



2020 Semaphore Confidence Survey Highlights

[Click here for the 2019 results](#)

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

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

- a. 24 % were from PE shops
- b. 20% were VCs
- c. 4% were Hedge Funds
- d. 9% were LPs
- e. 12% were operating executives
- f. 11% were Investment bankers
- g. 20% were third party vendors/advisors to the industry (lawyers, accountants, etc.)

2. Gender:

86% Male 9% Female Gender X 5%

3. In what top three industries did you make deals or work on in 2019?

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

4. In what top three industries do you expect to make deals or work on in 2020?

- a. Healthcare, FinTech and Enterprise Software #1, #2 and #3
- b. Consumer Products was # 4 and Life Science #5

5. Please rate your confidence in ...

- a. 75% were confident or somewhat confident in their own business and 68% believed similarly in their industry
- b. 58% were confident in their competitors
- c. 51% had confidence in the US National economy (as opposed to 37% last year)
21% had confidence in the International economy (as oppose to 13%)

6. Please rate your confidence in...

- a. 95% have confidence in themselves
- b. 50% have confidence in their immediate boss
- c. 51% have confidence in their CEO, Managing Partner with fully 69% similarly confident in their competitors' CEO, Managing Partner
- d. 69% are not confident in President Trump (compared to 81% last year), only 16% are highly or somewhat confident

- e. 66% have no confidence in Trump's economic team against 18% who are confident or somewhat confident
- f. 4% of respondents had confidence in Congress with 72% expressing no or little confidence
- g. 36% expressed confidence in Speaker Pelosi (down from 41%) and Senate Majority Leader McConnell had 13% expressing confidence
- h. 68% had little or no confidence in US national tax and spending policy with only 13% expressing confidence
- i. State Government and Legislatures fared a bit better with 38% expressing confidence and 30% having no or little confidence
- j. International respondents thought of their governments in a decidedly more positive manner 50% having no or little confidence compared to 91% last year

7. In 2020 I expect to earn personally:

69% expect to earn more than they did in 2019 with 18% expecting to earn less and 13% the same amount

8. In 2019 I earned personally:

72% earned more than the prior year, 16% less and 12% the same as 2018

9. Did corporate income tax rate cuts influence business and investment judgments you made in 2019?

21% Yes 79% No

10. Will favorable tax treatment of Carried Interest income be eliminated in 2020?

12% Yes 88% No

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

39% Yes 61% No

12. Will impeached President Trump be convicted by the US Senate?

7% Yes 93% No

13. Will President Trump be reelected in November?

62% Yes 38% No

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

79% Yes 21% No

15. Where our respondents live:

The top six states remained 22% New York, 21%, California, 20% Massachusetts, 6% Texas and 4% Connecticut. Washington DC, Pennsylvania and Illinois came in each at 4% and no other state represented more than 1% (but Utah came out tops on that list).

Canada represented 19% of international respondents, 16% UK, 6% Germany, 6% China, 5% India and 2% France and Italy with multiple respondents in descending order from Israel, Australia, Singapore, the Philippines, Taiwan, Brazil, Russia, Japan, Columbia, Spain, Viet Nam, and single responses from 6 other nations.

General comments (sampling):

The VC industry needs to revert to value. The current environment of the "Venture Bros" and "hype for the sake of hype" needs to end. Softbank needs to go away and investors need to start doing their homework on companies before they invest.

The egos need to go. 2020 should be the year of being a good person! Especially after the Kobe incident. People need to do what is right and more and more I am seeing less of that in our industry.

Your Industry cannot give me a Job. It's unfair. All the corporations today someday were started by people my age.

Great Times

The VC community is incredibly biased and discriminatory against conservatives. It's the new Jim Crow. It has to stop.

Bubble, baby!

Too much money driving unrealistic valuation and create opportunities for low quality companies that will still eventually fail.

Feel under read on the impact to the PE / VC industries in the event of tax policy change. Good , and ideally bipartisan, resources on this subject would be great to read up on.

Craven and selfish CEOs have accelerated the potential of the crash of the capitalist system. We need to narrow the gap and reform the way in which we reward the titans.

Not sure why politics matter, this survey should be about business

Most VCs have never had a real job

The pitch process tends to bias towards those with irrational self-confidence (men) and away from those with a more realistic self-assessment of their capabilities (women). That is independent of whether men or women are the VC partners doing the assessing. The process needs to change.

I continue to be amazed at how damn easy it is to make money.

Ugh! The all too merry-go-round must end. While the painted ponies are supposed to go up and down it is unsustainable that they just go up and up and up.

PE fund terms becoming too onerous plus fast pace of fundraising will cause a backlash among LPs

I've never been more bullish on the industry. The technological advancements of the next decade will be revolutionary. VC funding will continue to be a huge aspect of this movement.

Silicon Valley startup pricing is absurd! There is far too much capital chasing too few quality entrepreneurs.

The amount of dry powder and high valuations will have a counter cyclical effect in PE if there is a downturn. It is a great time to enter or remain in PE.

With all the easy money and trillion dollar deficits, it feels like a game of musical chairs. Who will still be standing when the music stops? The rise in gold seems an ominous signal.

Hedge funds make a return in 2020

Poor survey

PE and VC are targets right now. Lower returns have made LPs question the typical 2 and 20 fee structure, and the continued high levels of fundraising has caught the attention of the federal government, who wants a large portion of fee and carried interest income as tax revenue. Whoever wins the US presidential election will have a major impact on the continued viability of the industry.

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

I admitted guilt in last year's survey. Truth. I've not changed. (**Note:** *For reference here is what we surmise to be the same respondents commentary last year "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."*)

I think it's a problem to some extent in every industry

Yes because many white men have subconscious bias and there are structural problems.

