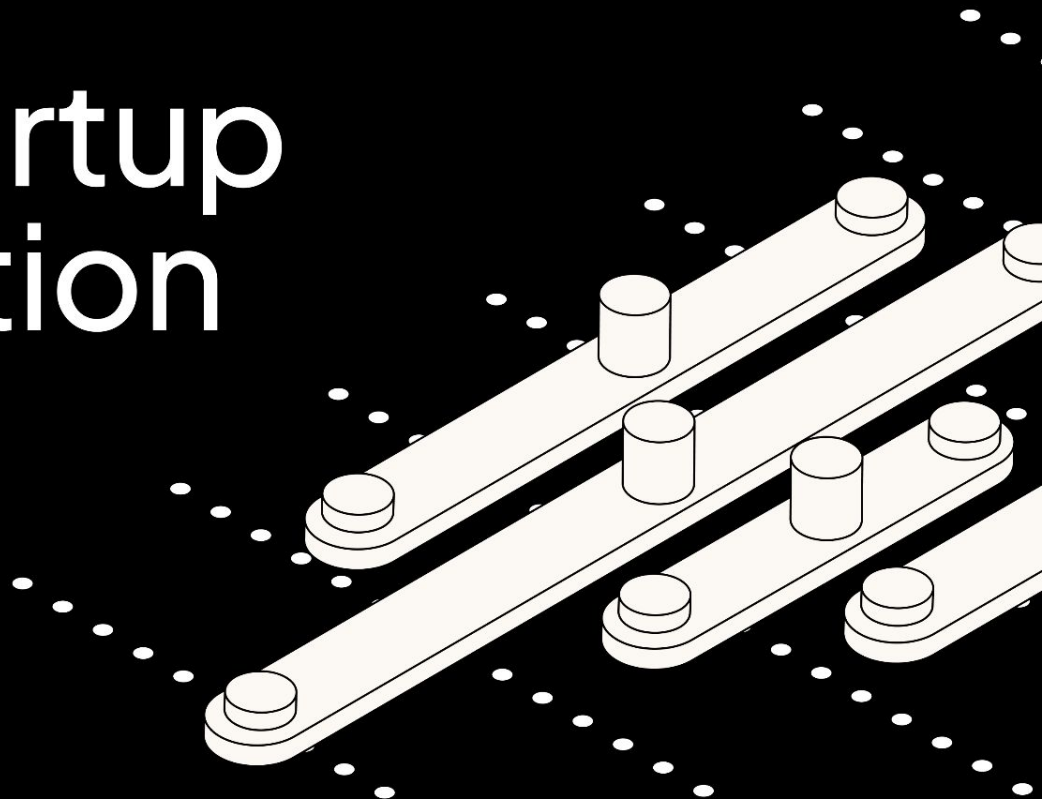


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State of startup compensation

