

carta

Navigating Growth in 2024

VC Trends and Market Dynamics



Contents

Fundraising

Valuations

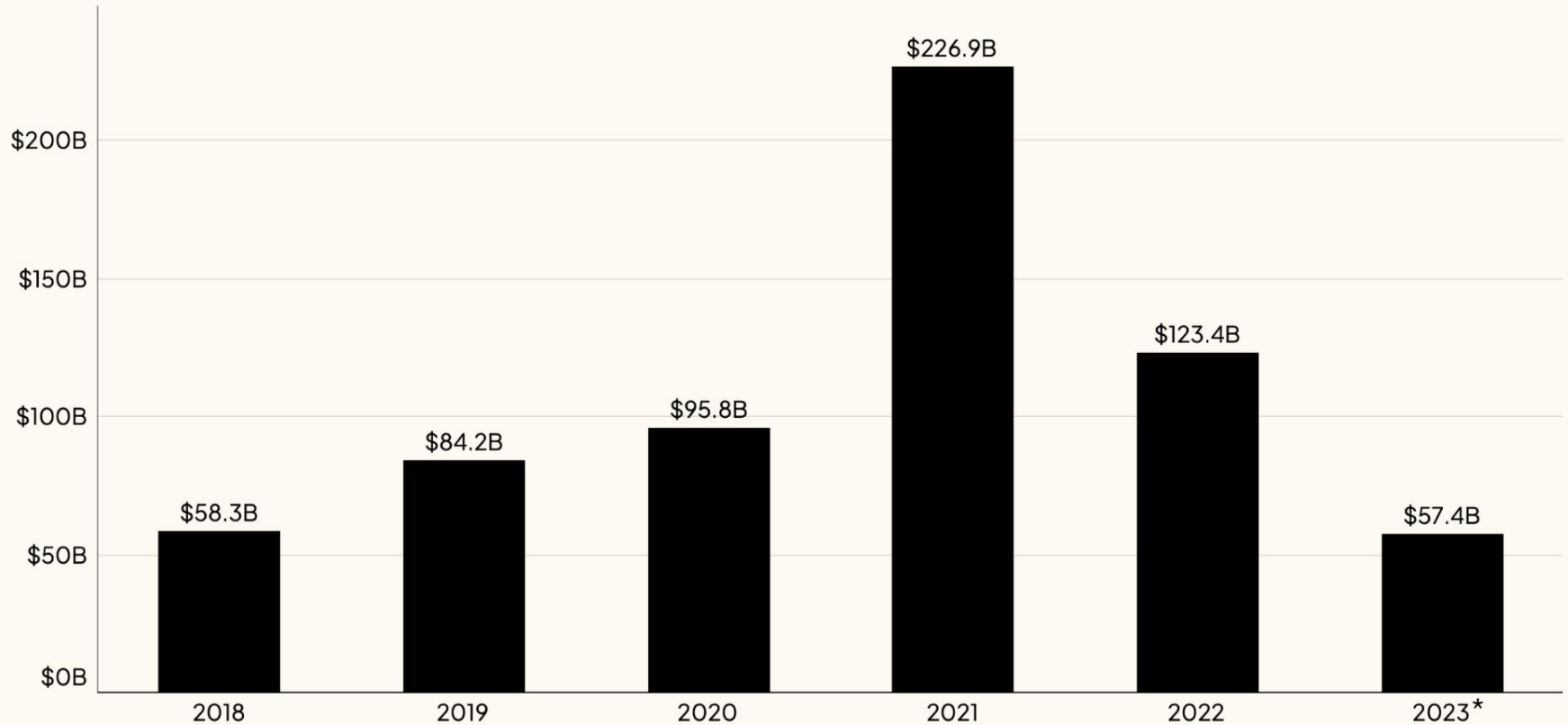
Industry Breakouts

Pre-Seed & SAFEs

Compensation & Hiring

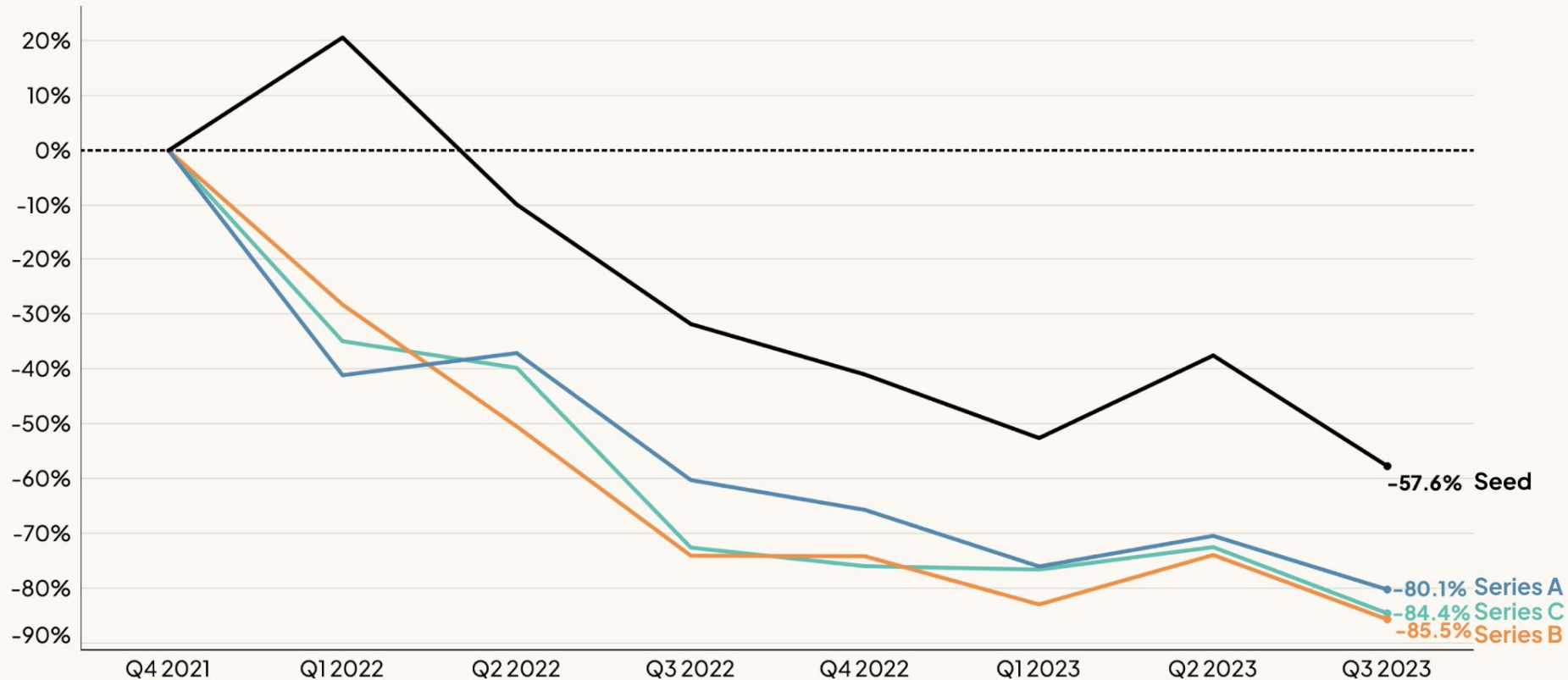
Capital raised by US startups fell sharply

Capital invested into US Carta startups by year | 2018–2023 | *2023 only through November and will rise somewhat



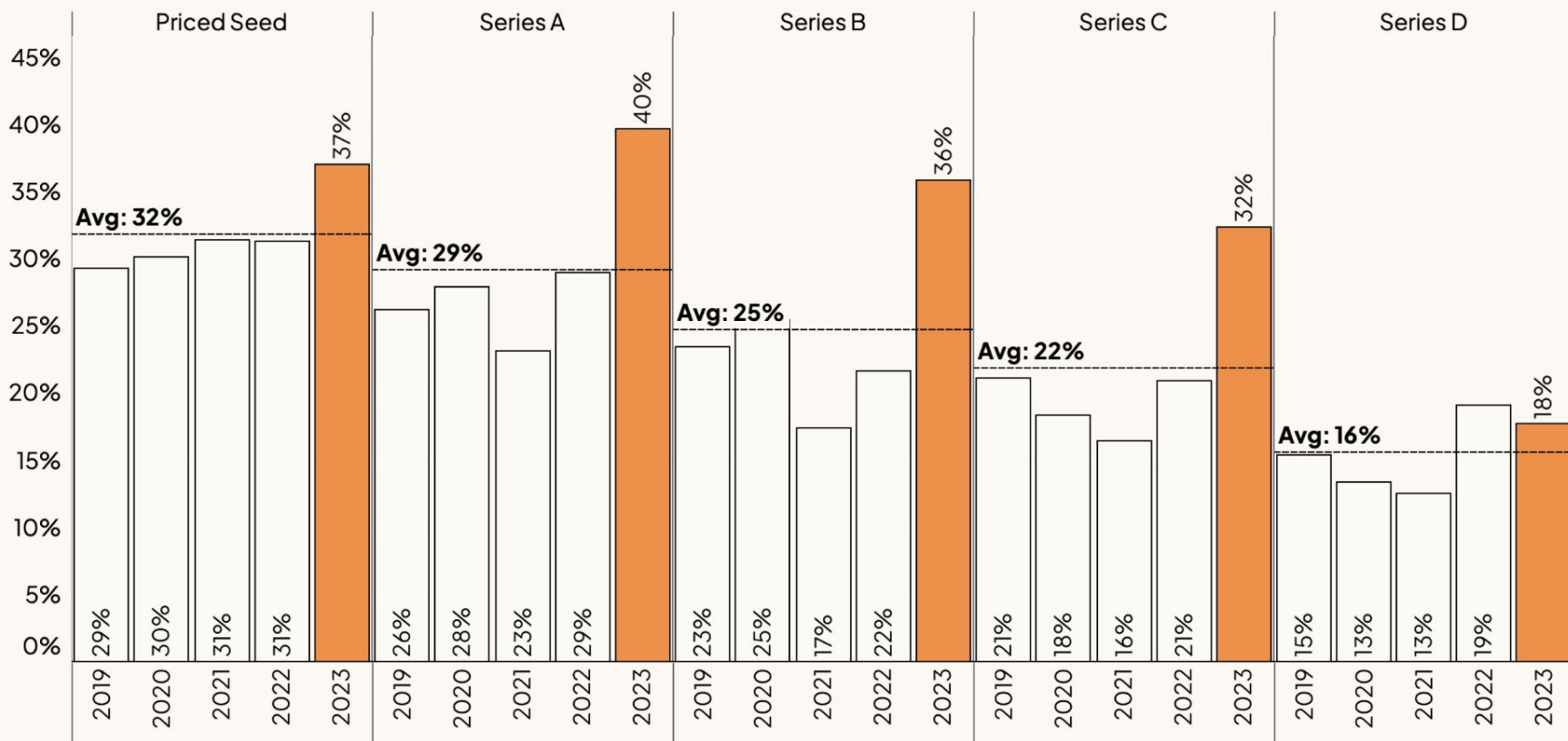
Down for all stages, but relatively better at Seed

