorate.

He is a better foil in office than out

Mueller is unlikely to cite a clearly impeachable offense sufficient to induce his removal this close to the next election

He won't leave and any process to remove him will extend beyond this year.

If everything that has been exposed hasn't taken him down, nothing will.....

Impeachment is impractical

In fact I am betting he gets re-elected. Who else would you rather have?

Hope not

Unless there is hard evidence, no one will want to take on his unpredictability

I believe it is likely that Mueller's findings will lead to impeachment proceedings, which may or may not result in his impeachment, but potentially Trump's resignation.

Dems don't have enough for an actual impeachment

The economic uncertainty and political risk impeachment would bring are not worth the temporary joy it would bring Democrats.

I don't see the path to a successful impeachment materializing.

Impeachment talk is political fodder.

Lies turn into crimes and cost him taxpayer paid housing. He may earn fully paid housing in a federal prison - he at least deserves the latter.

There will be thin reason to impeach, but it will be politically risky to vote to impeach the president on infractions that the average American doesn't view as worthy of impeachment.

Not enough votes to impeach

No Democrat in their right mind wants to initiate an impeachment war

Impeachable events will not carry enough conviction to muster votes, turning impeachment into a political stunt and not carrying substance.

He has control of the Senate and removing him may hurt the overall economy

There has been no evidence of Trump's involvement in "Russia collusion." It is interesting to note that the whole Russia matter only started after the election and was never brought up until Trump won. With candidates like Bernie Sanders and Elizabeth Warren, the better question is the potential impact of a Trump second term

He's a compromised Russian asset

He will negotiate a resignation in return for stopping the investigations of himself and the TO.

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