

true

**2023 venture capital &
private equity talent partner survey**

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the context

This is the fourth edition of the True VC PE Talent Partner Survey. The first edition was released in 2018, and it has become a respected resource within the investment community for its insight into the compensation and benefits of this influential role.

This year we've increased the value and collaborated with active talent partners to design a survey that caters to the topics most important to the community. We hope you share this report with your peers, personally use this data to understand the benchmarks of the space, and call on True to help you navigate the talent landscape.

definitions

- *talent partner*
an investment firm's full-time or part-time employee whose primary focus is talent-related activities on behalf of the firm and its portfolio companies
- *total compensation*
annual cash compensation in the form of salary plus an estimated cash bonus
- *carried interest*
carried interest is calculated using “carry dollars at work”— the expected return on total carry participation across all vehicles, based on achieving a net 2x return (above hurdle and after fees) in a vehicle charging a 20% performance fee
- *n*
The symbol “n” represents the total number of individuals in the sample

talent partner data snapshot

Tenure Trends

- **76%** of talent executives have been in the function for five years or less.
- The median amount of work experience in the respondent pool is **15 years**.
- The median amount of time spent at the respondents' current firm is **2 years**.

Team Size & Growth

- The average respondent talent team size is **3.9 members**. **24%** of respondents expect talent function headcount to rise in the next 12 months, while only **7%** anticipate talent headcount reductions.
- Larger AUMs mean larger portfolios, therefore, they require larger teams.

Compensation Insights

- **48%** of respondents have an annual base + bonus cash compensation of \$251k - \$500k.
- With each year of experience, professionals can expect an average increase in total annual compensation of around **\$22,468**. Furthermore, the likelihood of receiving carry also tends to rise alongside years of experience.
- U.S. West Coast talent partners continue to be paid higher than their U.S. East Coast counterparts.

Work Life Trends

- More time spent on portfolio company work compared to last year (**84%** vs **73%**).
- Significantly less focus on internal HR compared to last year (**7%** vs **20%**).
- Talent Partners at management levels are in office **~2 days** per week, while junior levels are in office **3 days** per week.

methodology

Survey Design & Distribution

True collaborated with active talent partners in the VC and PE industries to design a survey that caters to exactly the topics that are most important to their community. The survey was sent to hundreds of known talent professionals across North America and the globe. This year, True received 101 survey responses, a 31% increase from the year prior.

Data Collection

True collected comprehensive compensation and benefits details from survey respondents while keeping their identities completely anonymous, even from True.

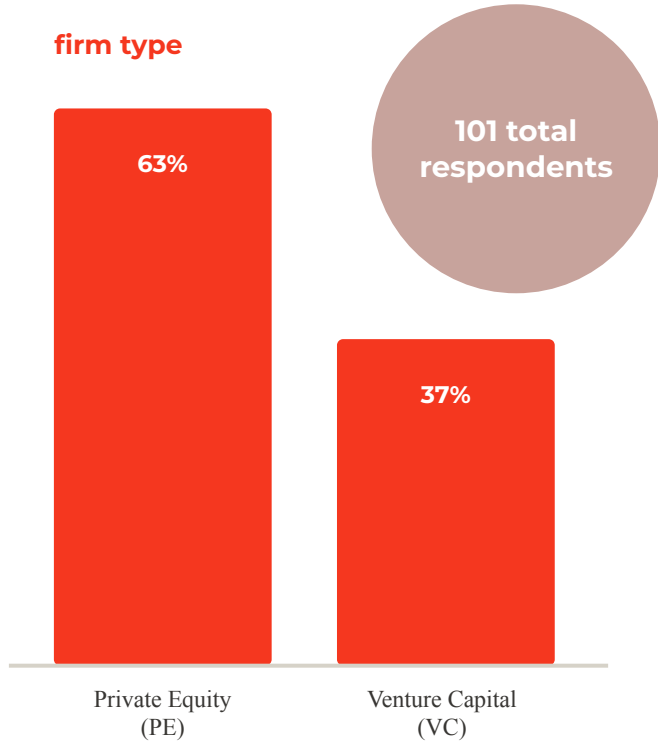
Sample Sizes

While 101 survey responses were received, the survey design allowed for some questions to go unanswered. As such, sample sizes can vary from question to question. True saw near unanimous participation in the demographic questions, while some questions regarding carry saw as little as 29 responses. We've included the respondent sample sizes corresponding to each question, and recommend that audiences take sample sizes into consideration as they consume and interpret the insights within.

demographics

talent partner firm type & size

firm type



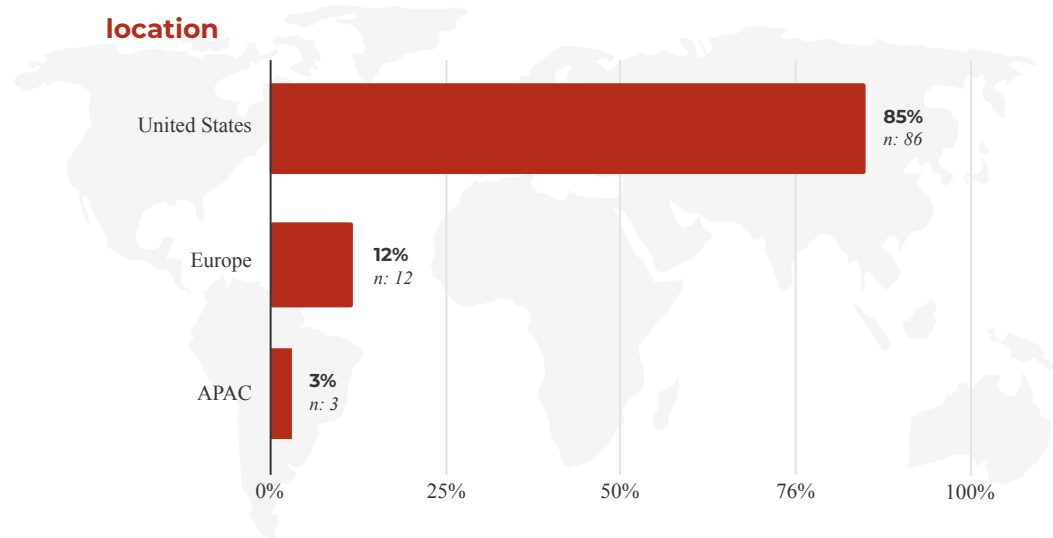
most recent fund size

Fund size	% of respondents	n
<\$500M	38%	37
\$501M-\$1B	27%	26
\$1.1B-\$3B	16%	16
\$3.1B-\$6.9B	10%	10
\$7B+	8%	8

total assets under management (AUM)

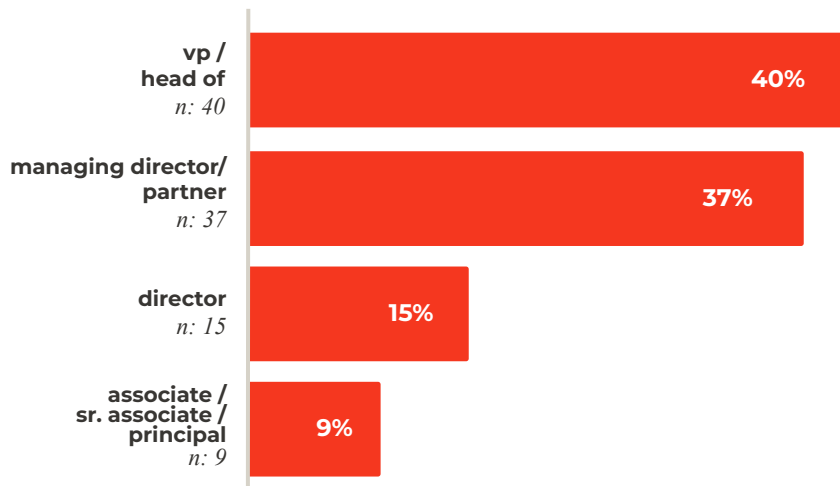
Fund size	% of respondents	n
<\$1B	18%	18
\$1B-\$5B	45%	44
\$5.1B-\$10B	11%	11
\$10.1B-\$20B	11%	11
\$20B+	14%	14

