



# 2021 Semaphore Confidence Survey Highlights

[Click here for the 2020 results](#)

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

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

- a. 21% were from PE shops
- b. 32% were VCs
- c. 4% were Hedge Funds
- d. 9% were LPs
- e. 11% were operating executives
- f. 11% were Investment bankers
- g. 12% were third party vendors/advisors to the industry (lawyers, accountants, etc.)

**2. Gender:**

80% Male    18% Female    Gender X 2%

**3. In what top three industries did you make deals or work on in 2020?**

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

**4. In what top three industries do you expect to make deals or work on in 2021?**

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

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

- a. 82% were confident or somewhat confident in their own business and 79% believed similarly in their industry
- b. 65% were confident in their competitors
- c. 54% had confidence in the US National economy
- d. 37% had confidence in the International economy

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

- a. 97% have confidence in themselves
- b. 82% have confidence in their immediate boss
- c. 65% have confidence in their CEO, Managing Partner with fully 52% similarly confident in their competitors' CEO, Managing Partner
- d. 56% express confidence in President Biden, 26% are not confident in the President (69% were not confident in Trump last year)

- e. 30% have no confidence in Biden's economic team against 52% who are confident or somewhat confident
- f. 20% (up from 4% last year) of respondents had confidence in Congress with 60% expressing no or little confidence
- g. 32% expressed confidence in Speaker Pelosi and Senate Majority Leader Schumer had 30% expressing confidence
- h. 61% had little or no confidence in US national tax and spending policy with only 21% expressing confidence
- i. State Government and Legislatures earned 37% expressing confidence and 44% having no or little confidence
- j. International respondents were 35% confident with 32% expressing a lack of confidence.

**7. In 2020 I earned personally:**

67% earned more than the prior year, 21% less and 12% the same as 2019

**8. In 2021 I expect to earn personally:**

67% expect to earn more than they did in 2020 with 17% expecting to earn less and 17% the same amount

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

30% Yes 70% No

**10. Did COVID-19 negatively influence my business activities in 2020?**

59% Yes 41% No

**11. Will COVID-19 negatively influence my business activities in 2021?**

54% Yes 46% No

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

17% Yes 83% No

**13. Should "Big Tech" platforms Amazon, Facebook and Google parent Alphabet be broken-up?**

57% Yes 43% No

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

78% Yes 22% No

**14. Is structural racism an inherent problem in our industry?**

68% Yes 32% No

**16. Where our respondents live:**

The top five states remained 26% California (supplanting NY for the first time), 20% New York, 18% Massachusetts, 6% Texas and 3% Connecticut. Washington DC, Pennsylvania, Florida and Illinois came in each at 2% and no other state represented more than 1% (with Missouri topping Utah for first on that list).

Canada represented 21% of international respondents, 13% UK, 5% Germany, 5% China, 5% India and 2% France, Italy and Singapore, with multiple respondents in descending order from Israel, Australia, the Philippines, Taiwan, Brazil, Russia, Japan, Columbia, Spain, Viet Nam, and single responses from 14 other nations.


## **Below is a sampling of comments organized by topic**

### **General comments:**

should be a good stocks year, but...lookout beyond this year

We believe the whole premise of 'VCs are geniuses with special insight into the future' isn't borne out by the actual results. That's why we developed a 'make money by a repeatable process' VC (loyal.vc). We also note the emergence of index-style, massively diversified VCs as an alternative to the heavily concentrated, themed and hence by definition risky VCs, that are the traditional approach.

Term Sheet is the must read daily newsletter.

Thrift and secondhand 

I have encountered rapacious thieves in PE as well as some of the finest people I could ever hope to meet. If the industry is run by honorable people, the pie will get bigger. If the rapacious thieves predominate, the industry will end up with ugly restrictions driven by revenge and raw envy. It is up to each and every one of us to decide how we live our professional lives and what legacy we wish to leave behind.

I believe that everybody should follow their heart and strive for their own individual success whatever that ends up being despite who thinks it's a good idea or not and thinking outside the box is always a good idea! But I think a lot of people need to remember the core lessons from childhood again because if you treat people the way you want to be treated and how to give without receiving. As well as sharing or not having to have the most then our country or world as a whole would be such a better place...And when it comes to climate change in energy....Yes we can pick up trash and keep the water clean but overall energy or frequency Would improve tremendously if everybody could just be happier and what politicians or business executives seem to sometimes forget I'm assuming is that just being able to pay your bills and have food on the table comfortably without having to decide which one you want to go without but having those basic things taken care of can make everything else. Seem like a piece of cake as well as free their mind from all of the stress to be able to think about other goals to accomplish or just to be on a higher happier frequency! That topic right there would have made my year 2020 increased tremendously to have even more progress if I didn't spend most of it wondering how me and my child we're going to eat and if we were going to have rent or light but somehow I pushed myself to not sync my ship and put in endless hours. And I mean endless hours of research and trying to step out of the box to try some thing or anything if it would just make it better. I promise you this I do value of peace of mind especially after the previous year and just being Ok As long as bills are paid for and my child had food. Ended up being the best feeling even if it was only for a day because I will say Mental health probably affected everybody way more than people realize and if your people are mentally unhealthy or overstressed then it hinders our country in so many ways. From decision-making to addictions to crime because people are so desperate.