H1 2025



A word from our lawyers

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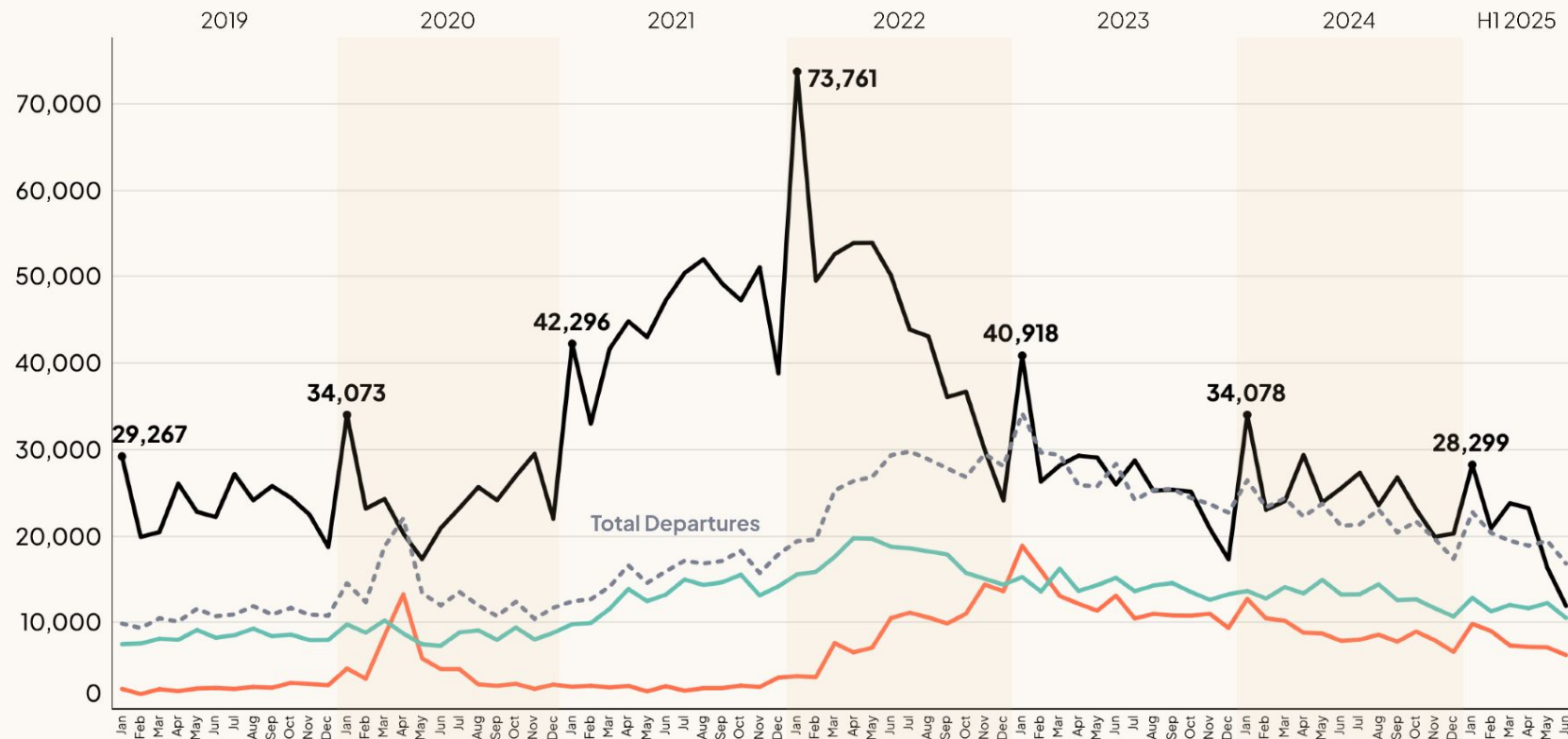
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Contents

Hiring & headcount	4
Company composition	9
Geographical trends	15
Salary & equity	20