Percent difference in capital raised by Carta cap table companies in primary rounds by stage vs Q4 2021



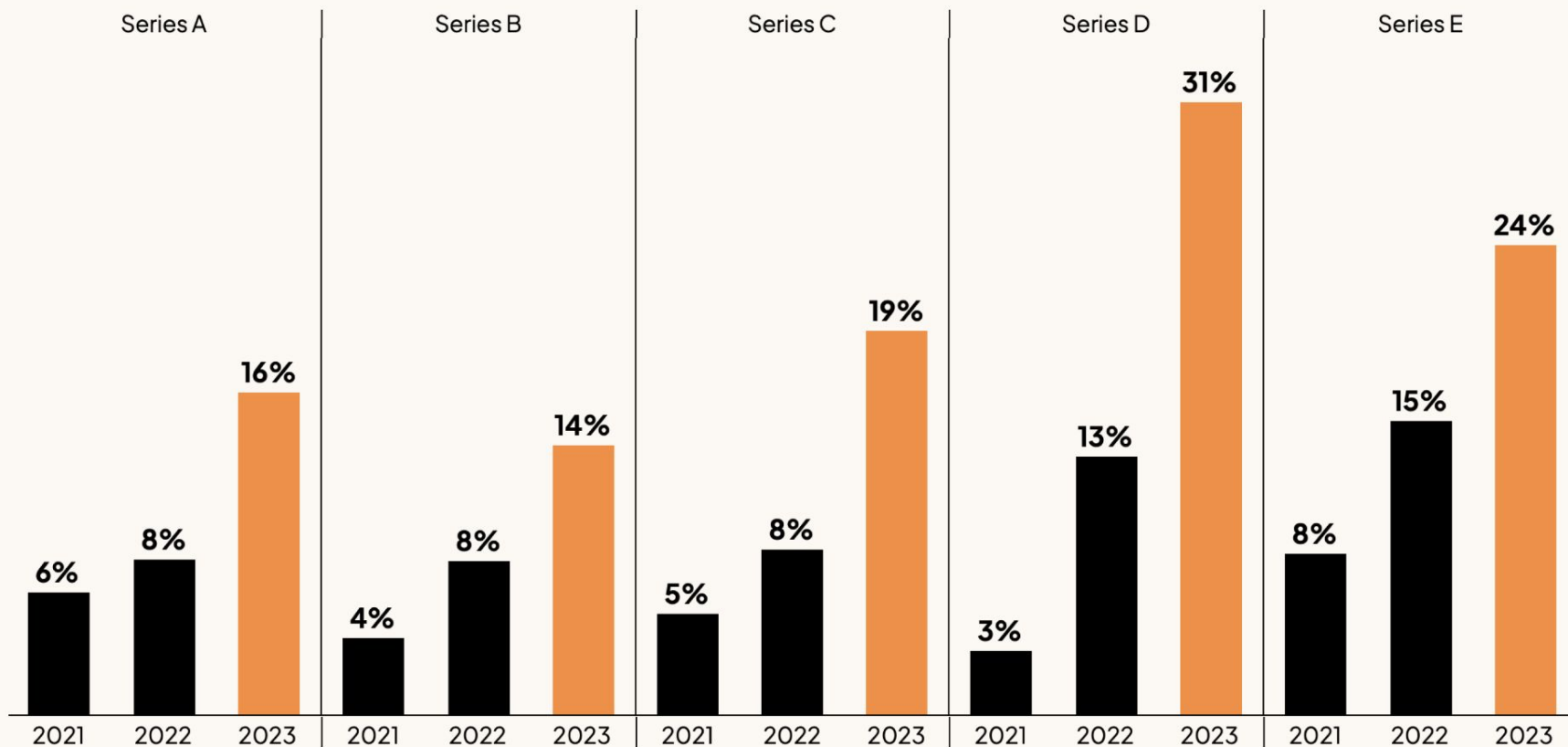
More time & attention on bridge rounds

Percent of rounds that were “bridge rounds” by quarter and stage | 2020–Nov 2023



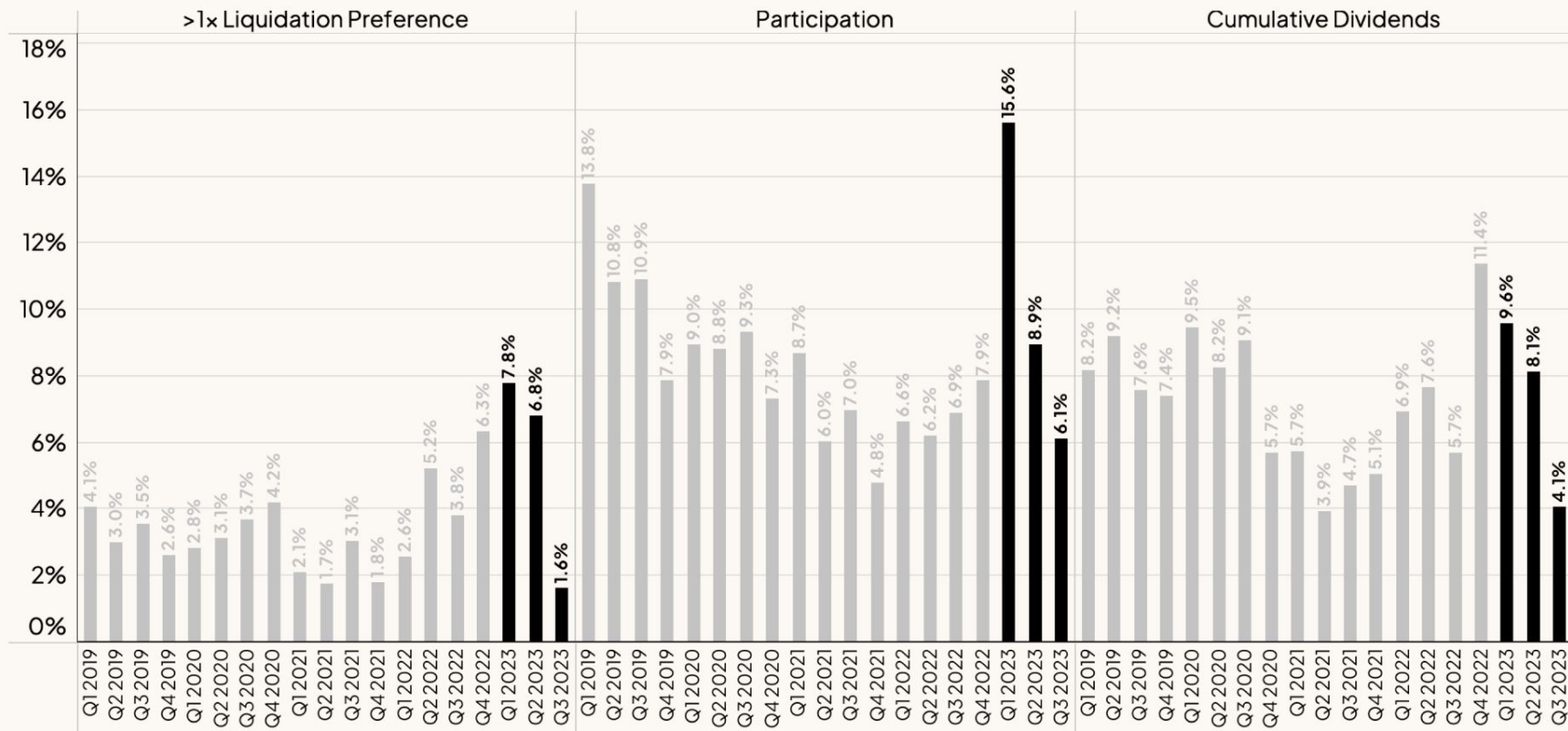
Down rounds on the rise

Percent of rounds that were “down rounds” by year and stage | 2021–Nov 2023



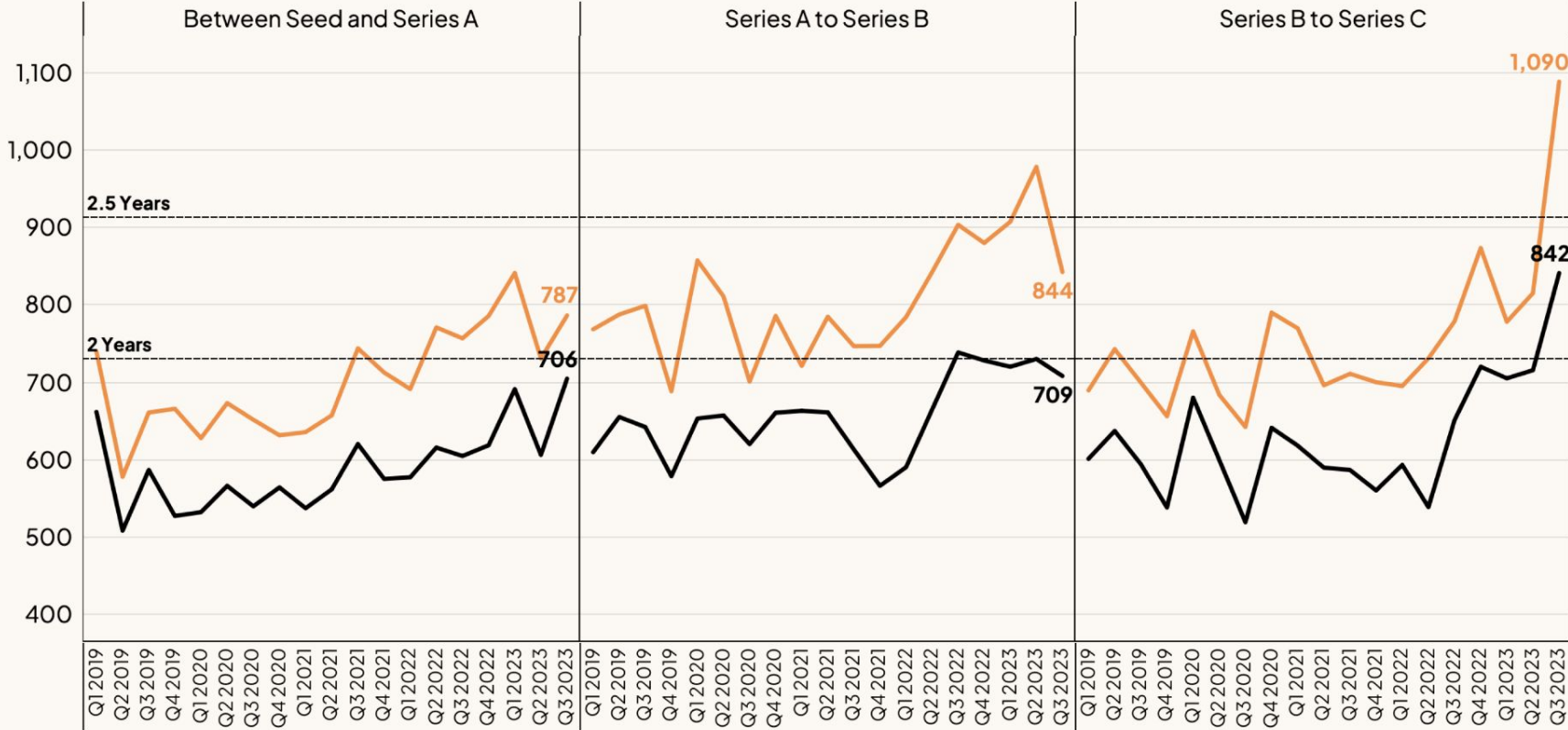
High liquidation preferences and participation returned