Last year I said Softbank needs to go away. Long live Softbank!

Bubble, baby II!

### **Comments received re. sexual misconduct, harassment, and gender bias:**

After working in 3 very large US corporations where advancement of females was part of every managers performance plan, I have never seen anything that remotely resembles that in any PE firm.

It will always be there but things have improved dramatically

Gender bias is alive: look at the stats. To address it: read here <https://hbr.org/2020/01/how-the-vc-pitch-process-is-failing-female-entrepreneurs>

Employees are hyper-sensitized to these issues and employers now will hire just about any qualified woman they can find.

No comment - I reserve my rights under the 5<sup>th</sup> amendment.

Not sure I would lump gender bias in with sexual misconduct and harassment. I haven't seen it, not to say it doesn't exist.

Though not to the extent it's highlighted, still an issue on case by case basis.

It should be addressed on a zero tolerance basis.

There are good men and good women, there are bad men and bad women. Always have been and always will be.

Same as in general, always a certain % of bad actors

I believe sexual misconduct is managed very well and genders are given equal opportunity

Stronger mentorship at the junior levels

I believe that it is an issue it is just not spoken about as much as it needs to be and I don't think we should be worried about how it is addressed considering the topic I think it should just be addressed in general... people like to not bring up the messy subjects but not talking about certain issues is a big reason why we have this issue it's such a large amount...When it comes to safety or harassment or anything that's inappropriate I think being vocal upfront and stern on the subject is the route to take and who cares if somebody gets offended

Overall, it is way overblown. It is no worse in our industry than others.

### **Comments regarding President Trump and impeachment:**

its BS

The whole world knows he won the election.

He is never held accountable for his actions

Biden is guilty of stealing the election

Unfortunately the Republicans who know it should happen don't have the balls to do the right thing

Tribalism trumps rational analysis

Hopefully, they will figure out it's another big waste of taxpayer money

The backlash will be enormous.

Apparently Republicans think it will hurt their political future to impeach the ex-president, more than holding a colleague responsible for their actions

He did not commit a high crime or misdemeanor and between 45-50 senators realize that

Republicans are a bunch of spineless pukes

He needs to be, to reduce the influence on the Republican Party and allow the space for them to transform out of the trump era

Why would he face consequences now?

Republican reason will win over Democratic hate.

Moderate republican revolt

It will be close but not quite enough votes. But there will be a censure.

If only.

Too many Republican Senators are complicit in his crimes.

It is frankly a stupid move by the Democrats. They seem to worry about Trump coming back in 2024 more than reality.

### **Comments on Carried Interest:**

Double taxation; may reduce over investment with higher tax

some sort of phase in and/or caps

unfair treatment

It is a clear tax advantage for an asset class that doesn't need it

You eat what you kill

It's a question of fairness: the wealthy benefit

Not a "loop hole;" helps encourage risk-taking in the business of providing needed equity and debt to private business; no different than incentive stock compensation or founder's equity.

A major burden on the economy. It has had little impact. Gift to the big corporates and rich.

Incentive to expand small and medium businesses through Private Capital

The cliché answer is Carried interest is like sweat equity derived from starting a business. My real answer is that I don't really believe that capital gains should be taxed at all so I favor any reduction in any type of capital gains tax.

Since the income is derived from investment profit, it should be subject to capital gains, not income tax.

Private equity-backed businesses, which are in higher numbers than ever because of the incentives created by favorable tax treatment of carried interest, are performing well beyond privately held businesses. The benefits that readily available capital that sponsorship provides small-to-medium businesses was highlighted more than ever during Covid-19.

It is directly beneficial to me for it not to

Cheaper than guillotines

Risk taking funds innovation which drives increasing living standards.

Carried interest is based on service rendered, not invested capital.

We as a nation have bigger fish to fry.

My opinion is the tax treatment should be kept only if it supports a good cause for example if an individual has proven success rate in future profits/business. But most importantly setting a great example for future generations and show that hard work does pay off and staying true to your beliefs are just as important it doesn't matter where you come from or the color of your skin....Because even the wildest dream can be accomplished you just can't give up hey do you have to reach for the stars even if you're the only one who believes they can be reached.

Too much of a radical change in uncertain times

## **Comments on COVID-19 and Business:**

After a blip in Mar/Apr, it was full steam ahead

I was laid off

Remote friendly job, became more efficient but miss the fun in person perks

Adoption of new tech accelerated by 5 years in many markets

Hard for my companies to hire plant floor employees due to government unemployment incentives.

Significant investment in hospitality financing - new development - which has dried up.

Lack of face to face time seriously hurt collaboration

Flight to quality benefits our brand, Fed liquidity suspended gravity indefinitely, validation of private markets through crisis

Demand for my services increased.