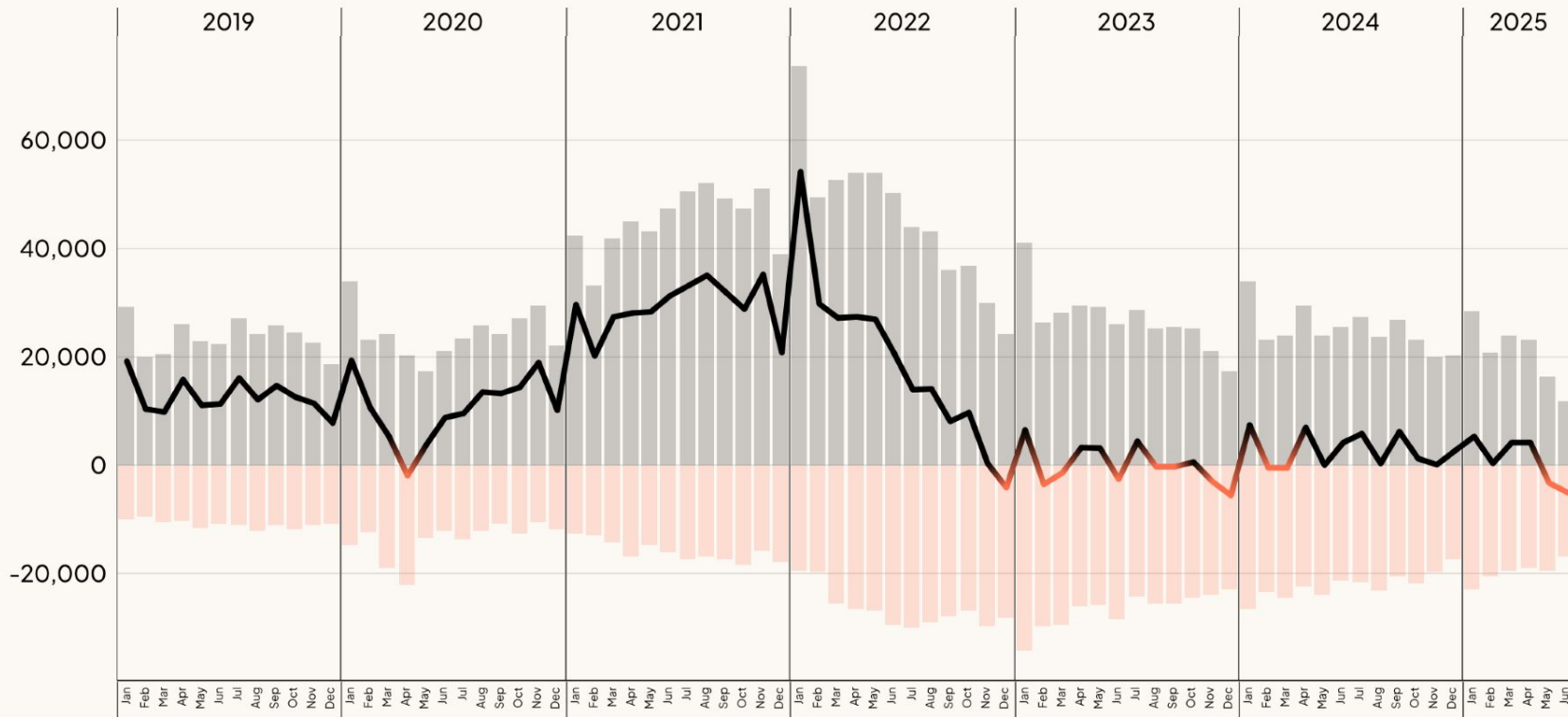
Jan 2025 was the lowest hiring figure for January in last 7 years

Employees **hired**, **leaving by choice**, and **laid off** by month | Jan 2019–June 2025 | Labels = hires in January



Net headcount floating just above flat since Jan 2024

Employees hired vs employees who left by month | Jan 2019–June 2025 | Line = net change in total headcount across startups



Hardware startups lead in headcount growth in 2025

Ratio of new hires to departing employees by industry, 2019–June 2025 | 1 = total headcount kept flat that quarter

	2019	2020	2021	2022	2023	2024	2025
Hardware	3.2	1.9	3.3	2.3	1.5	1.5	1.3
Medical Devices	2.9	2.8	2.7	1.7	1.6	1.5	1.2
SaaS	2.6	1.9	3.1	1.9	1.0	1.2	1.1
Healthtech	2.6	2.8	3.5	1.9	1.1	1.2	1.1
Fintech	2.9	2.9	4.0	1.6	1.0	1.2	1.1
Energy	2.2	2.9	4.6	3.8	2.0	1.5	1.0
Adtech	1.8	1.2	2.3	1.6	0.8	1.1	1.0
Consumer	2.6	1.8	2.8	1.6	1.0	0.9	0.9
Pharma/Biotech	3.6	3.1	4.3	2.3	1.4	1.1	0.8
Gaming	3.0	2.9	3.4	2.2	1.1	0.9	0.8
Education	1.9	2.5	2.9	1.8	0.8	0.9	0.6