Percent of deals with a given term included | Q1 2019–Q3 2023 | **Quarters in 2023**



Time between rounds shot upwards for growth stage

Time between rounds in days | Q1 2019–Q3 2023 | Median | Mean

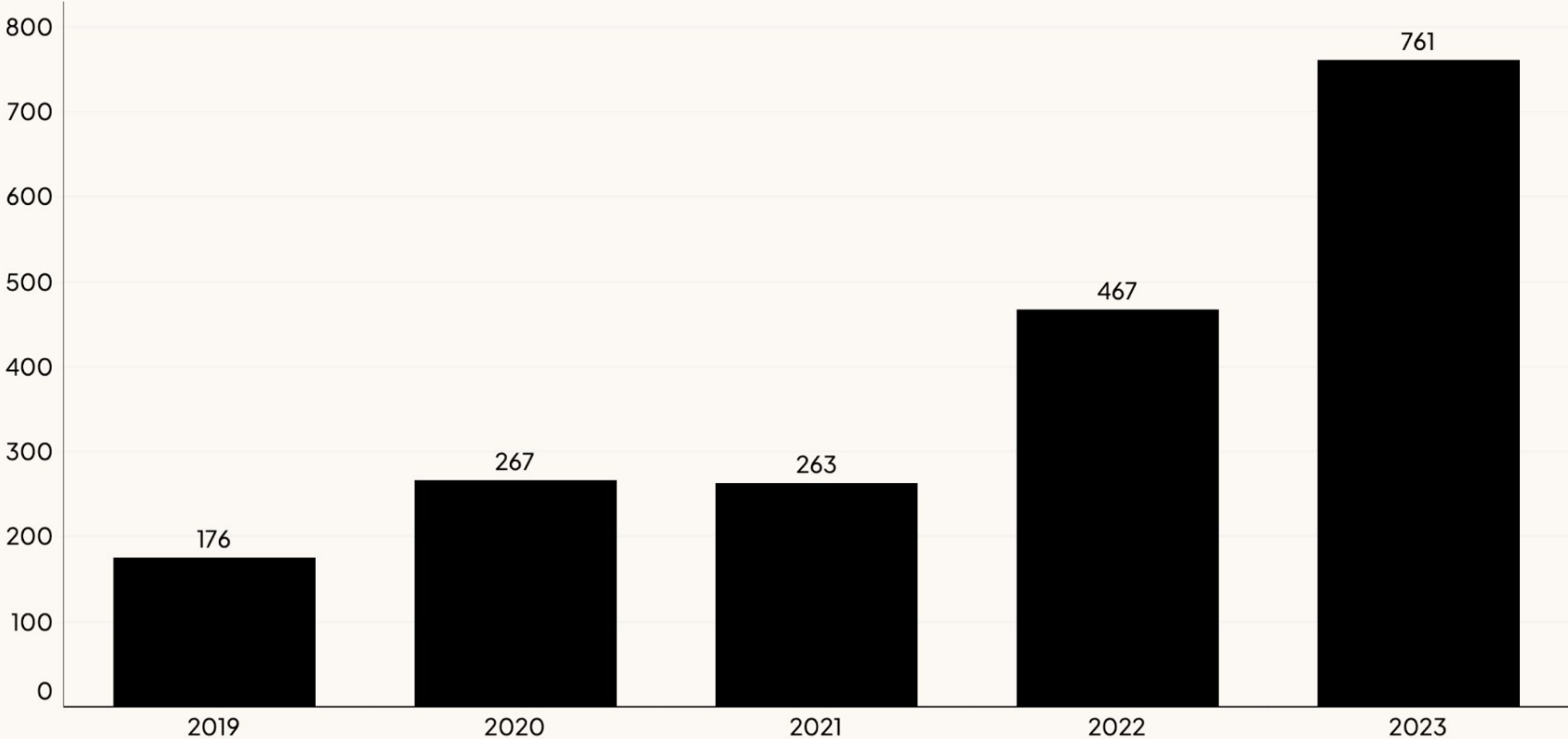


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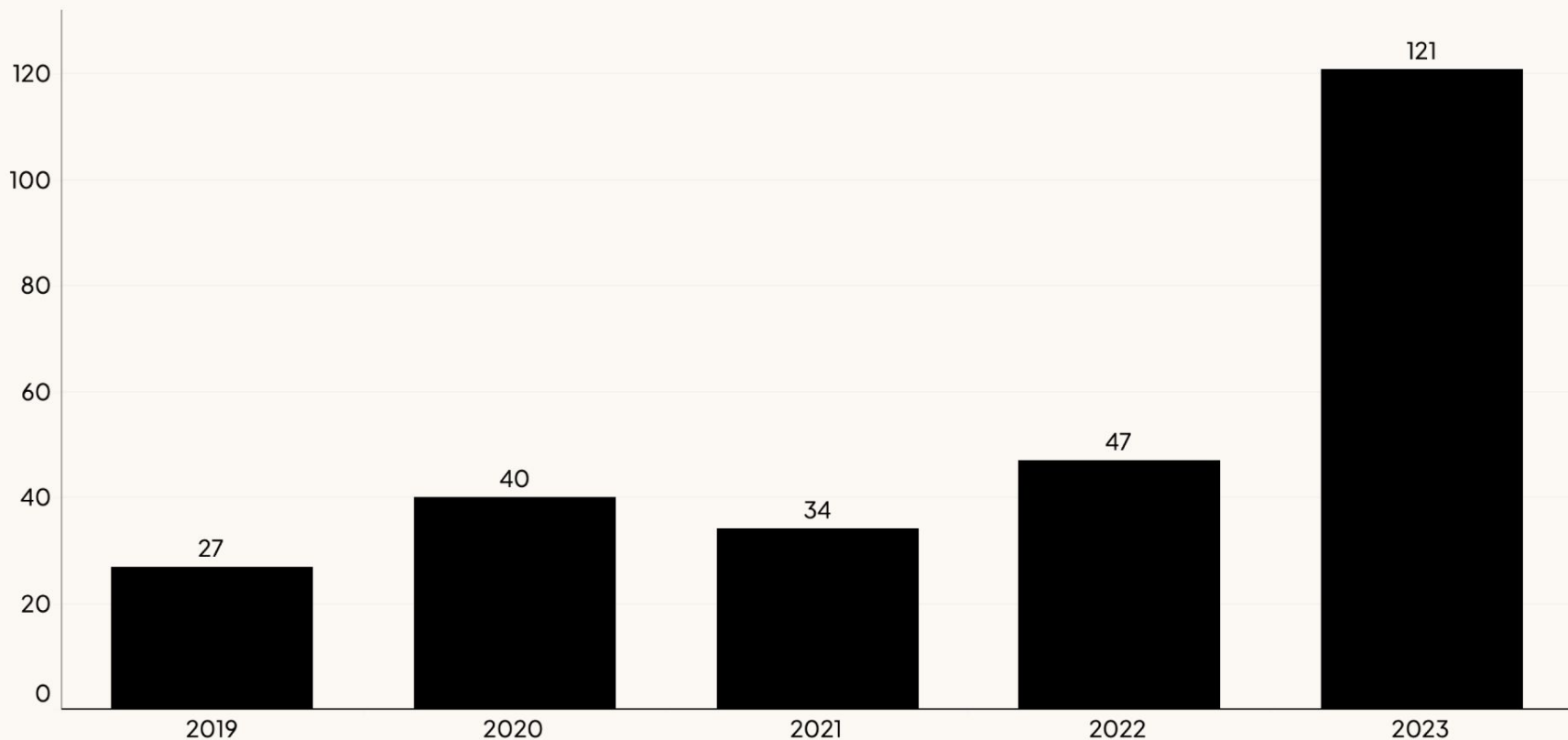
The wave of startup shutdowns continued

Number of startups using Carta cap table that went bankrupt by year | 2019–Nov 2023