It would be foolish to believe that such socially-engrained behaviors can be eliminated in the near future.

The system is rigged to be male dominated due to the lack of turnover at executive positions in VC/PE. Until there is a changing of the guard, the current bad behavior will continue.

I have seen A LOT of it at my old company and some (although somewhat less prevalent) at my current company. It is always swept under the rug bc it is done by high level employees to secretaries or analysts/associates. As a male VP (somewhat junior VP), if I speak about it people will treat me differently (good boys club). This is not okay and needs to be solved.

It is an issue in society, why would this industry be any different. All signs point to this industry being worse than society due in no small part to the insular nature of the participants.

Less sexual misconduct/harassment, but gender bias exists

Old boys network sticks with what and who it knows

Over played

Bias, yes. The whole pitch process is inherently biased (see 16)

It will only be addressed when it is no longer denied.

It is everywhere

Transparency and fair hearing on both sides (accuser and accused)

Better recruitment and retention

More protection for the victims, and more platform to open-up/victim

Man is but a dog

All bad publicity

More endemic. It seems like it's not cool to do this if you are female given the lack of comps you have. It will get better, but just not quick enough.

Only jilted women complain - been around for centuries

Assume yes, but haven't seen it directly through my work.

Huge problem at all levels.

i think there's been so much talk and recognition of the issue, that it's swung the other way

Stop the whining; all out the bad actors; and, move on.

i see men changing behavior out of both fear/necessity and recognition of that old habits need to die

I believe there is increased awareness about it and an emphasis on diversity, but that needs to translate into implementation and more progress is needed

Lesbian lobby is pursuing this waste of time

I have not personally witnessed anything, but that does not mean it does not happen. Men need to say something if they know it is happening.

Comments regarding President Trump and impeachment:

Broken system

Senate republicans are cowards who have abdicated their constitutional responsibility

The case was DOA

He's not guilty

I would hope so, but my faith in the Senate ruling fairly is somewhat diminished.

Senate wants Republican in White House

Partisan behavior is taking over the House and Senate instead of logical decision making. There will be a changing of the guard in the next senate elections in reaction to the ugly politics currently.

No strong case.

It is such a stupid, small and most likely not real issue. Why don't they talk about Homelessness in California or shootings in Chicago. Do you see anyone bothering in social media talking about the impeachment? Nobody cares.

Hah, not a chance a single Republican votes to remove him.

LOL. This senate wouldn't impeach a kicking mule.

It was a partisan hack job

Not impeachable

Not enough Senators will vote against party line.

Republican senators do not want to do their jobs

Swing Republicans will vote their conscience

Republicans will put tribe membership above morals

He deserves to be convicted but snivelingly selfish senators shelve self-respect and slink-away from civic responsibility.

GOP complicity focused on wringing every structural change while they are able.

Sham impeachment

1) weak case; 2) Republicans control Senate

Corrupt Senate

Republicans are desperate to retain power, not in the US Interests.

Not enough votes in the Senate, especially for a less-than-impeachable offense

Tide will turn

Can you imagine “Pence 2020”? Exactly

Democrat plot

Spineless republicans more focused on their jobs than what's right

Because his actions weren't impeachable and Republicans won't vote to do so

Silly

If Bolton testifies

Republicans have become a school of fish following Trump.

Comments on President Trump Reelection:

The Democrats will choose a candidate based on ideological purity rather than electability - setting the stage for a Corbyn-style wipeout in the election

Money, influence and lack of cheating oversight

Hard to say really. Current polling suggests not

At this point, the Dems seem hellbent on self destruction. This cycle seems to be more about the Progressive end of the party wanting to take control of the DP and less about actually electing a Dem president or actually governing

The alternative is socialism.

Economy is doing well.

He's been 'bad for business' in terms of the United State's global economy. While he does have many fanatic fans, his overall reach has been dwindling over his presidency.

Poor competition from Democrats

Those trying to keep him in power will also be replaced (lose their elections) in their home states. The current political system is a total joke. You will see young adults come out in droves to get rid of this buffoon.

Dems got no frontrunner

It'll be close, Trump by a hair.

This is a coin toss still.

Good economy, and Democrats message is poor

Bloomberg or Biden will beat him

Americans in parts of the country are stupid.

Economic reasons

We are fed up - This Philadelphian made a fuck you vote three years ago never expecting to be rewarded with him winning. I know many who did the same and will not be so irresponsible again. I'm ashamed.

Silent majority

Clarity in the impact by Independents will push this away from the GOP

Left is crazy

Dems are a worse answer

America is better than he that now represents it.

Majority of Americans see him as a con-man; however with dirty tricks by Republicans to suppress voting, and nations such as Russia manipulating social media, re-election is possible.

Democrats have weak candidates or candidates with positions that non-primary votes don't agree with

Slim

He's doing a better job than others could do

People like entertainment

Democrats have no worthwhile candidates

Sadly

God I hope not.

Democratic Party hasn't produced a viable option to consider

Because Democrats are likely to nominate a far left candidate that is worse to Middle America than Trump

We can't have 4 more years of this--the bad he has done outweigh any good policies he has implemented

Bloomberg (probably wishful thinking).

Dems lack of competitive candidates; impeachment trial will motivate DJT base just as much as everyone's Dems friends telling you to "get out and vote" in their Holiday cards

The Democrats are digging themselves into a huge hole with extreme policies that are pushing a lot of the country away. The impeachment was the last straw and many that would not have voted for Trump before will do so simply to spite the Democrats.

Weak democratic candidates, no clear option on who to vote for in Dem party. Trump has more supporters than it appears. Many don't want to admit but are shadow supporters and will vote for him without a strong Dem candidate, which is currently looking like a 0.

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