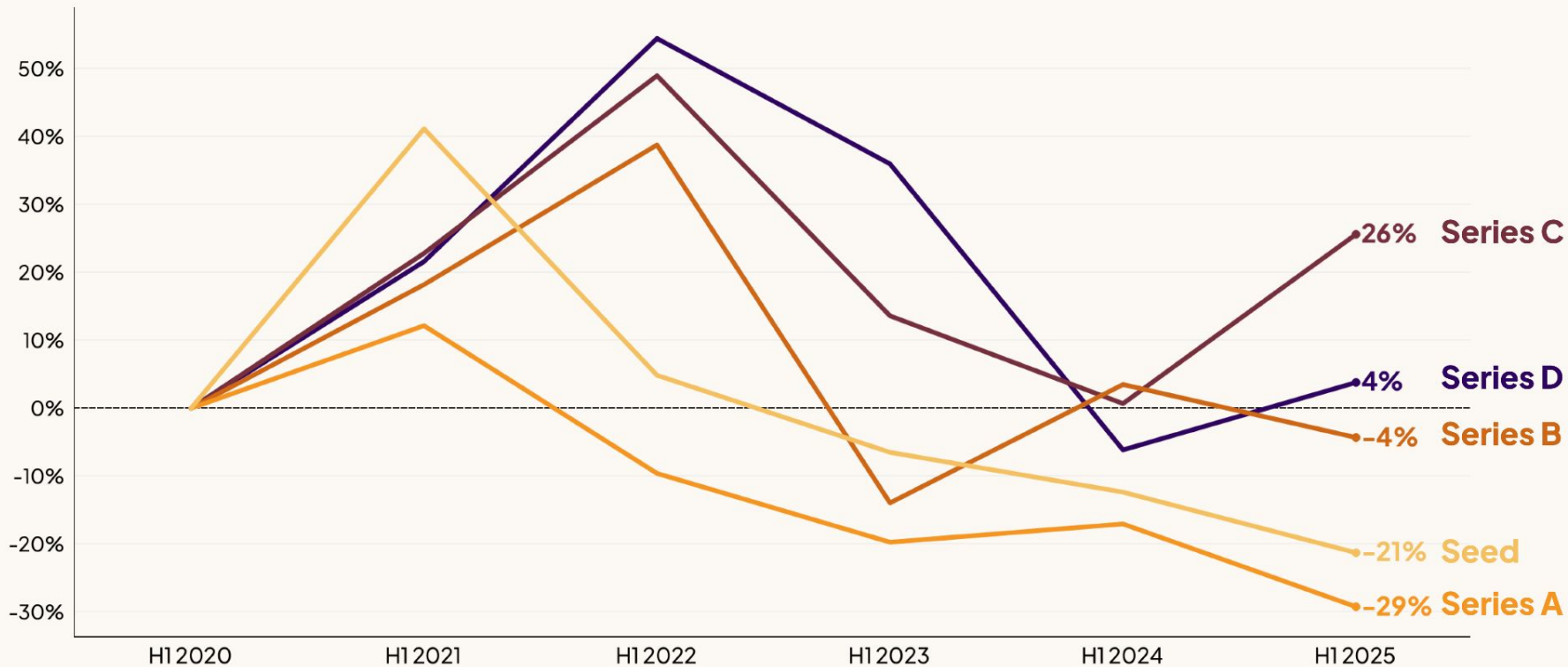
4.0

0.5

Company composition

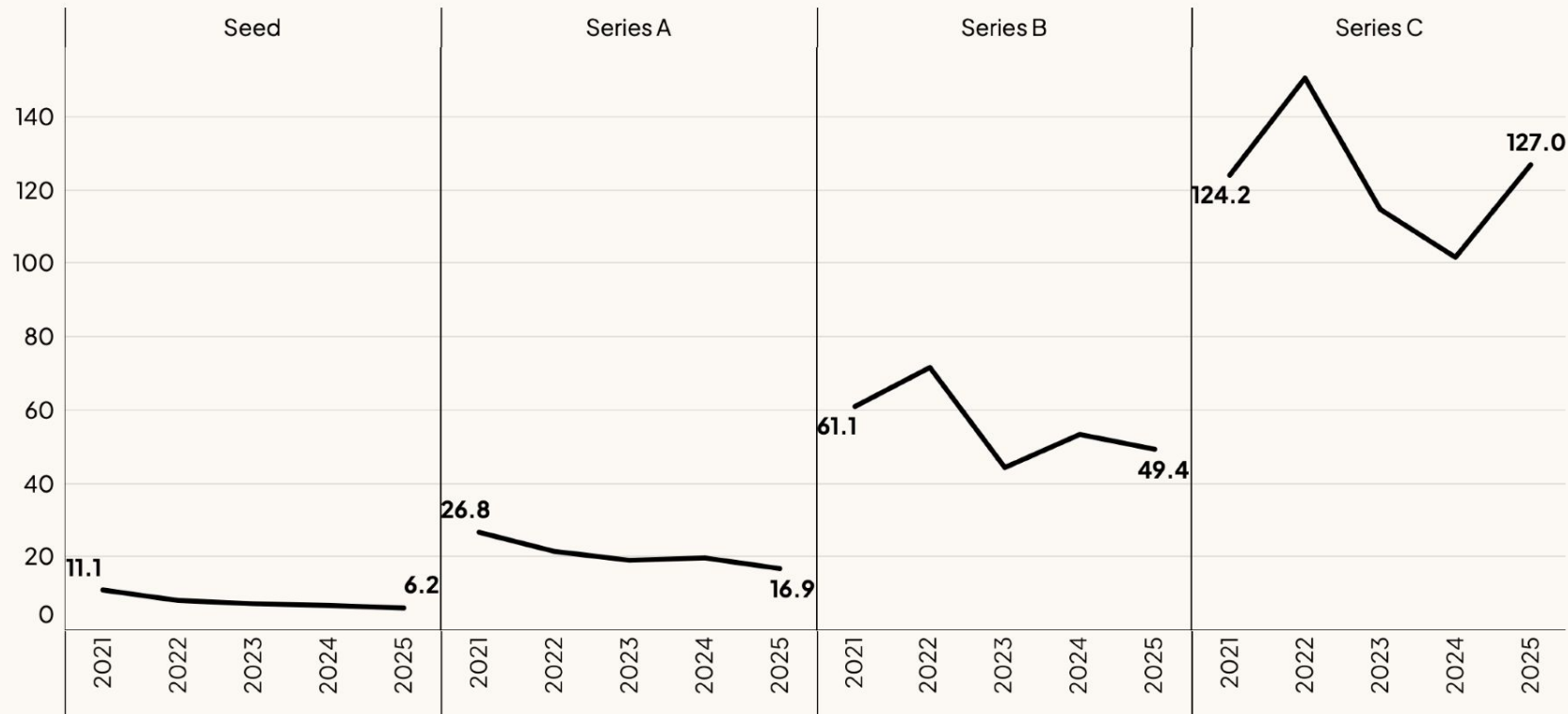
Headcount at Seed and Series A continues to drift downward