Able to maintain but not grow

it made it suck

Covid had minimal impact on healthy eating / wellness / convenience trends. May have been tailwind in some cases.

Net positive with healthcare exposure but slow down in legal and auto

Less time in the office meant more time at my computer. Losing the ability to speak to coworkers about priorities, findings and initial insights meant more time typing up emails.

Even though COVID-19 has completely made my life turn in a 360 and I lost my job and at times didn't know how I was going to make it...It actually ended up being a blessing because I have learned more and I have pushed myself further than I would have ever seen myself pushing before. I have always been a strong individual who strives for success but this was a different kind of Obstacles that everybody in the world had to overcome differently but if I would have never lost my job or stayed at home to ensure my health stayed intact I would have never had the time to take the journey I ended up taking and the knowledge that I have accumulated any skills that I have obtained just By personal questions or searching for an answer and I would have never ended up in this position otherwise And still questioning what I'm supposed to do with my life and not have a clue of which way I want to go.

Harder to raise funds from LPs

There will not be a full year recovery--will come later in the year.

Recovery and expansion of opportunities already taking effect.

Don't invest in distressed assets.

Deal levels are high and likely to remain so.

it will still suck

Disposable income may shift back to travel/leisure/food service and away from indulgent grocery bills

My firm is back in the office, albeit in enclosed offices vs. open floorplan we enjoyed pre-covid, so it's almost back to normal.

Remote work has functioned very well

No it will only make my 2021 more adventurous and prosperous because I am more involved with what is going on in the world and where my help is needed and before COVID-19 I would have just sit back because someone else would have fixed it I have learned to put My effort in and tried to make the world better....A little goes a long way especially if everybody gave a little we could achieve excellence together as one

### **Comments on Racism:**

don't see it; results driven

People are evaluated based on their competency, not their color.

I have not been able to break into bulge brackets because of my brown color

African Americas, Asian Americans, and Latinos are often ignored and not considered in the world of finance

All races work together where I work

GPs and LPs discriminate against the poor (get friends and family money before we give you money): wealth is distributed by race.

For many "structural" reasons, there are not enough minorities in our "pipelines." Need to continue to make improvements at the college and grad school levels, and need to develop better industry training programs.

BLM is a bunch of crap

We have allowed barriers in hiring practices that have limited the number of positions and opportunities available to minorities.

If I anything, I should say yes because bias and overt discrimination (e.g. in filling board seats) against white males is overt and encouraged structural racism.

I would love to see more minorities in the industry, but jobs should go to the best qualified candidates. There are issues outside of the industry that if addressed, could help to diversify the industry.



It is everywhere. It should be countered with education.

Look at the team pages of any top 250 fund. Data is a challenge but would imagine 90% of founders in LMM buyout deals are white men.

Pretty brutal meritocracy as far as I can tell.

Prior structural racism is a problem but today I do not see any structure that infringes on any one race. We need to work to solve issues from the past but currently I do not believe we are creating new issues

Stronger mentorship at the junior levels

There's so many ways that I could answer this question but if we're talking about the government and societies believes and are those inherited I would say no because proof backs it up even if the proof is in small increments that has been built up over time out of 10 outcome if two of them are positive and the other outcomes show any quality or favoritism or just racism or being unfair then the proof is in the pudding but like I said you could answer that question in a few different ways.

That seems to be a made up issue to cover for many historical developments. All the things proposed that I have heard do not address the underlying issue of two parent homes. As long as the statistics stay as they are, nothing meaningful will be changed.

### **Commentary on the breakup of Big Tech:**

however, I am not against ending or abating predatory behavior

These big tech companies are guilty of treason

success should not result in a break-up

Why destroy people who succeed

Advertising practices are abusive: Facebook particularly

These companies are contributing greatly to the US economy and have spawned many more businesses

Free enterprise. They are creators of wealth

Now participating in an unprecedented form of commercial fascism enabled by their market power.

They produce much more good to the world than the bad everyone chooses to focus on. Think about all of the jobs Amazon creates, both directly and more importantly, indirectly.

Competition is good for society

They control too much and are unaccountable.

Yes to Facebook.

Not under current antitrust laws, but pass new laws

Movie studios cannot own theaters. Brewers cannot own bars. Oil producers cannot own pipelines. Monopolies get fat, sloppy and ultimately, self serving.

At least regulated

monopoly power

All breaking them up does is create opportunities for other companies to take their place. Ma Bell.

they are more effective as they stand but alphabet doesn't need to remain whole

But not to the extent that hinders progress of the economy and commercial access broadly

To make arms length transactions more transparent...they are too large with related parties that competition is not behaving efficiently

They fit standard measure of monopolistic practices

Success should be rewarded in this country, not the other way around.

That's not solving the problem; some rules and oversight would be better

I would have to say no as well as get more insight Regarding the topic but as of right now I think they can choose to do whatever they want with their businesses because they're obviously successful and if they want to work together as a group for a better outcome who would argue that?!

It seems very obvious to me that their power is being abused by them daily.

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