Startups with \$10M+ raised were not immune

Number of startups using Carta cap table that raised at least \$10 million that went bankrupt by year | 2019–Nov 2023



Contents

Fundraising

Valuations

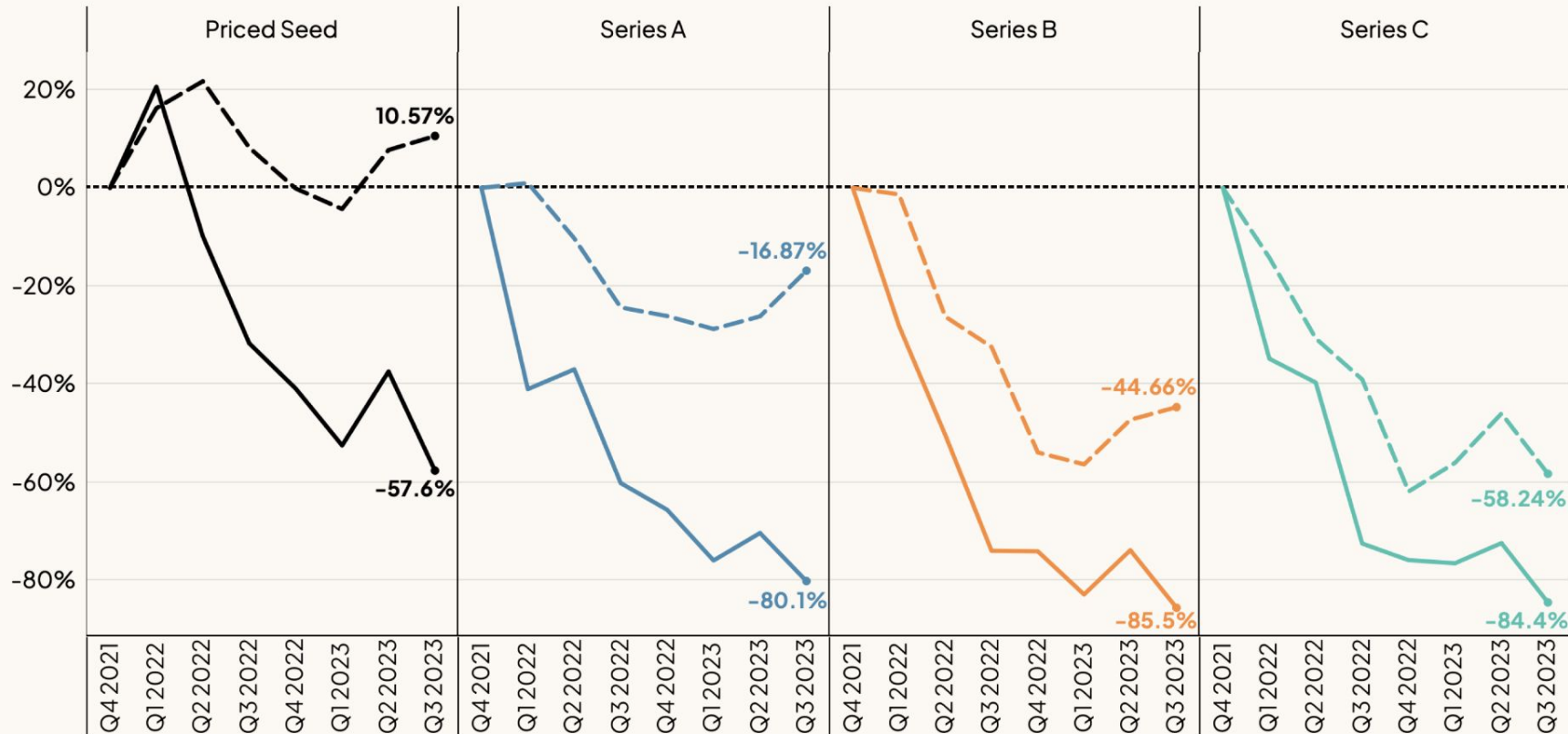
Industry Breakouts

Pre-Seed & SAFEs

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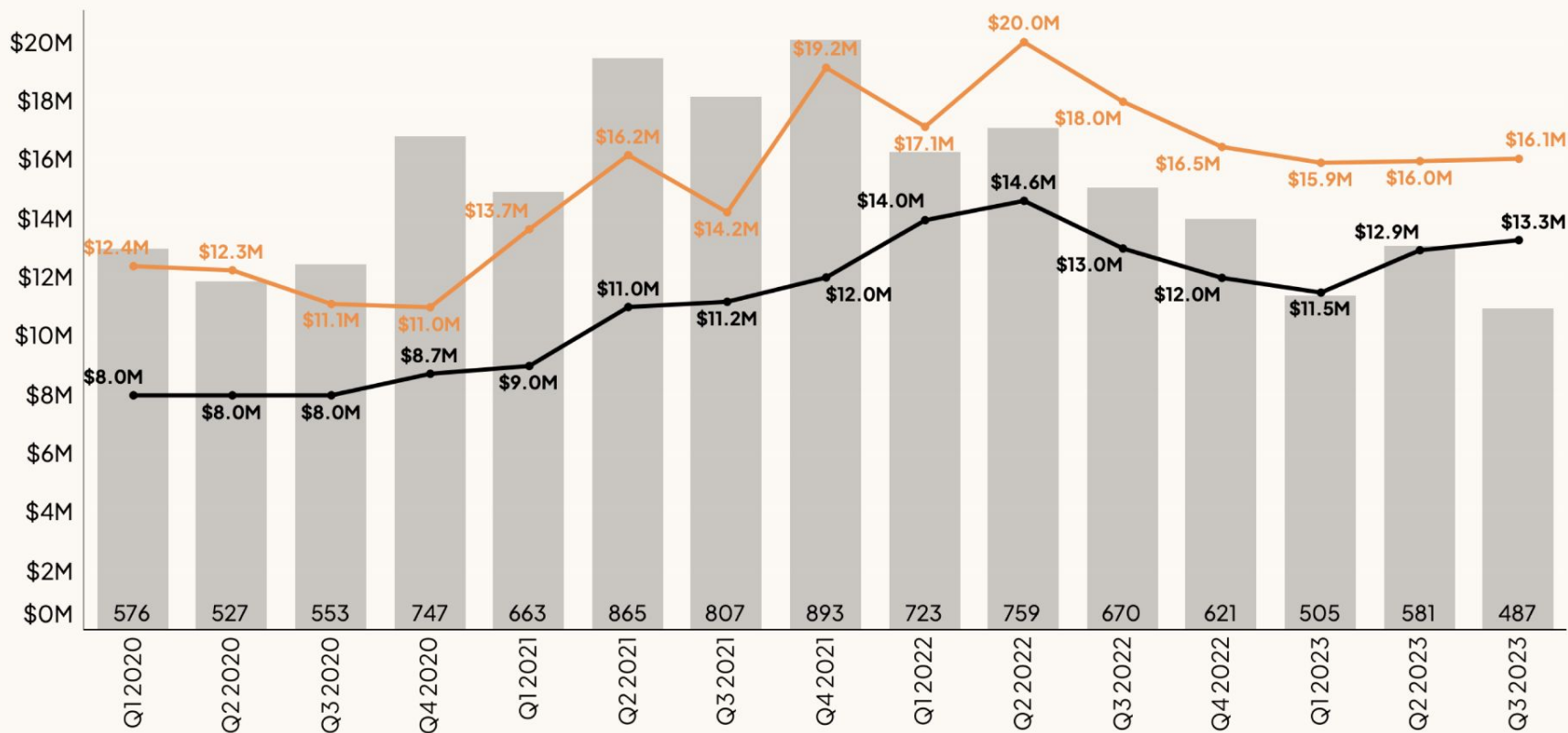
Valuations have not fallen alongside investment activity

Percent difference in capital raised and median pre-money valuations by stage vs Q4 2021



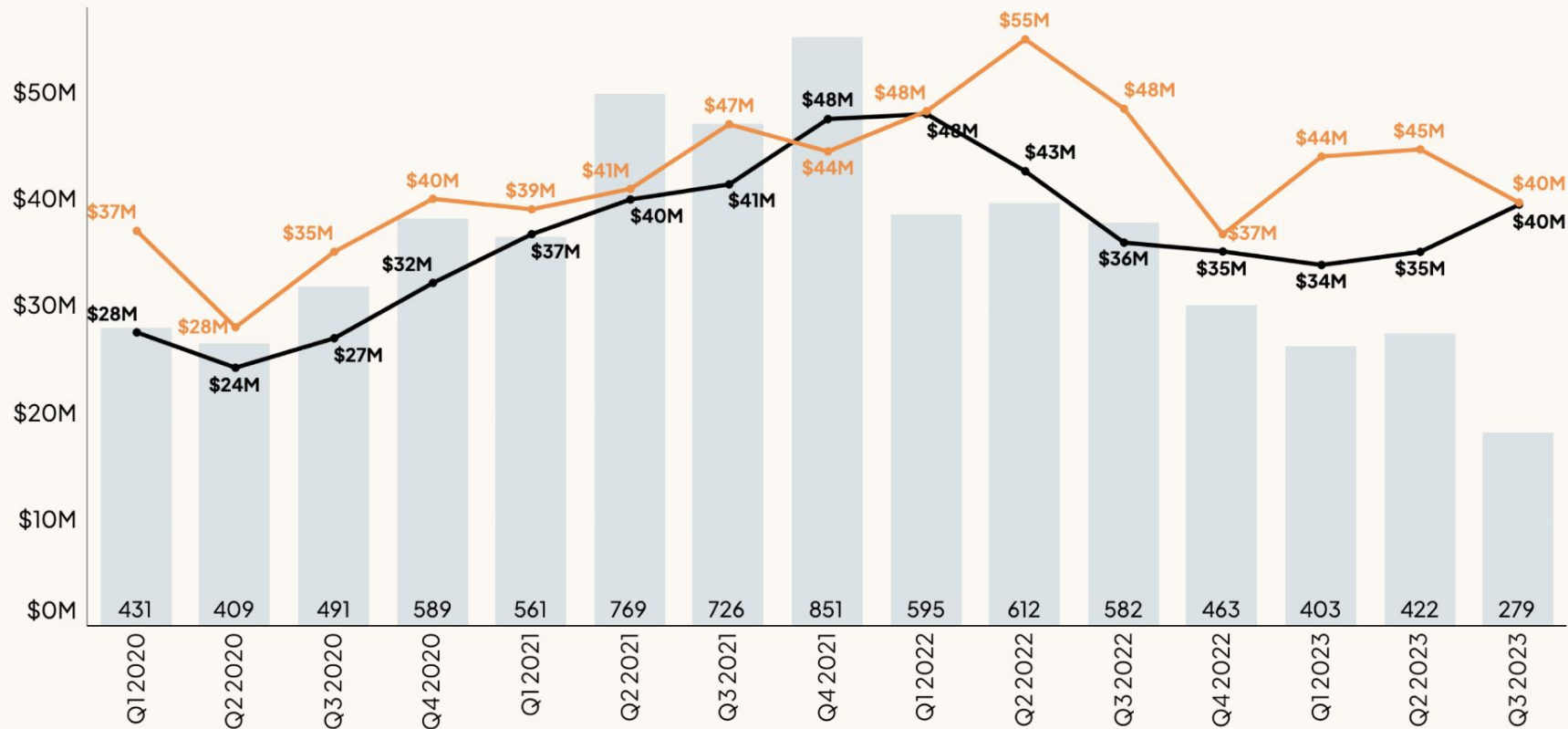
Seed round valuations through Q3

Primary and **bridge** seed round median pre-money valuations + **total rounds** | Q1 2020–Q3 2023