Percent change from H1 2020 in average headcount on the day of fundraise by stage | Only software companies included



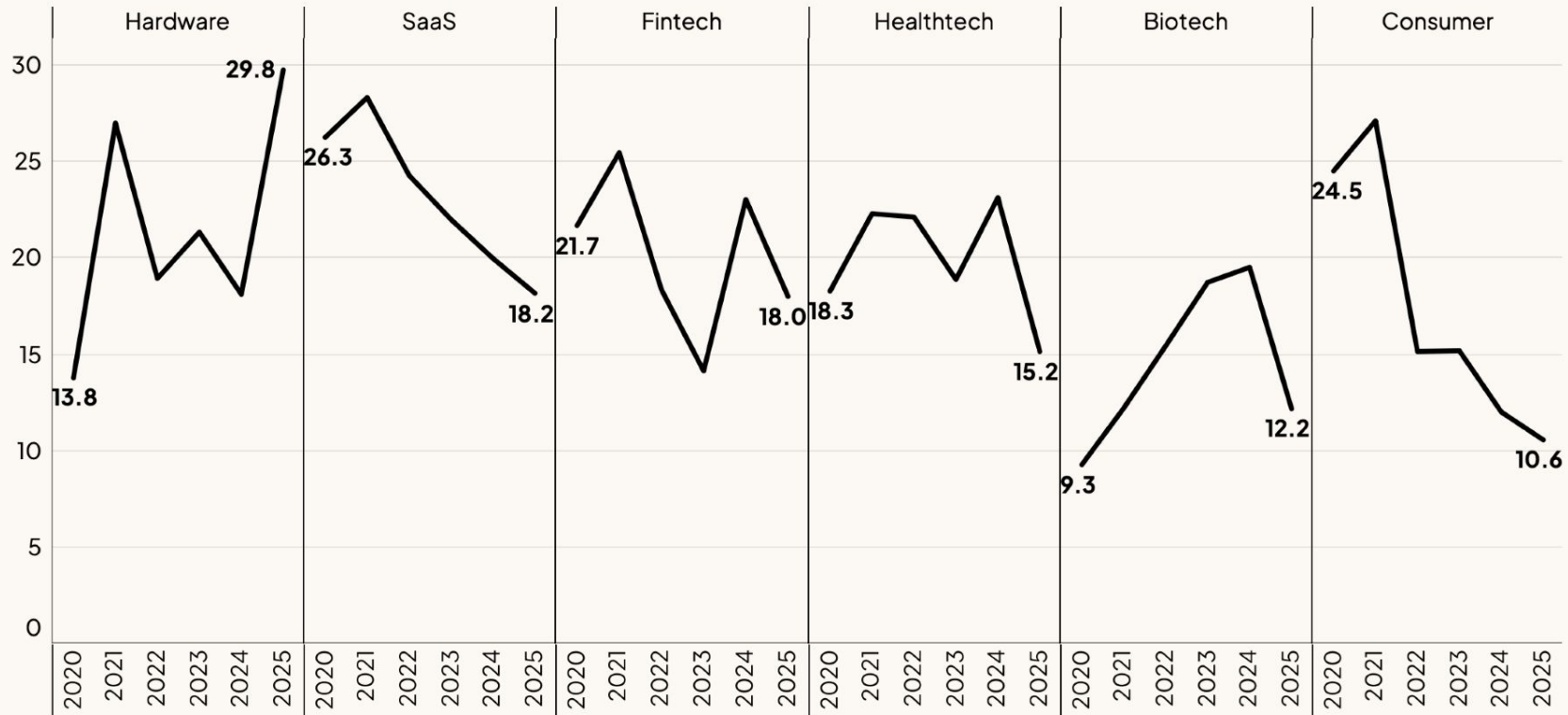
The decline from 2021 headcount has been more muted at later stages