location

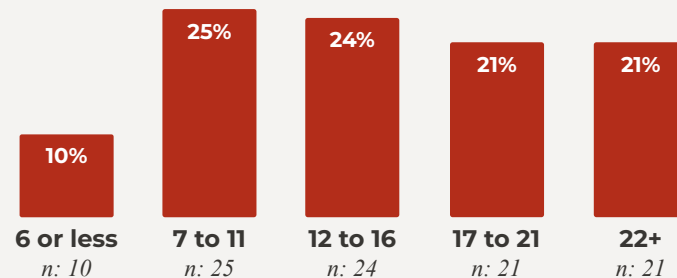


talent partner title & experience

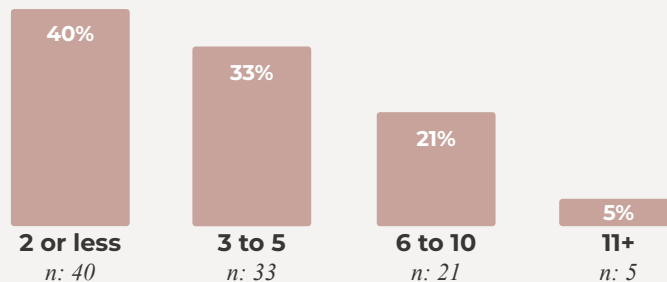
position title



years of experience



years in vc/pe talent function

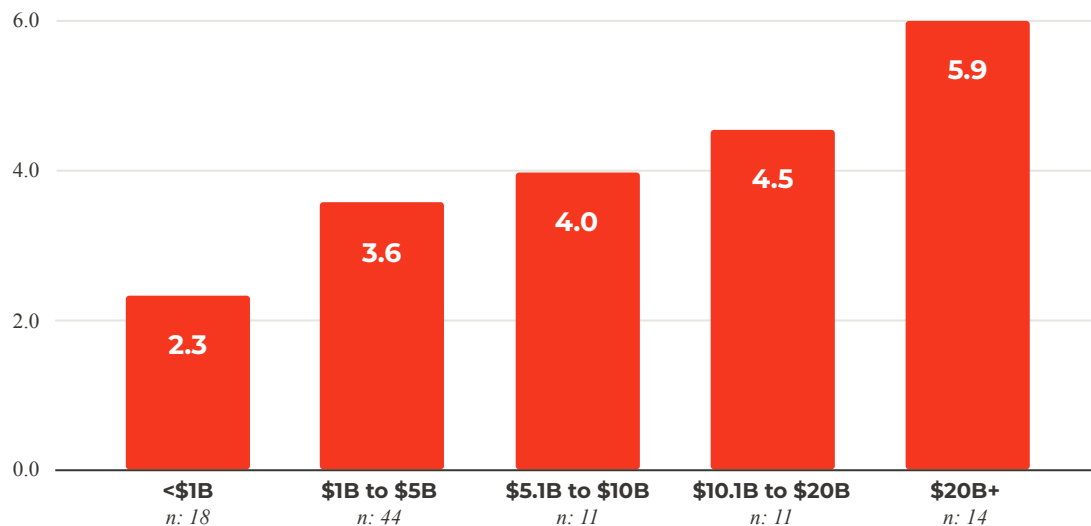


Respondents tended to build a wealth of industry expertise before transitioning into the talent function: 73% reported experience in the talent function of 5 years or fewer, while 57% had 10+ years of experience before transitioning into the talent function. The difference between the median years of professional experience and the median years of talent experience was 12 years (15 versus 3).

team size

avg. team
size 3.9

team size vs. assets under management (AUM)



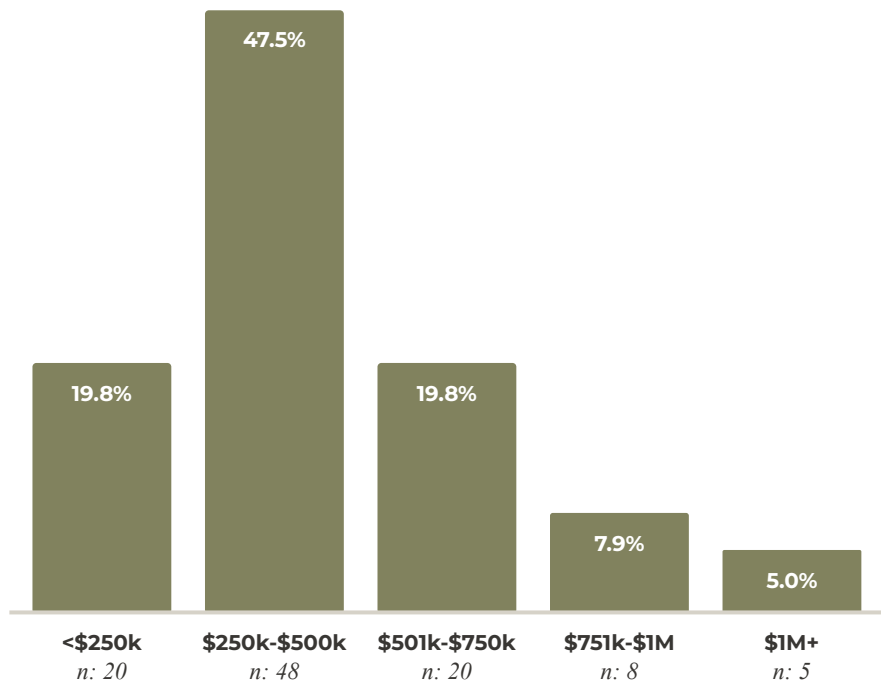
talent organization size

Team size	% of respondents
1 team member	32%
2 team members	15%
3 team members	13%
4 team members	13%
5 team members	13%
6+ team members	15%

Larger AUMs mean larger portfolios, therefore, requiring larger teams.

compensation insights

total cash comp

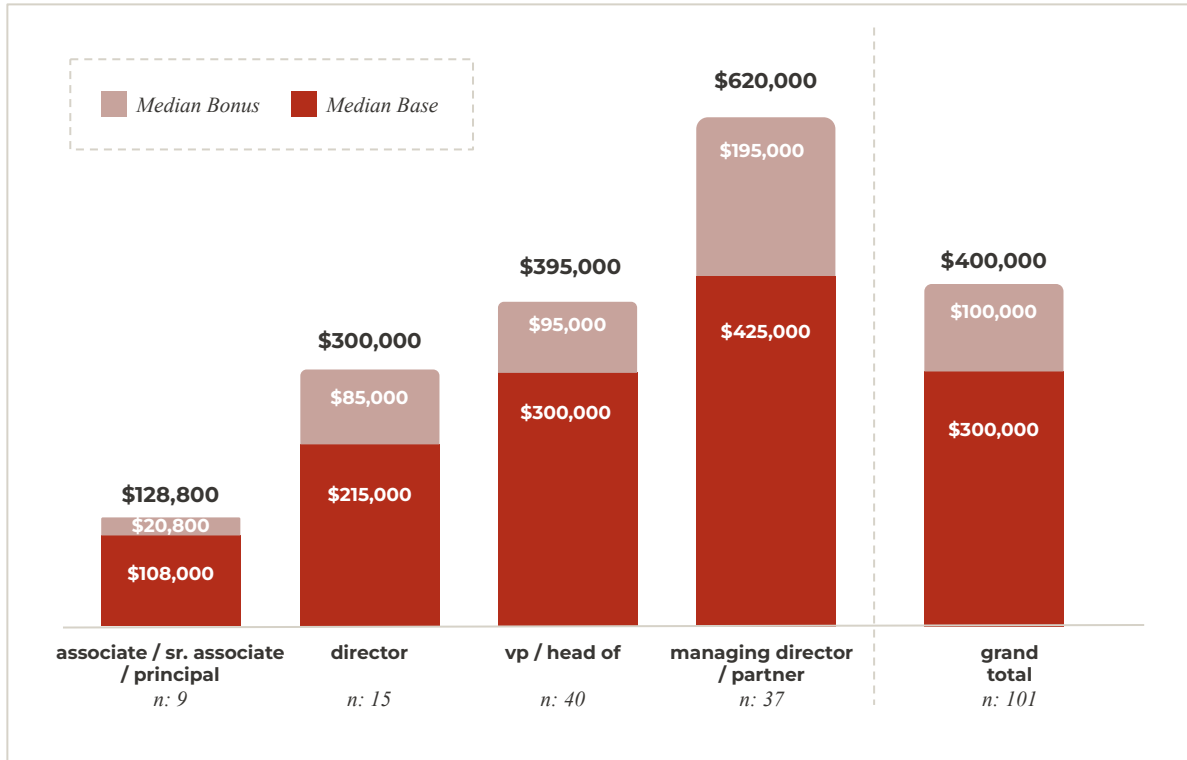


avg compensation by level

Level	25th Percentile Compensation	50th Percentile Compensation	75th Percentile Compensation
Associate / Sr. Associate / Principal	\$99,000	\$129,600	\$160,000
Director	\$193,000	\$300,000	\$395,000
VP / Head of	\$330,000	\$399,000	\$485,000
Partner / MD	\$431,000	\$600,000	\$750,000

The \$250,000 to \$500,000 total compensation range maintains its position as the prevalent earnings bracket, echoed by 48% of participants. This aligns with the survey outcomes from both 2020 and 2022.