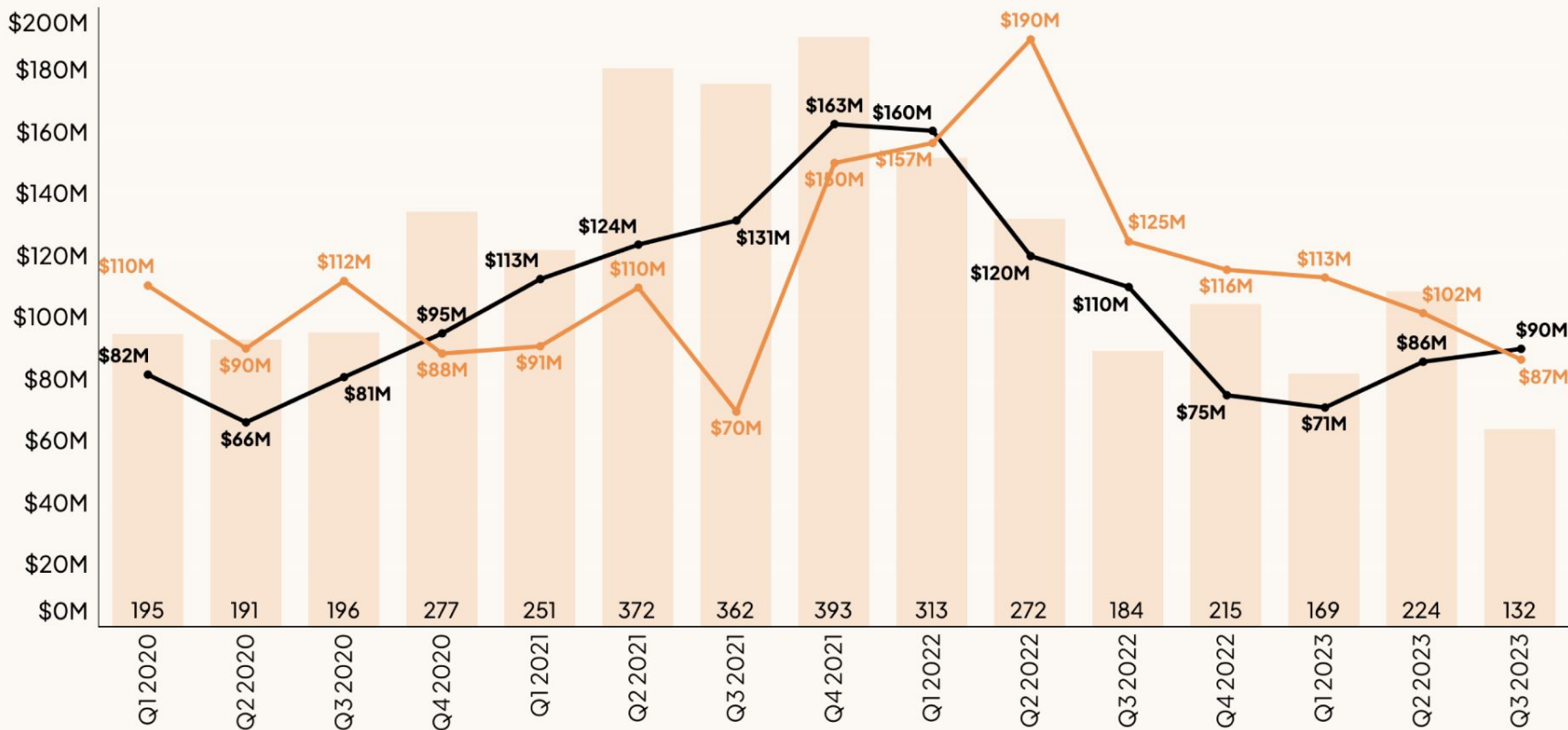
Series A round valuations through Q3

Primary and **bridge** Series A round median pre-money valuations + **total rounds** | Q1 2020–Q3 2023



Series B round valuations through Q3

Primary and **bridge** Series B round median pre-money valuations + **total rounds** | Q1 2020–Q3 2023



Contents

Fundraising

Valuations

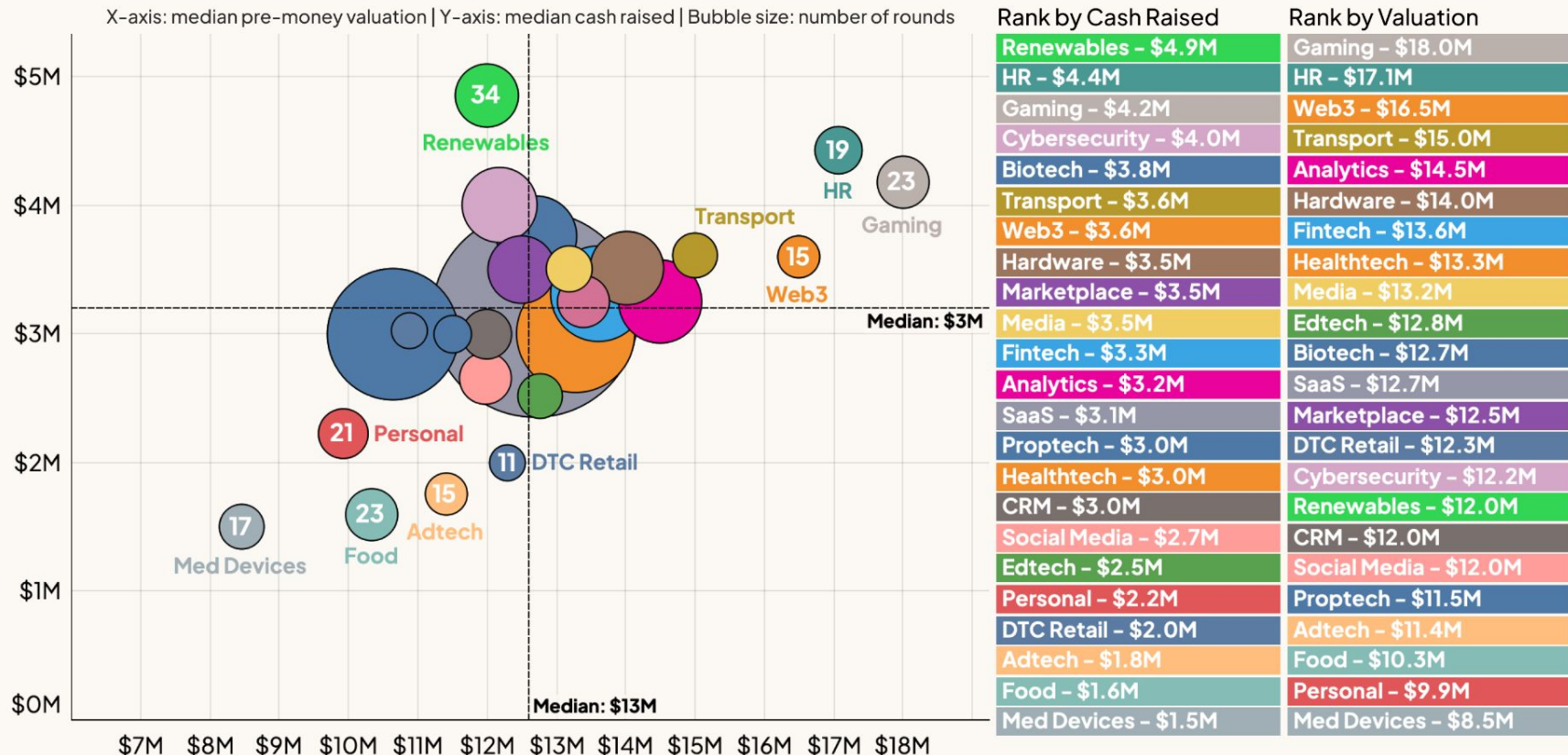
Industry Breakouts

Pre-Seed & SAFEs

Compensation & Hiring

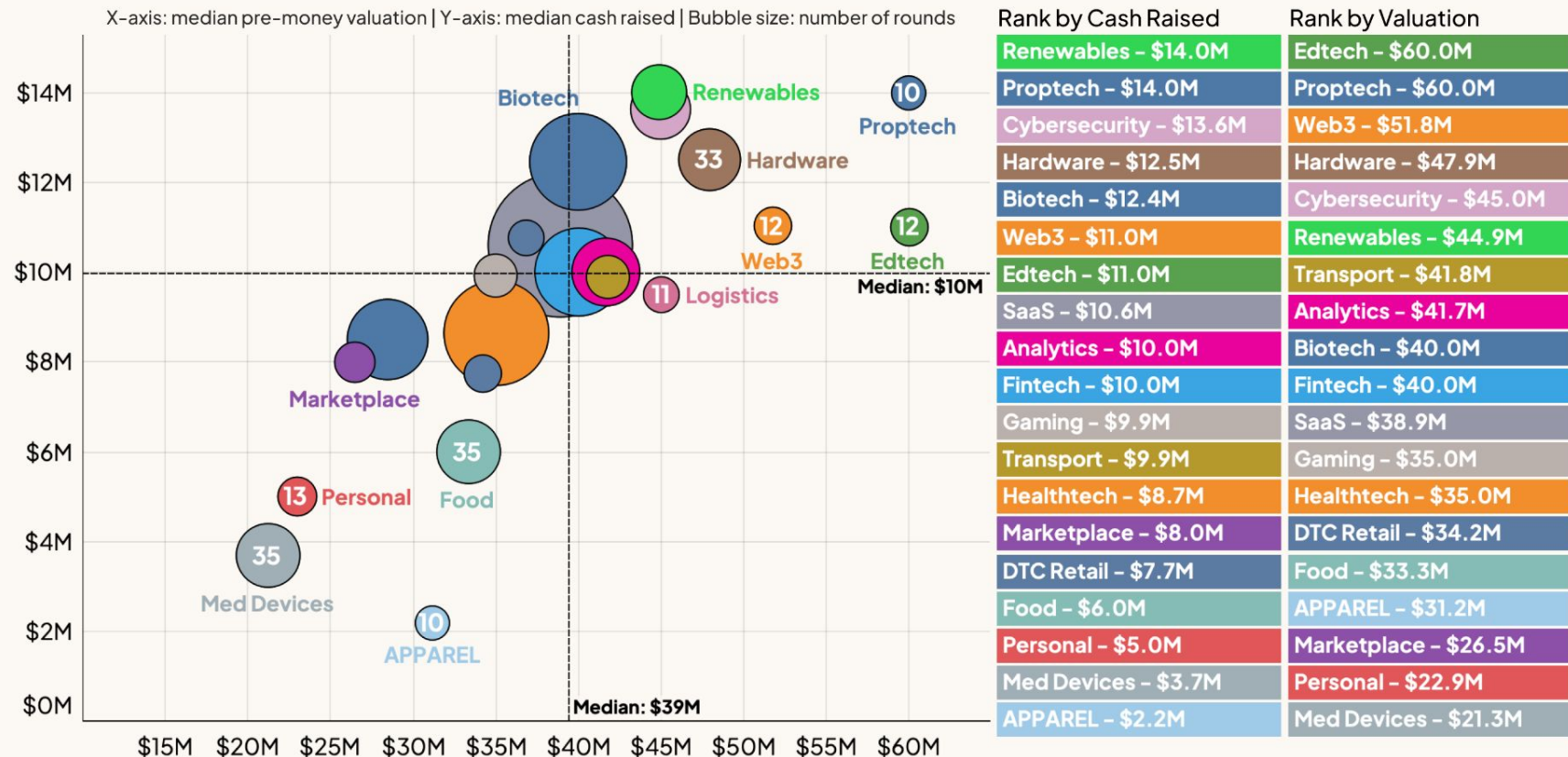
Priced Seed rounds clustered around \$13M in valuation

Median pre-money valuation, median cash raised, and total rounds by industry for priced seed rounds on Carta in 2023



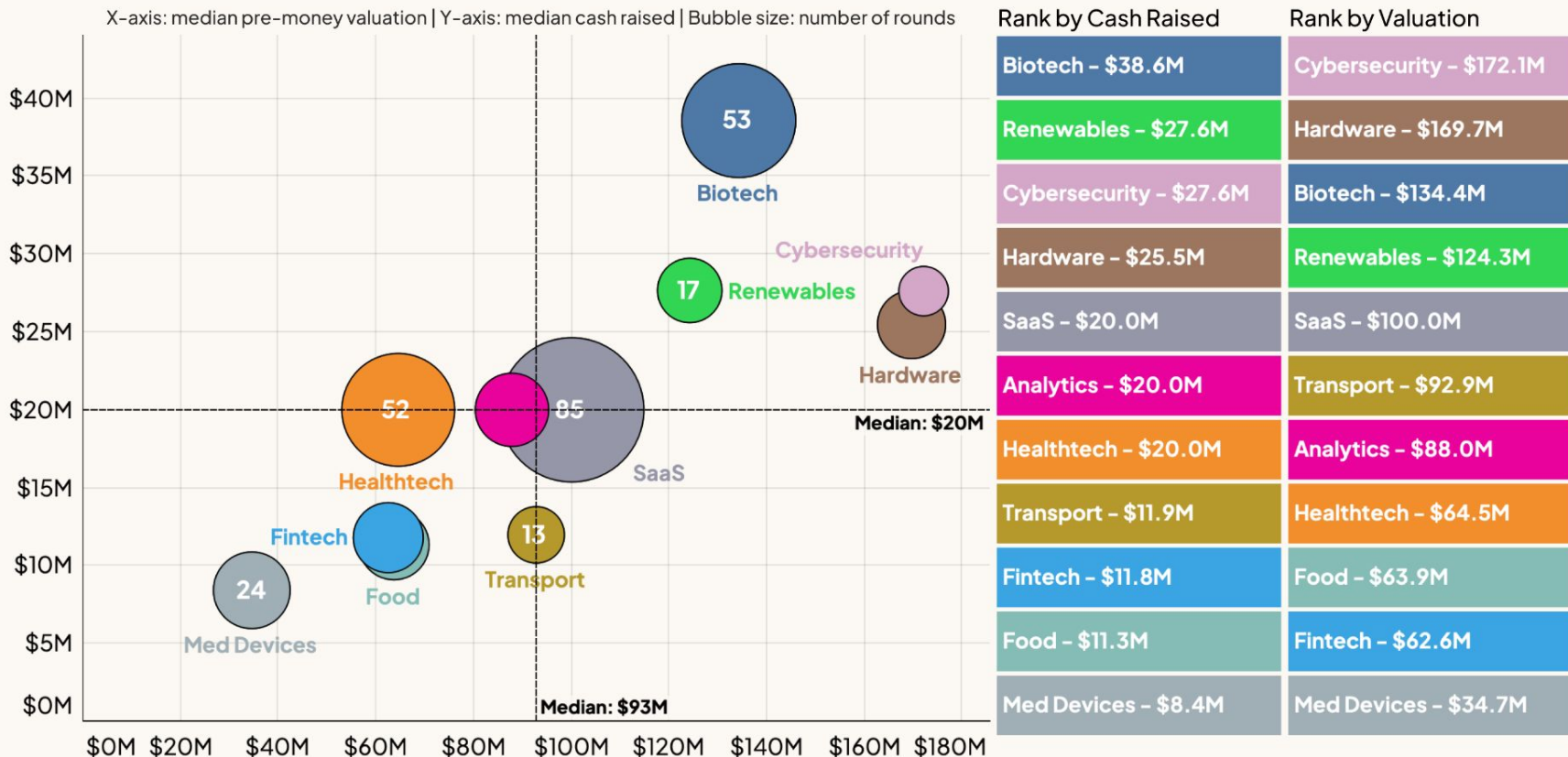
Series A rounds were more widely distributed

Median pre-money valuation, median cash raised, and total rounds by industry for Series A rounds on Carta in 2023



Only a few industries had 10+ primary Series B rounds

Median pre-money valuation, median cash raised, and total rounds by industry for Series B rounds on Carta in 2023



AI startups raised more cash and were valued more highly

Median cash raised and median pre-money valuations by company type | Jan–Nov 2023



Contents

Fundraising

Valuations

Industry Breakouts

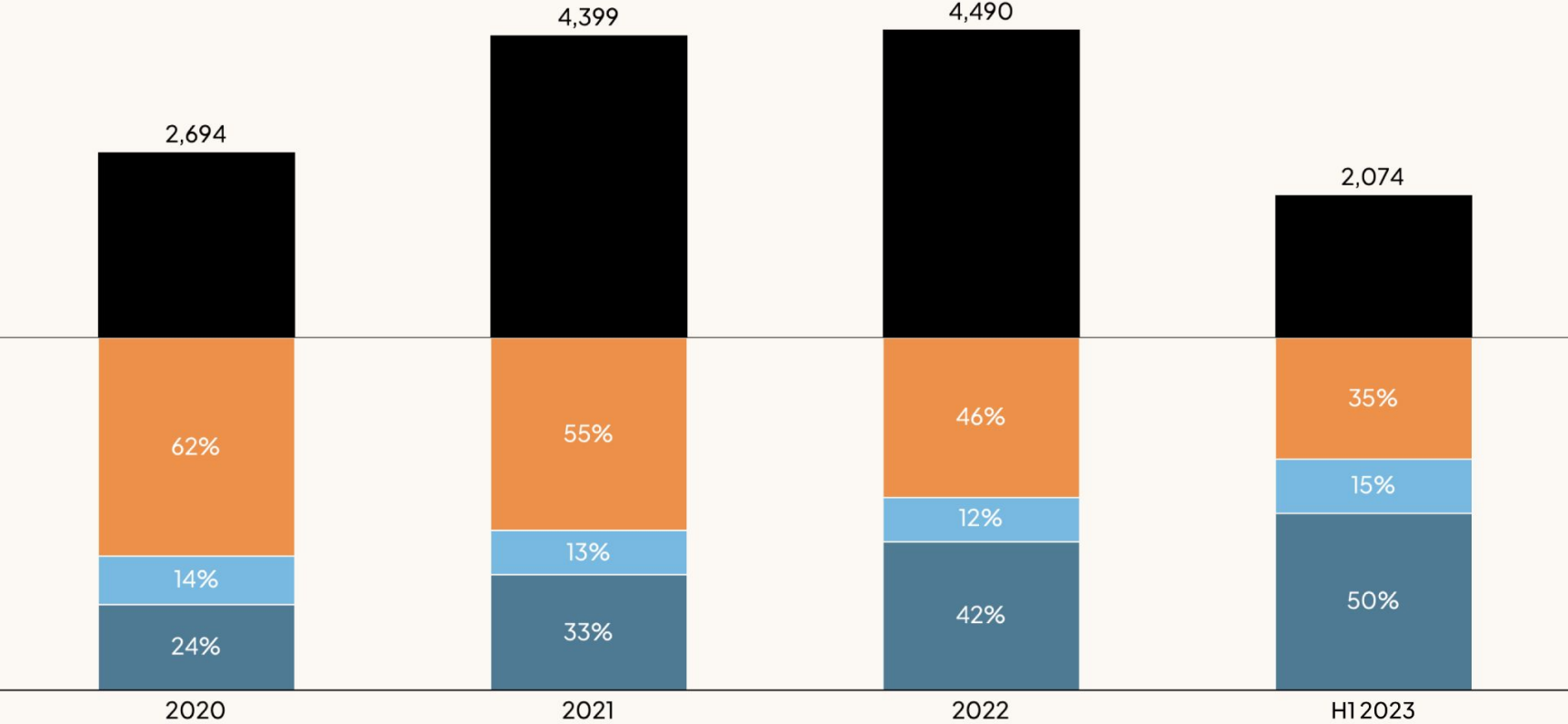
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Seed fundraising has shifted towards SAFEs