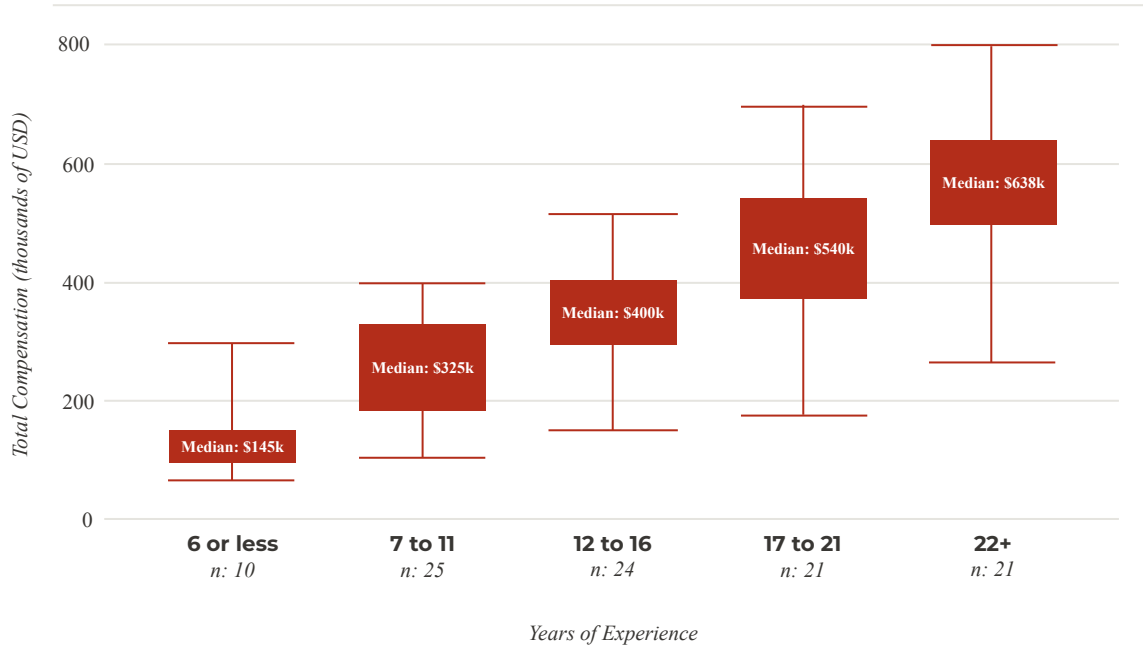
median compensation by title



Higher job titles correspond with an escalation in salary and bonus structures.

This year's median cash compensation is nearly \$50k greater than last year's (\$351k).

compensation distribution by years of experience



On average, every additional year of work experience yields a compensation package increase of \$22,468.

Years of work experience has the strongest correlation with compensation of any of the variables we tested, with a correlation coefficient of 0.59 and p values indicating greater than 99.99% confidence in the significance of the linear relationship between the two variables.

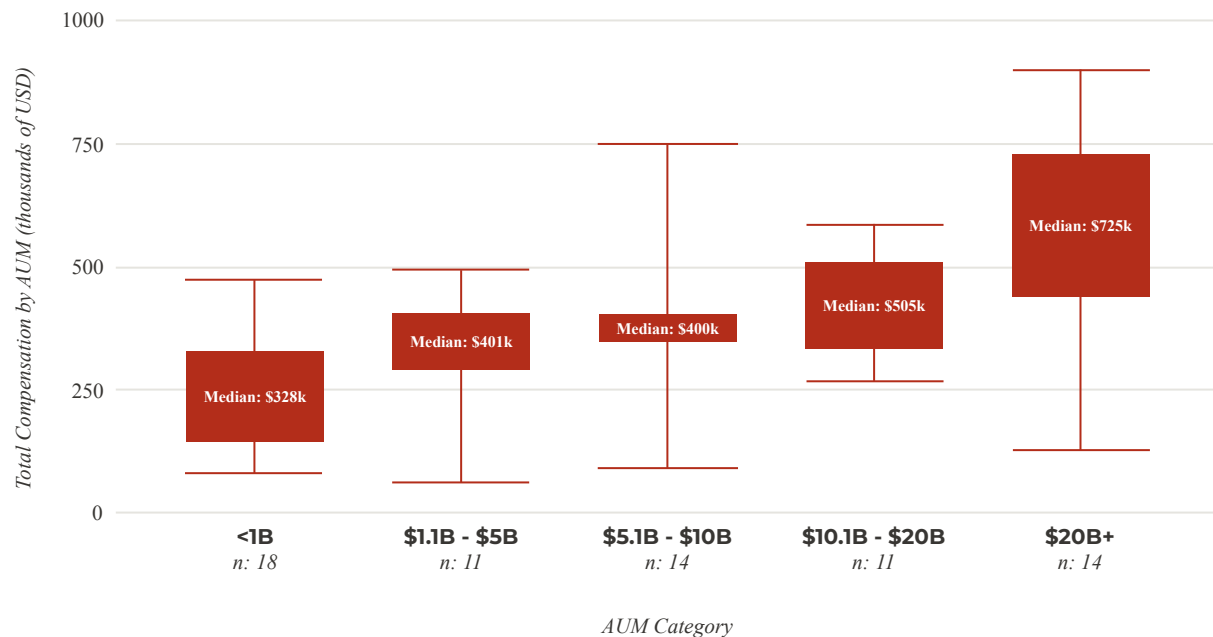
base salary distribution by years of work experience

Yrs of work experience	25th Percentile Compensation	50th Percentile Compensation	75th Percentile Compensation	n
6 or less	\$86,250	\$124,000	\$168,750	10
7 to 11	\$180,000	\$250,000	\$300,000	25
12 to 16	\$245,000	\$287,500	\$331,250	24
17 to 21	\$300,000	\$400,000	\$550,000	21
22+	\$330,000	\$425,000	\$500,000	21

bonus distribution by years of work experience

Yrs of work experience	25th Percentile Compensation	50th Percentile Compensation	75th Percentile Compensation	n
6 or less	\$17,500	\$23,300	\$67,500	8
7 to 11	\$50,000	\$77,500	\$125,000	20
12 to 16	\$54,500	\$122,500	\$201,250	20
17 to 21	\$68,500	\$90,000	\$216,750	15
22+	\$171,500	\$231,250	\$312,500	16

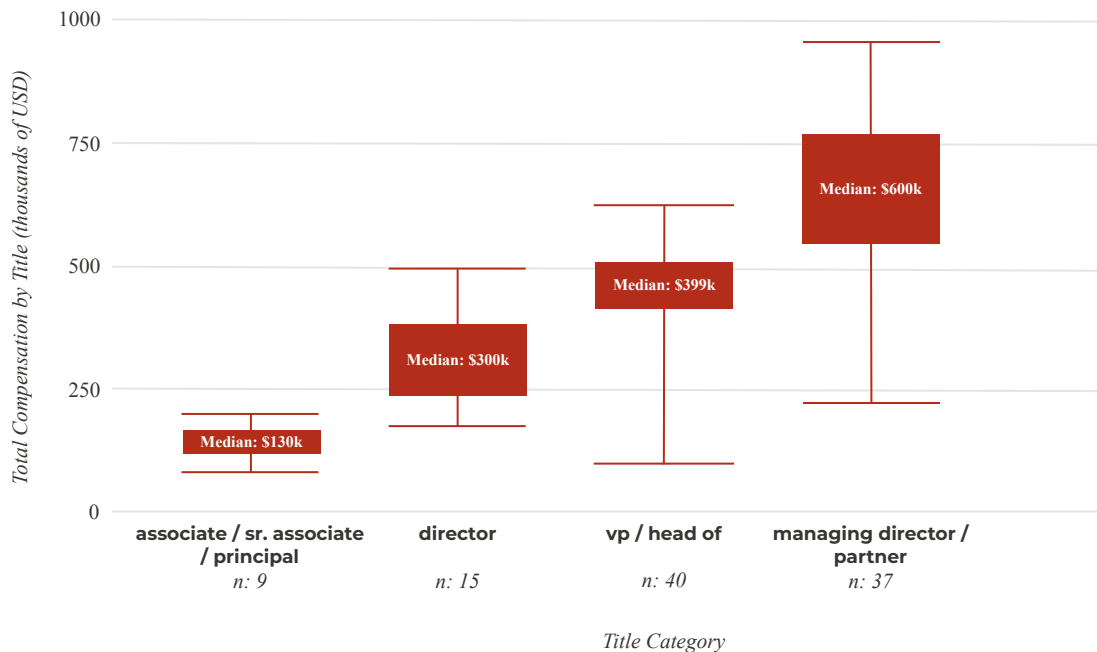
compensation distribution by assets under management