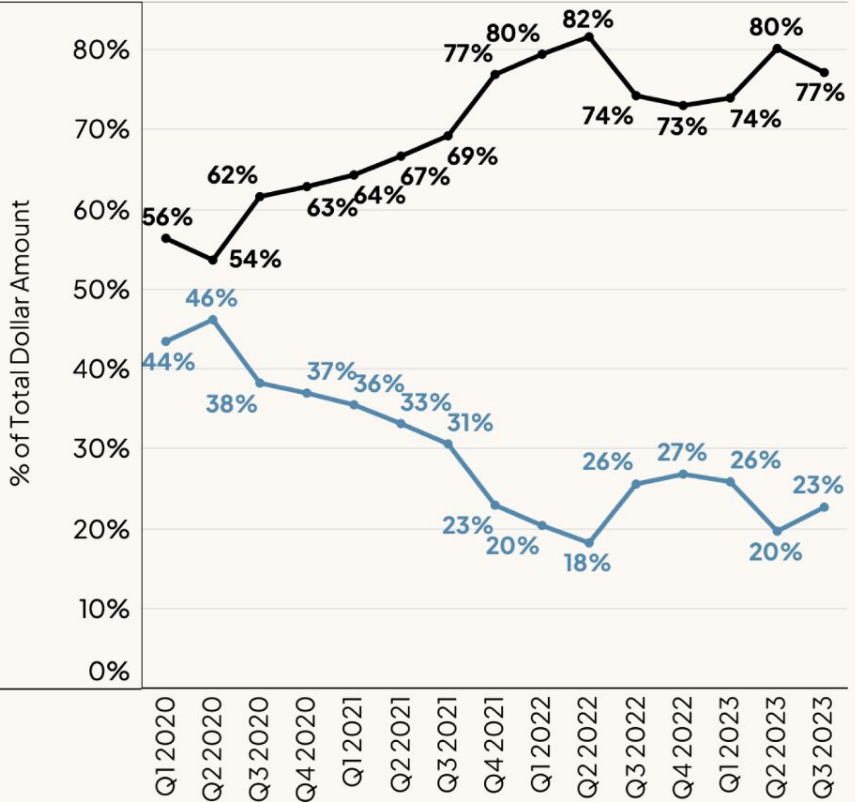
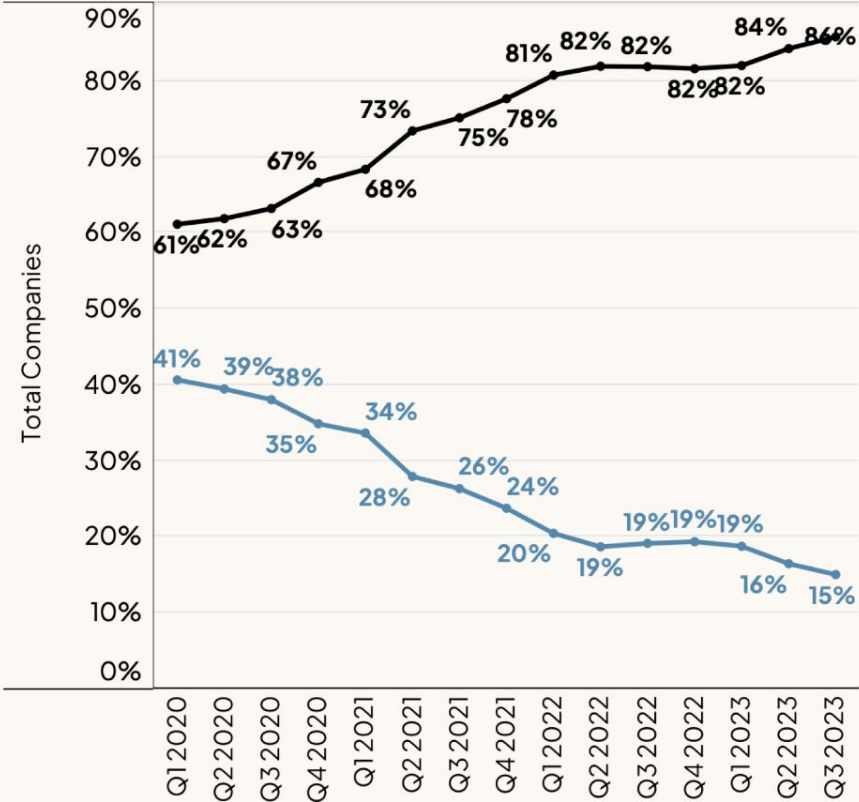
Total number of rounds where at least \$1M was raised by type and year. Priced rounds only included if they were the first priced round.

Priced Equity | Convertible Notes | SAFEs



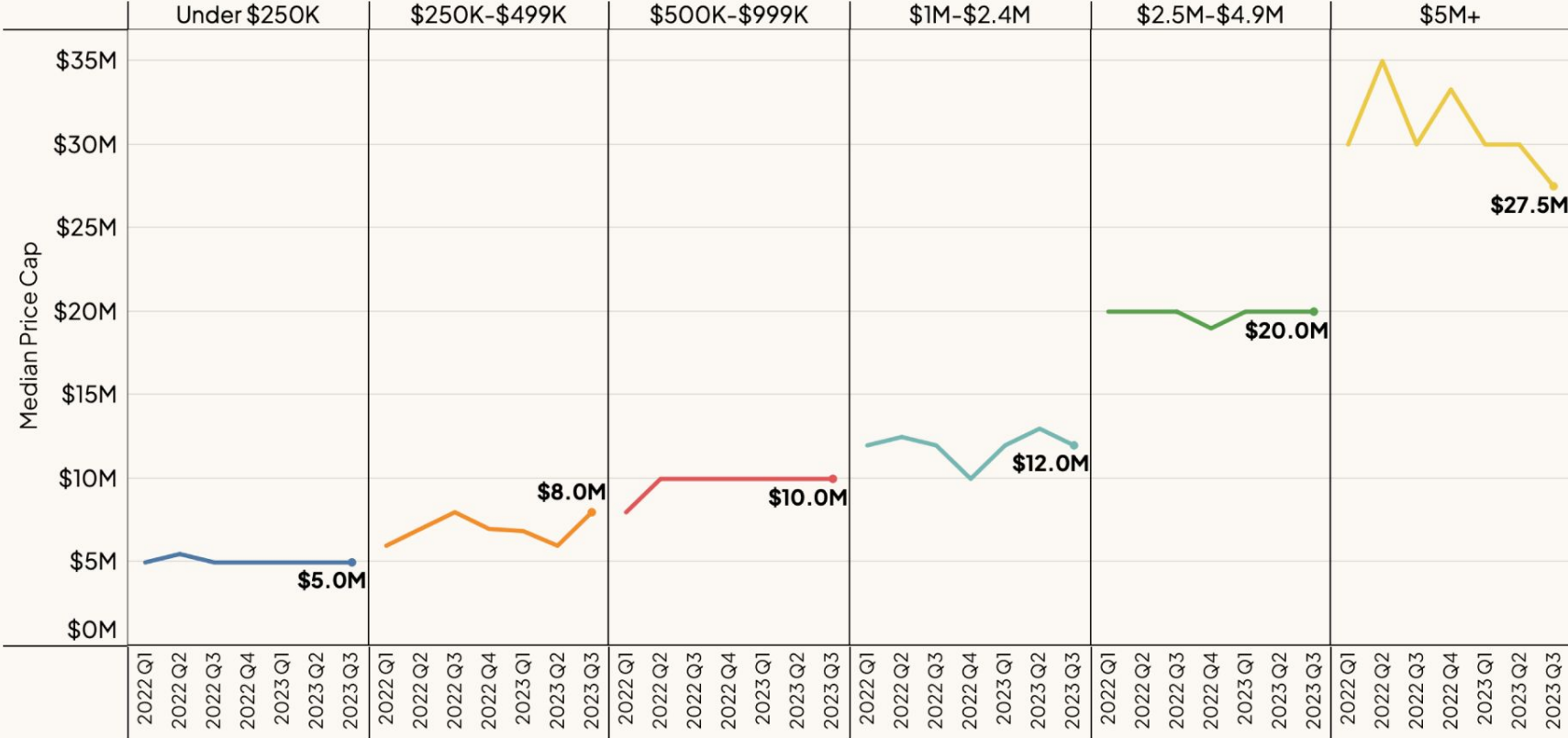
SAFEs have come to dominate pre-seed investing

Pre-seed companies and investment by instrument used | Q1 2018—Q1 2023 | **SAFEs** | [Convertible Notes](#)



The amount you raise affects your valuation cap

Median valuation cap for post-money SAFEs based on total amount raised | Q1 2022–Q3 2023



Contents

Fundraising

Valuations

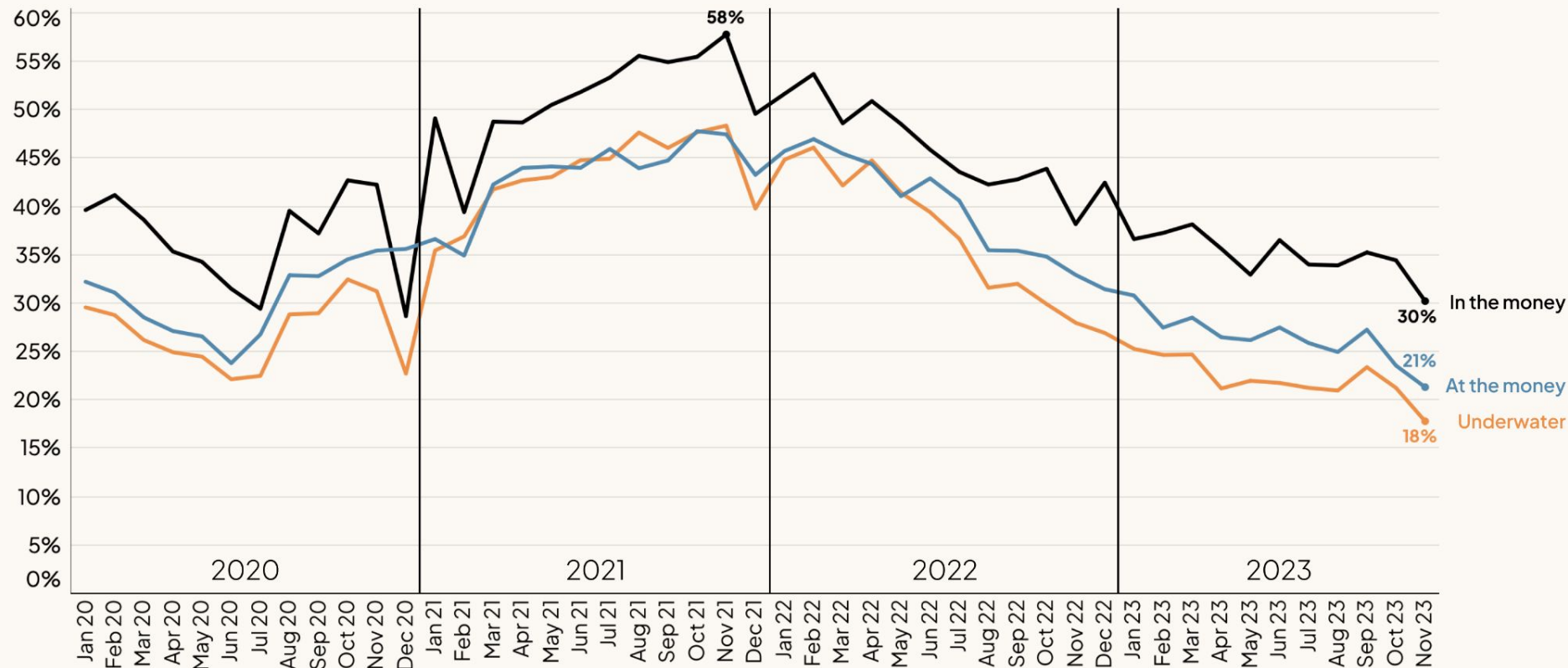
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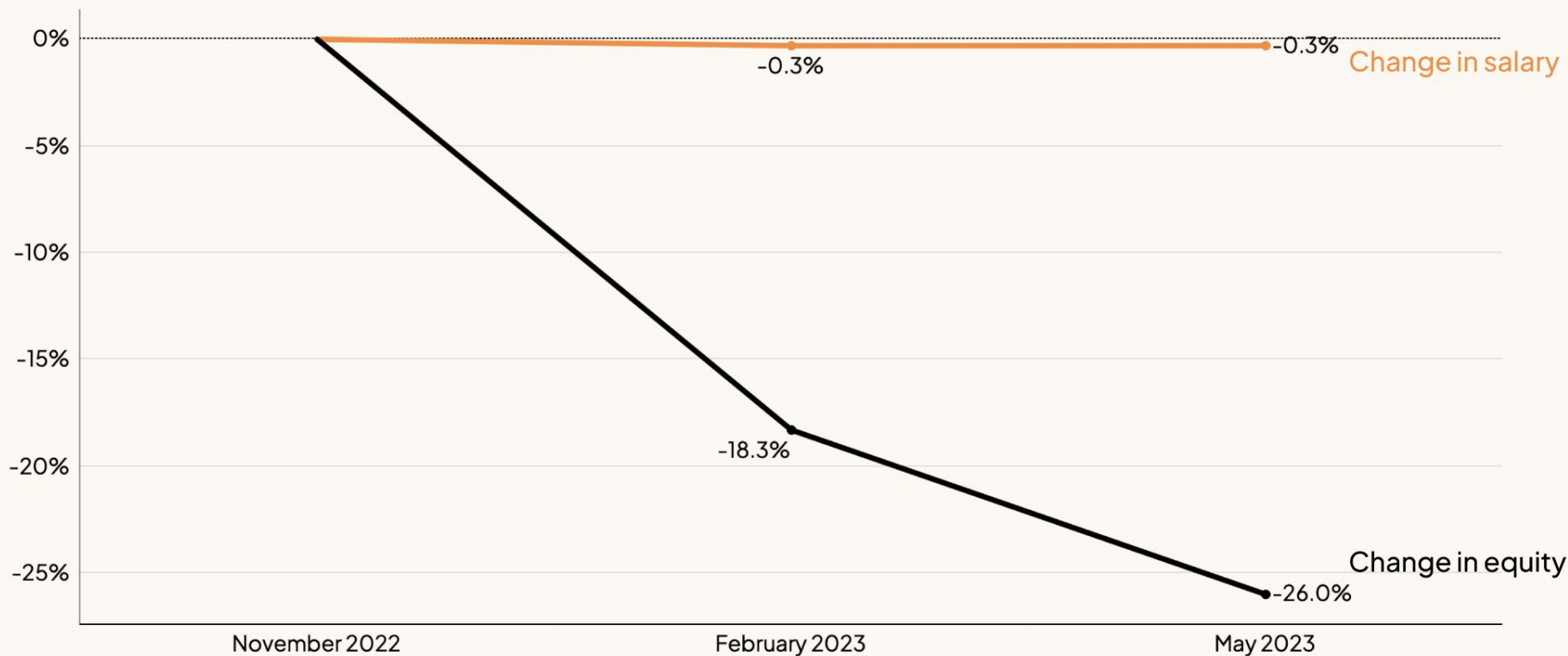
Employees are choosing not to exercise their equity

Percent of vested options by option status exercised before expiration | 2020–Nov 2023



Salary and equity benchmarks diverged in 2023

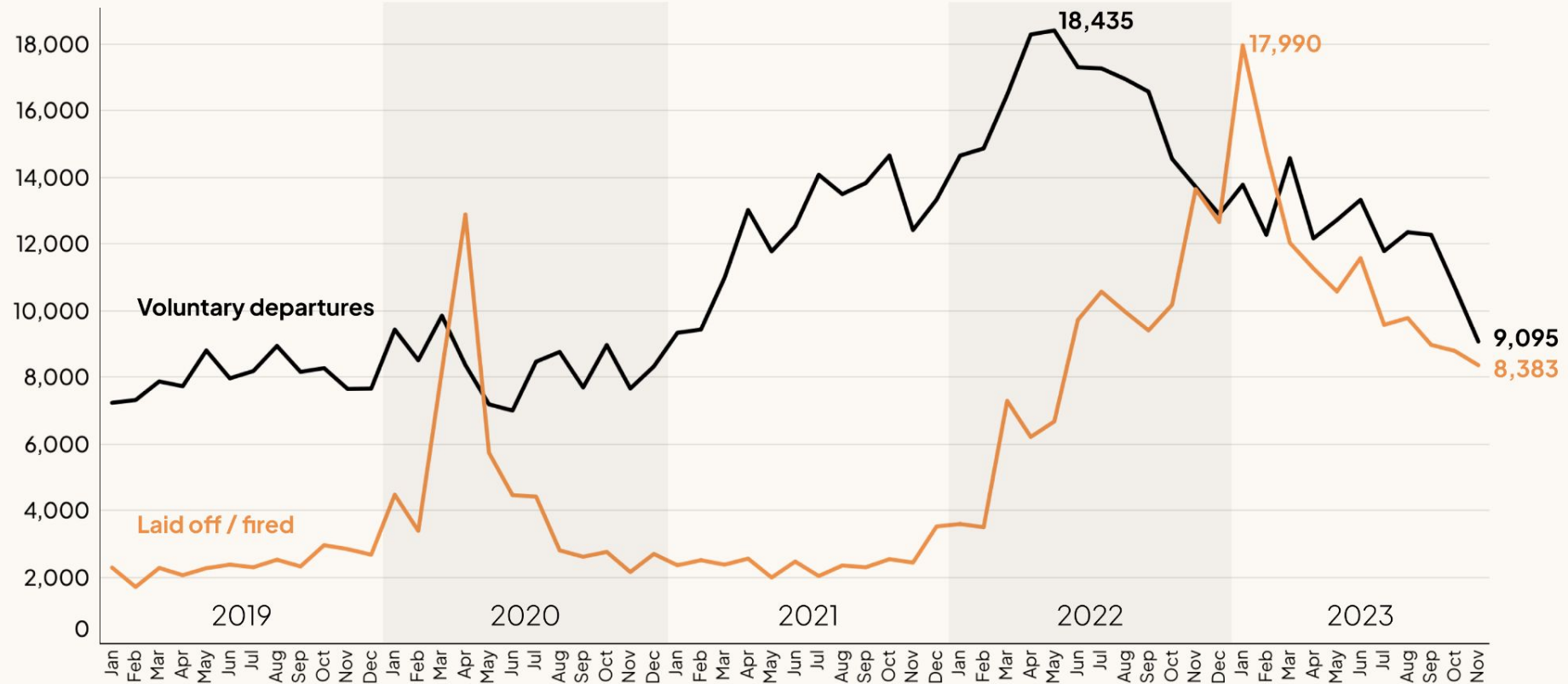
Average percent change in salary and fully diluted equity | All data relative to Nov 2022 | Companies worth \$1M-\$10B



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

Both layoffs and voluntary departures are declining

Employees leaving their companies monthly across all Carta companies | Jan 2019–Nov 2023



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So - what does this all mean for 2024?

In 2024...

- The startup world will feel great and terrible at the same time.
- Speed and growth will become the top priority again.
- Somebody (anybody) will IPO into the public market sunshine.