Compensation correlates with firm AUM size, with median salaries at less than \$1 billion AUM firms at \$327,500 and over \$20 billion at \$725,000.

A larger spread in pay is evident as AUM size increases, suggesting higher earning potential with larger AUM firms.

total compensation distribution by title (excluding equity)

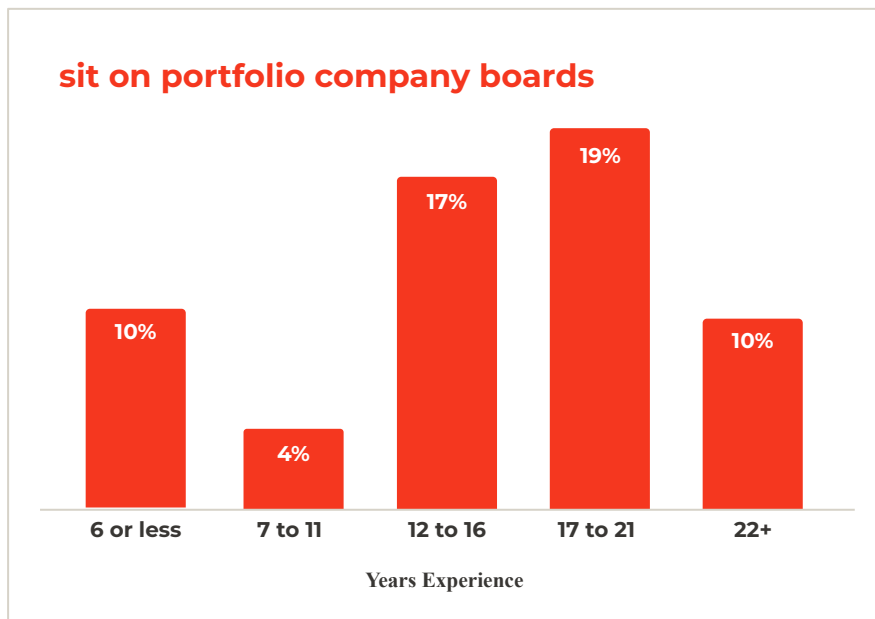


Both title and years of experience have positive correlations with total annual compensation, but with years of experience having a slightly higher correlation.

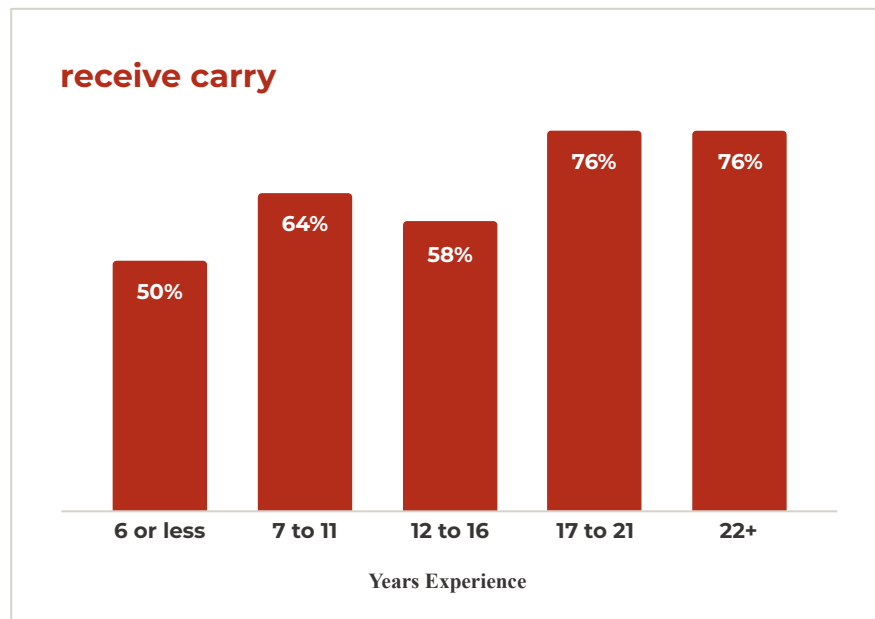
Because firms differ in titling standards, years experience is a better predictor of total comp than title. However, the two (years and title) are very closely related to each other.

Note: Previous slides compute the medians of base salary and bonus separately, whereas this page computes percentiles based on total cash compensation amounts

additional compensation sources



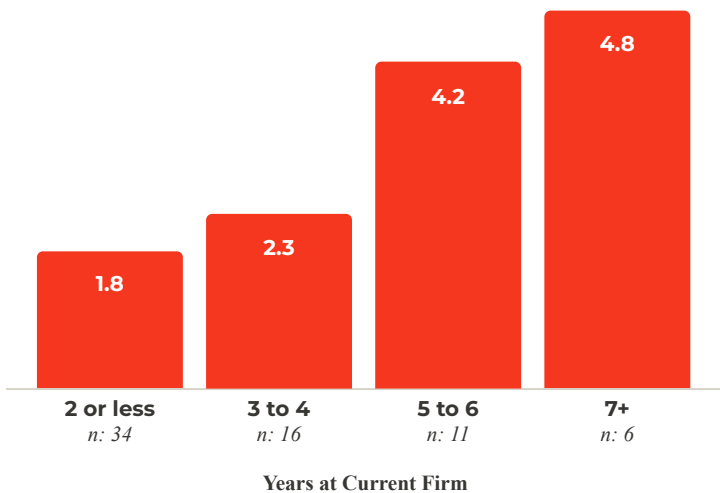
Board positions are often independent of traditional career progressions, such as years of experience, illustrating a unique aspect of corporate leadership dynamics.



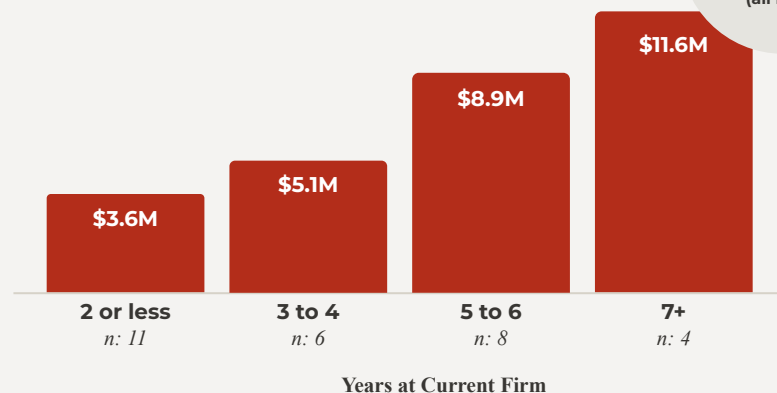
On the other hand, more years of experience can increase the chance of earning carry.

carry by years at current firm

how many funds do you have carried interest in?



expected dollars at work across all funds

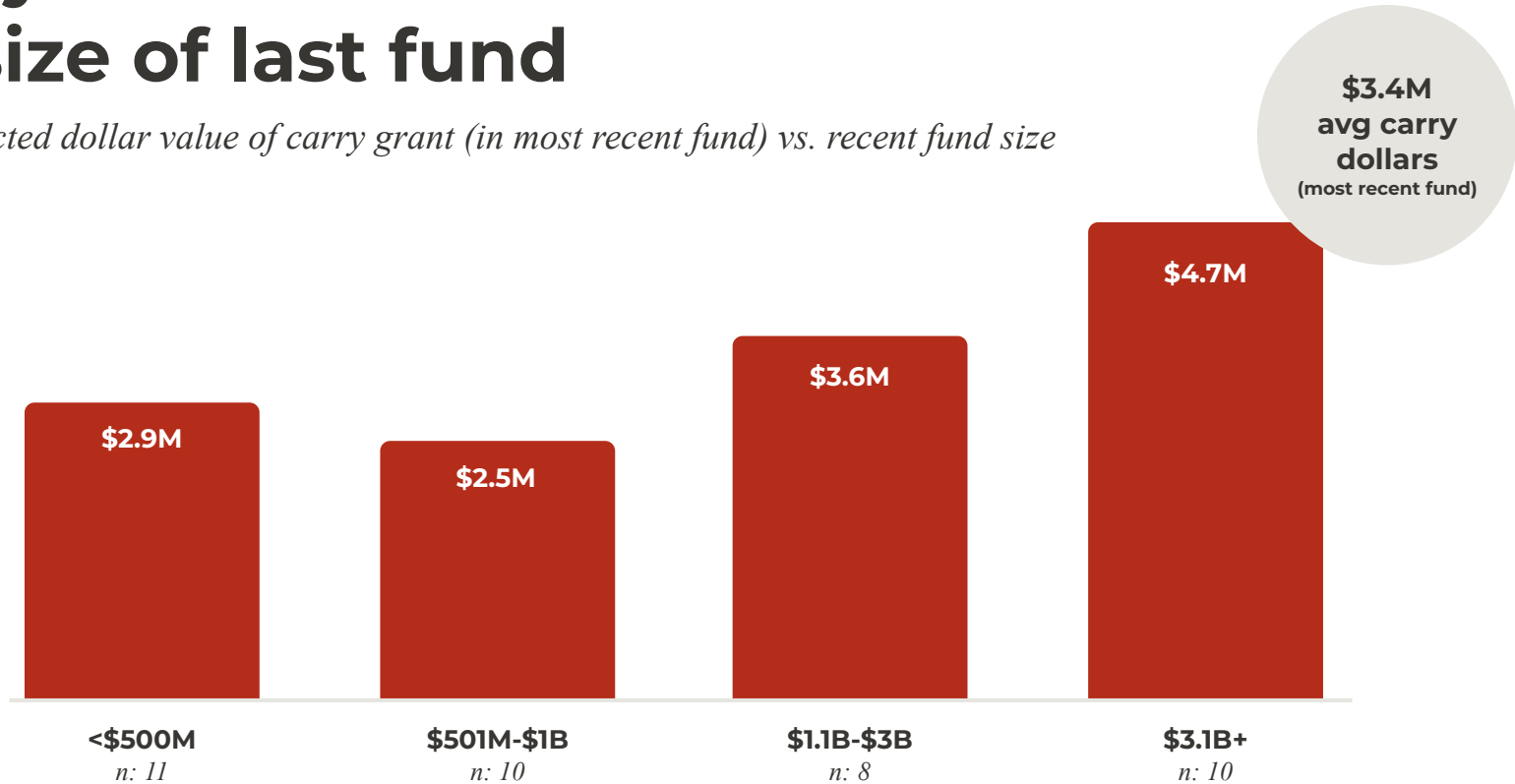


carry distribution by years at current firm

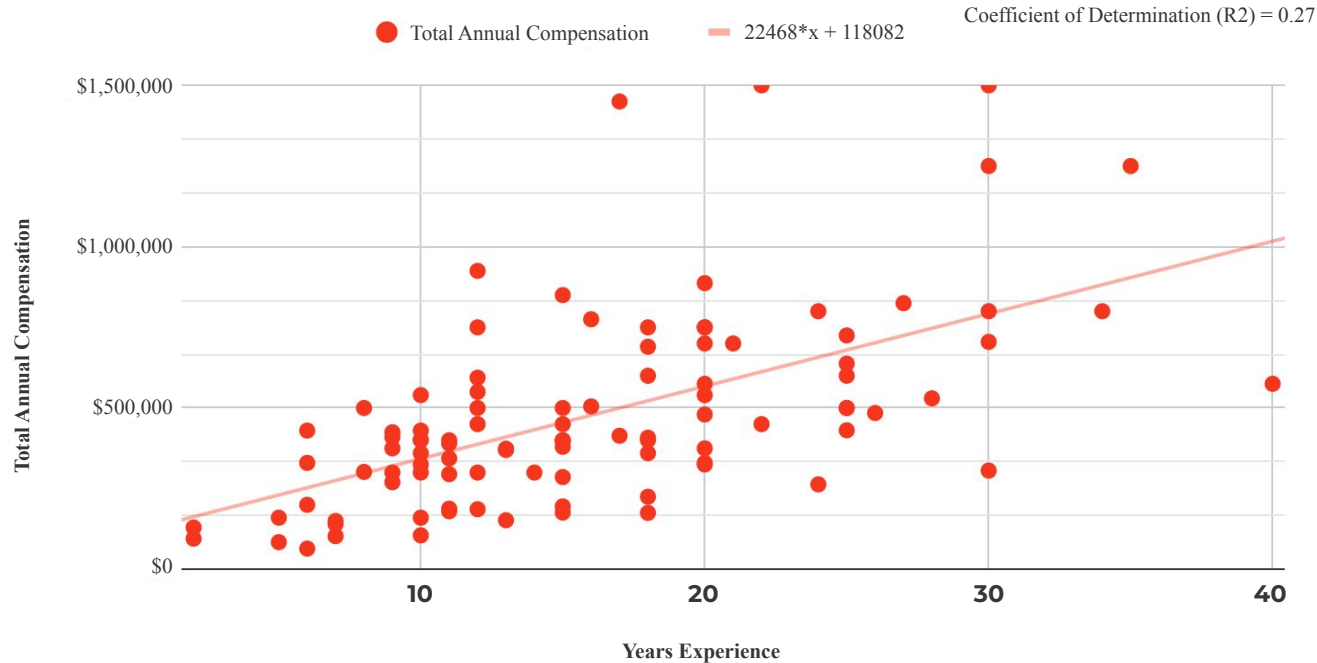
Years at current firm	25th Percentile Compensation	50th Percentile Compensation	75th Percentile Compensation	n
2 or less	\$1,812,500	\$3,000,000	\$3,750,000	11
3 to 4	\$2,437,500	\$3,425,000	\$5,462,500	6
5 to 6	\$1,780,000	\$8,000,000	\$11,500,000	8
7+	\$4,375,000	\$5,000,000	\$12,250,000	4

carry dollars at work: by size of last fund

Avg. expected dollar value of carry grant (in most recent fund) vs. recent fund size



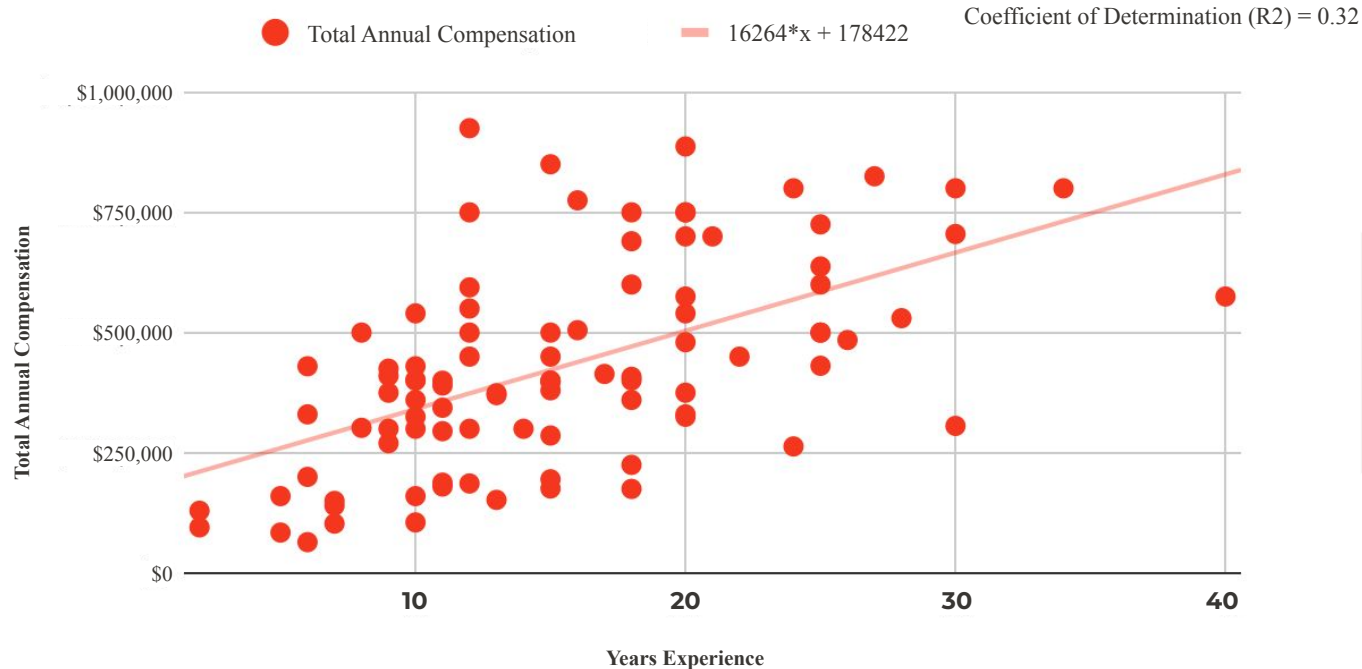
years of experience vs. total annual compensation



For each additional year of experience, the total annual compensation increases on average by approximately \$22,468.

years of experience vs. total annual compensation

(without outliers >\$1m)



Excluding outliers (comp > \$1M), total annual compensation increases by an average of \$16,264 with each additional year of experience.

total comp by region and years of experience

Years of work experience was the best predictor of total compensation, but it's likely that job location influences compensation as well.

Results from this year's respondents show with ~88% confidence that West Coast salaries are higher than U.S. East Coast salaries at any given level of experience; this is up from ~80% confidence in last year's survey. While neither result rises to the level of statistical significance, it is a trend that we will continue to track in future versions of this survey.

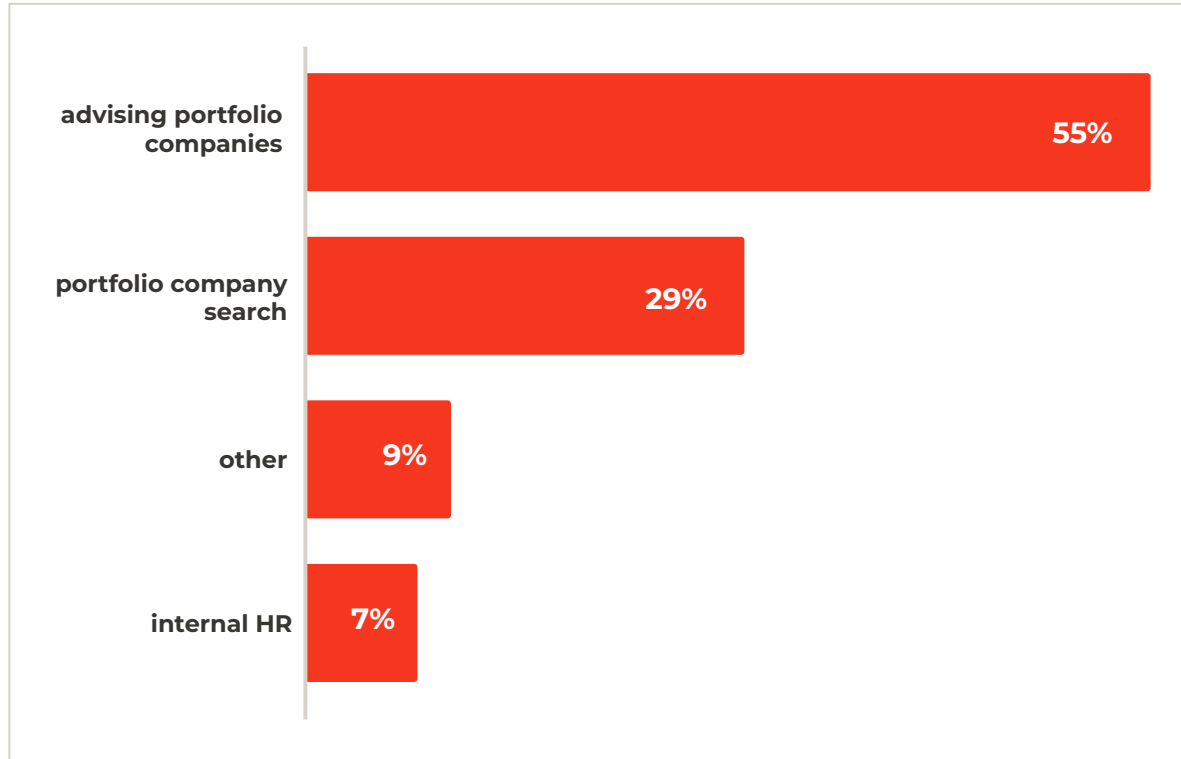
Note: T-statistic: 1.59, P-value: 0.117

The impact of regional differences decreases with more years of experience, a trend which is very apparent across titles: West Coast VP/Heads of Talent make on average 26% more than their East Coast counterparts, while the premium for West Coast MD/Partners was only 2%.



talent partner work life

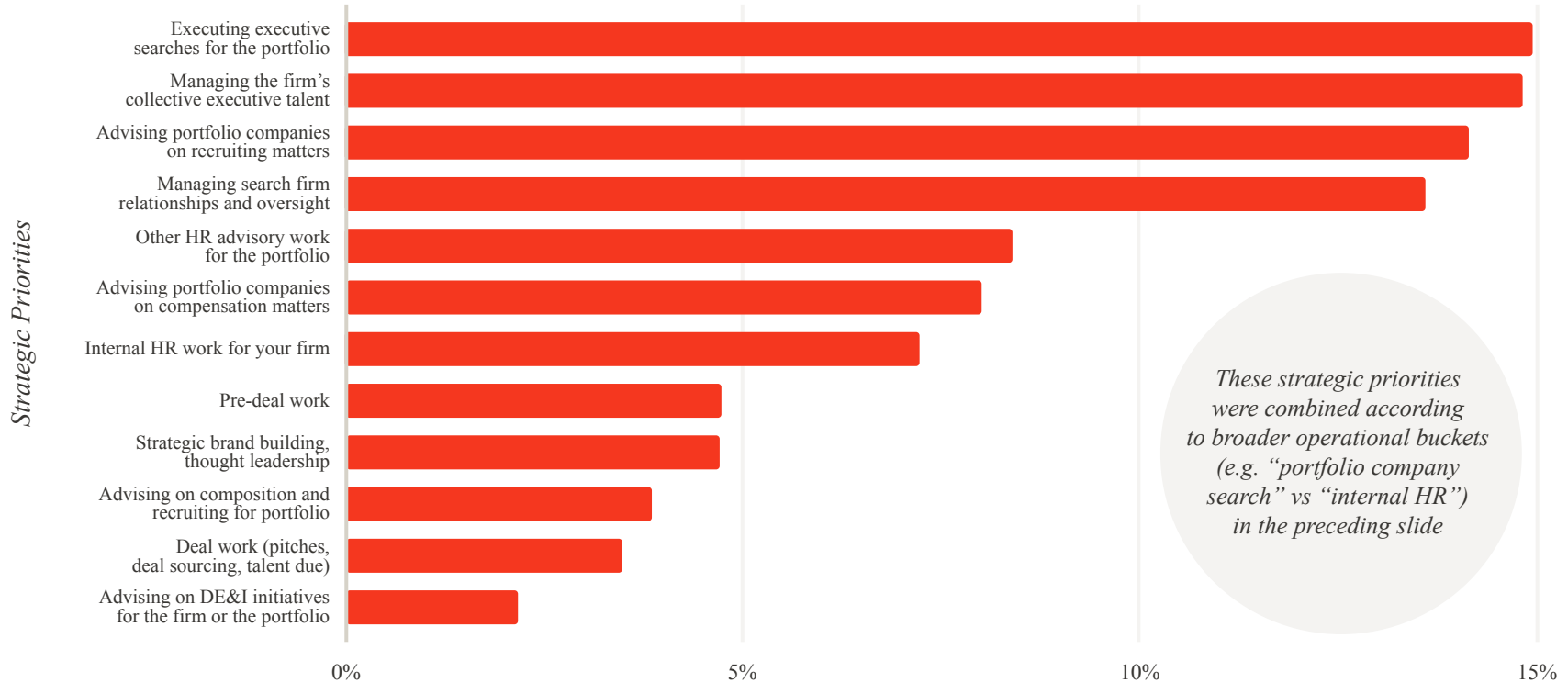
time allocation (macro)



More time spent on portfolio company work compared to last year (84% vs 73%)

Less focus on internal HR vs last year (7% vs 20%)

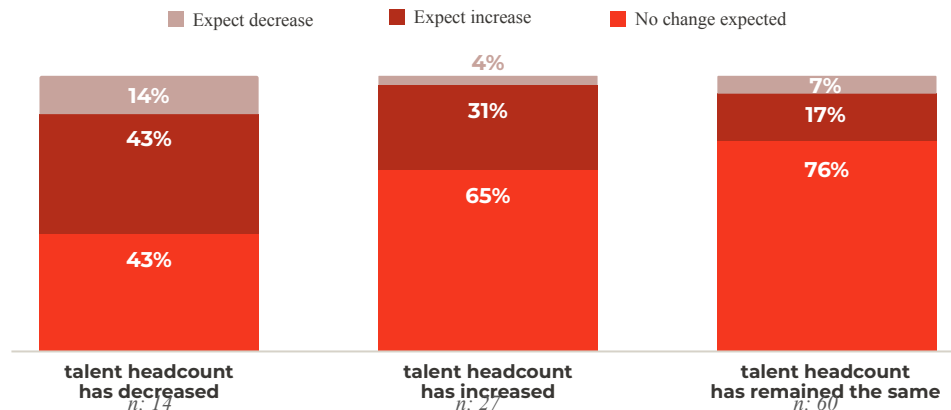
time allocation (micro)



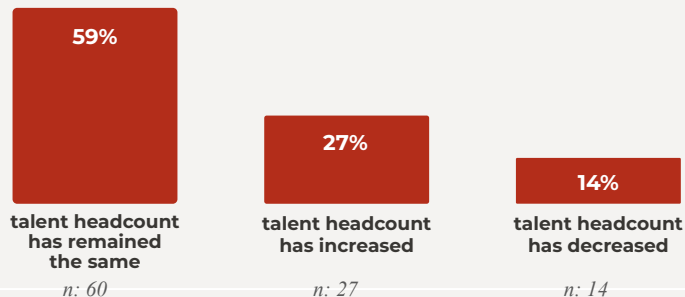
headcount

For teams that have seen their numbers rise, the majority (65%) believe this trend will hold steady. Still, 31% of these teams are looking to expand even further. More than half (57%) of the teams that have seen their numbers fall expect further changes in headcount over the next 12 months: 14% expect further reductions while 43% expect an increase in headcount.

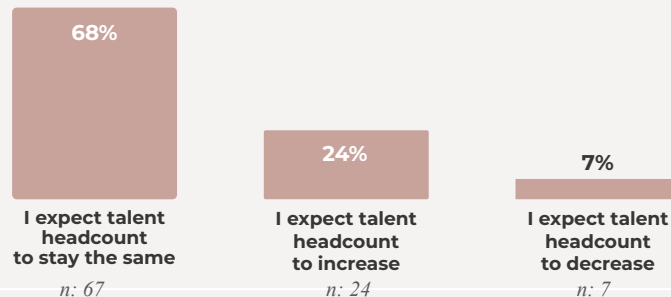
past vs. expected headcount



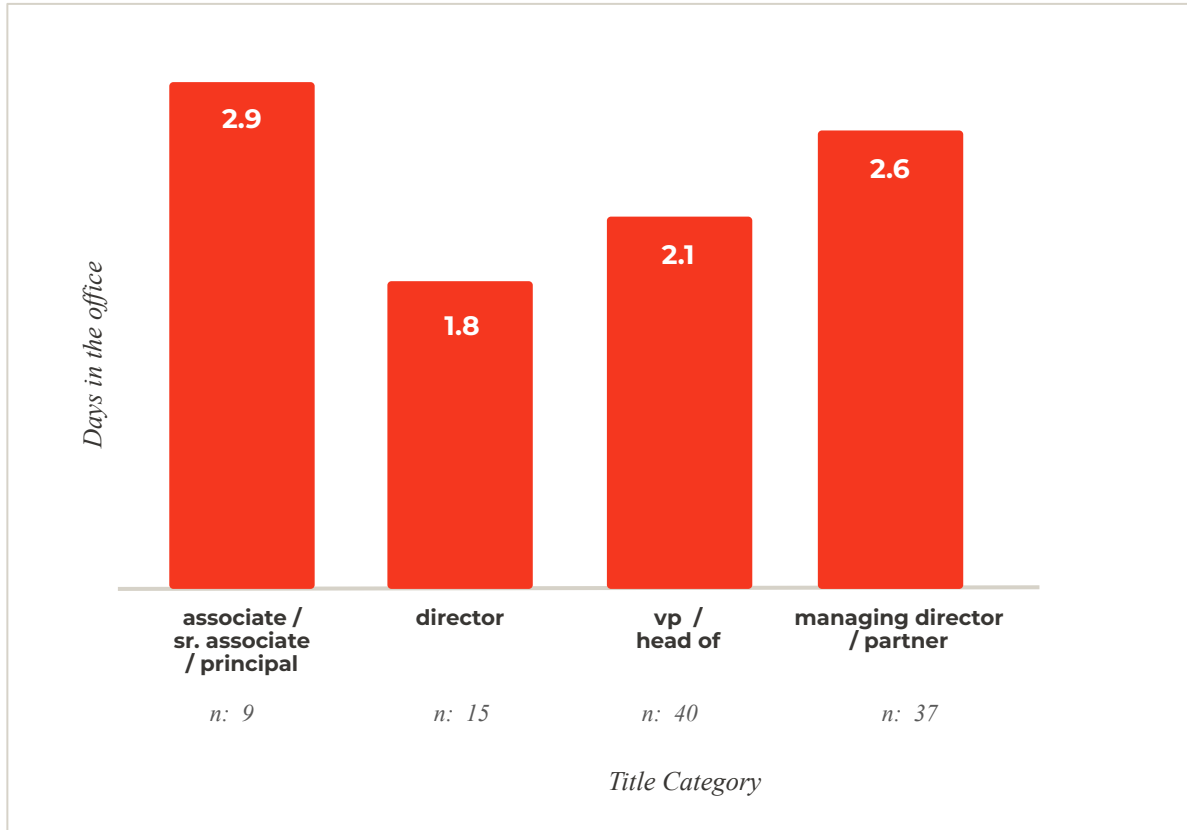
last 12 months headcount



next 10 months expected headcount



in-office expectations

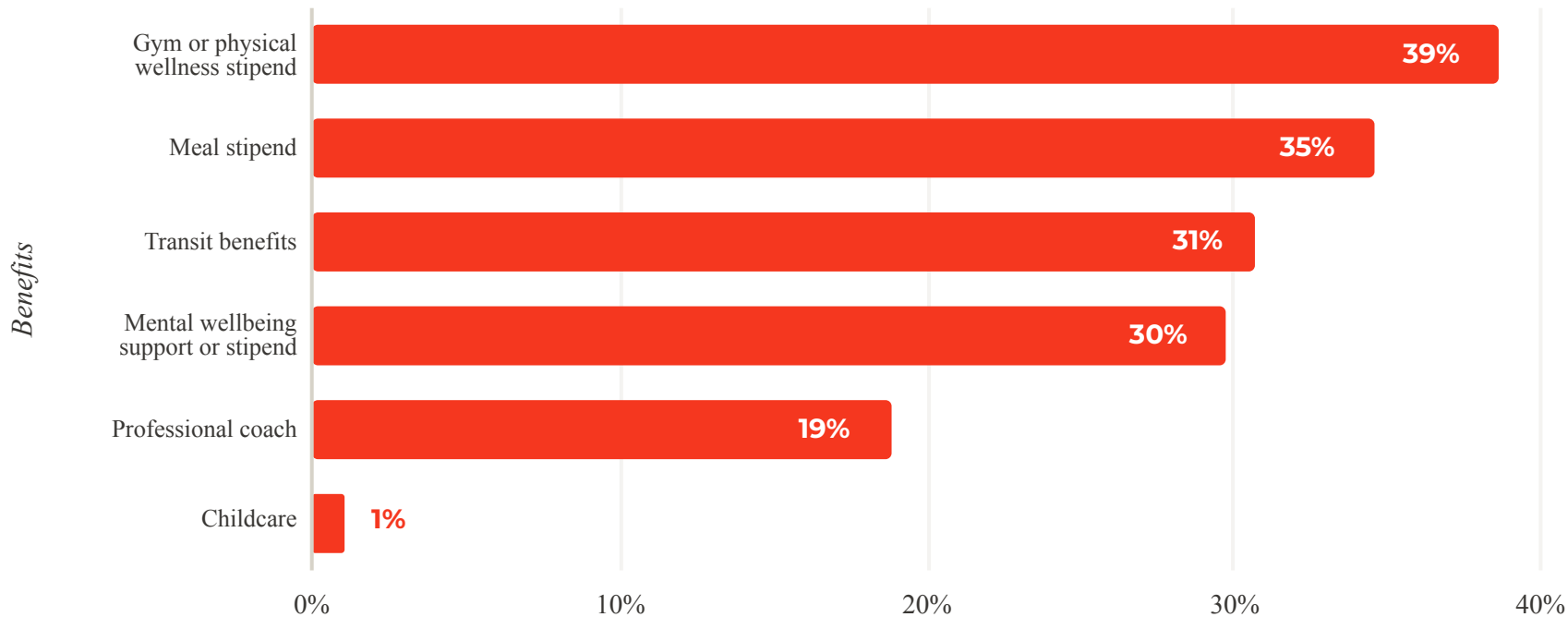


Talent Partners at management levels are in office ~2 days per week, while junior levels are in office 3 days per week.

benefits

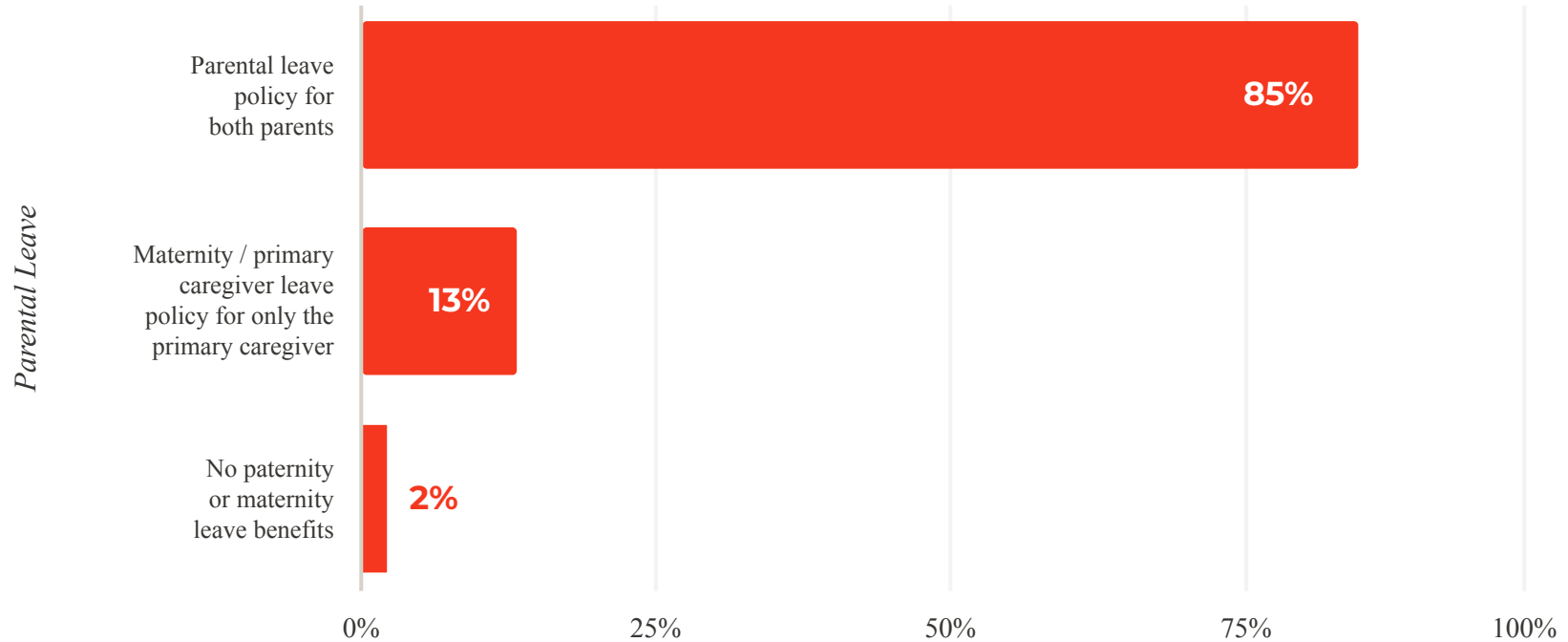
additional benefits

Workplace benefits amongst talent partners



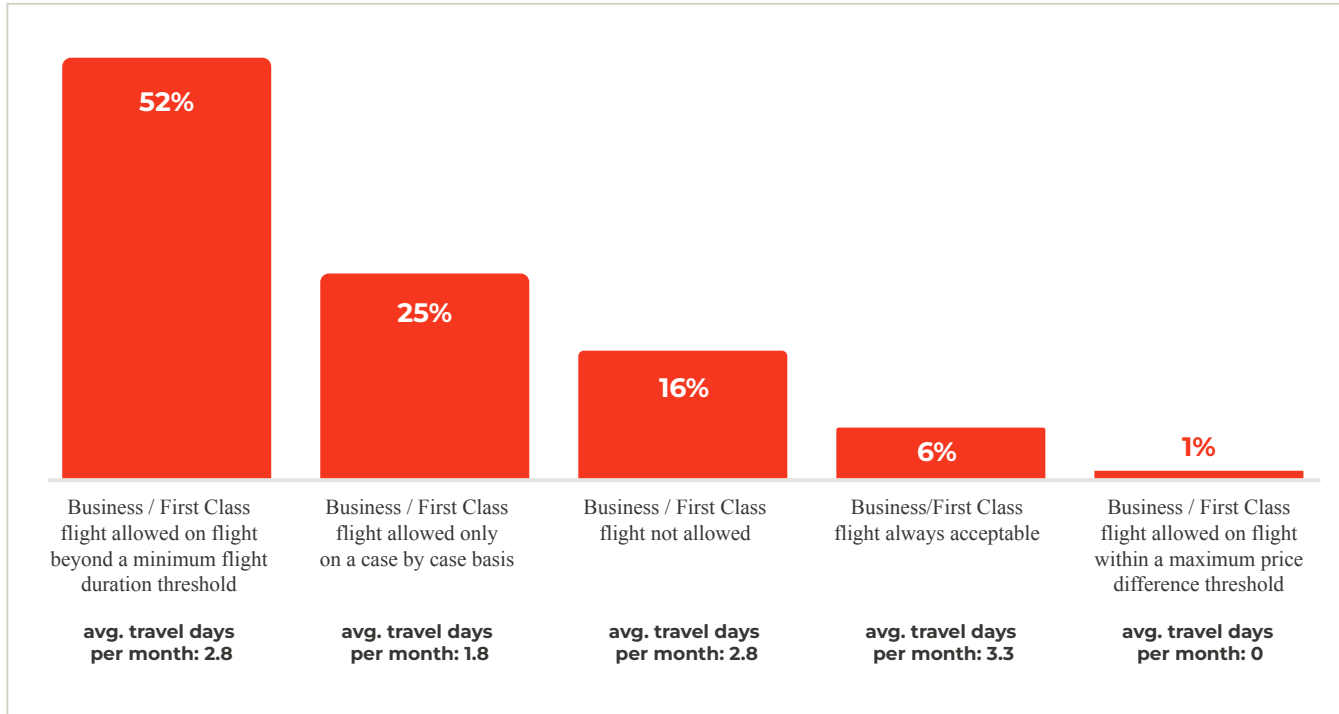
parental leave

Parental leave amongst talent partners



travel allowances

Flight policy amongst talent partners



Unrestricted Business/First Class flight access is rare (6%), while combined 77% prefer implementing either a case by case approval or a minimum flight duration policy.

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for additional information**