Average headcount on day of fundraise by stage | Only software companies included | All data from first half of each year



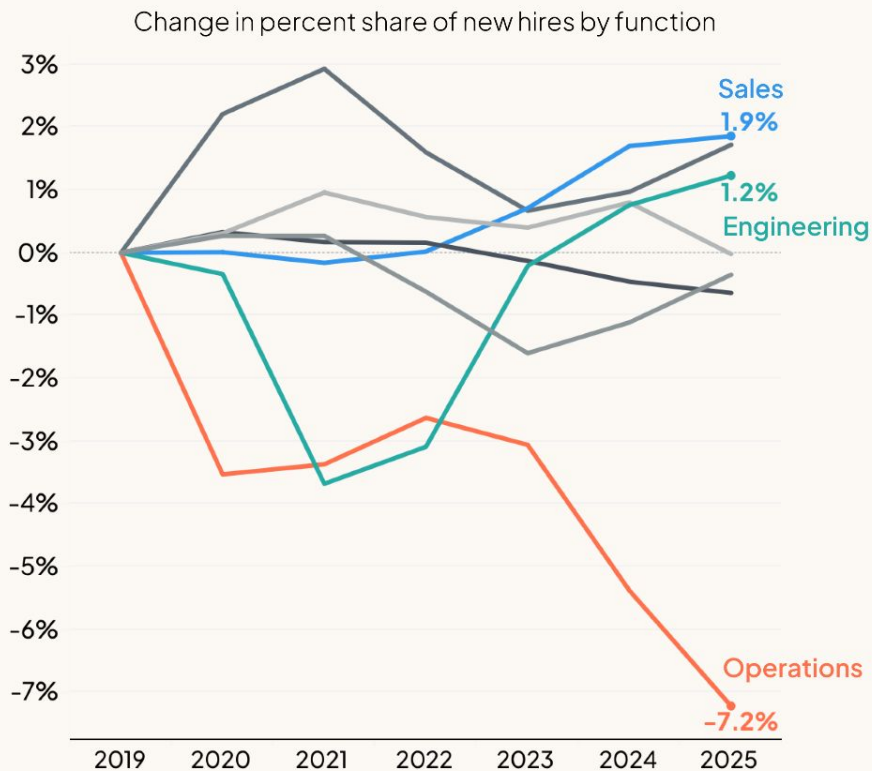
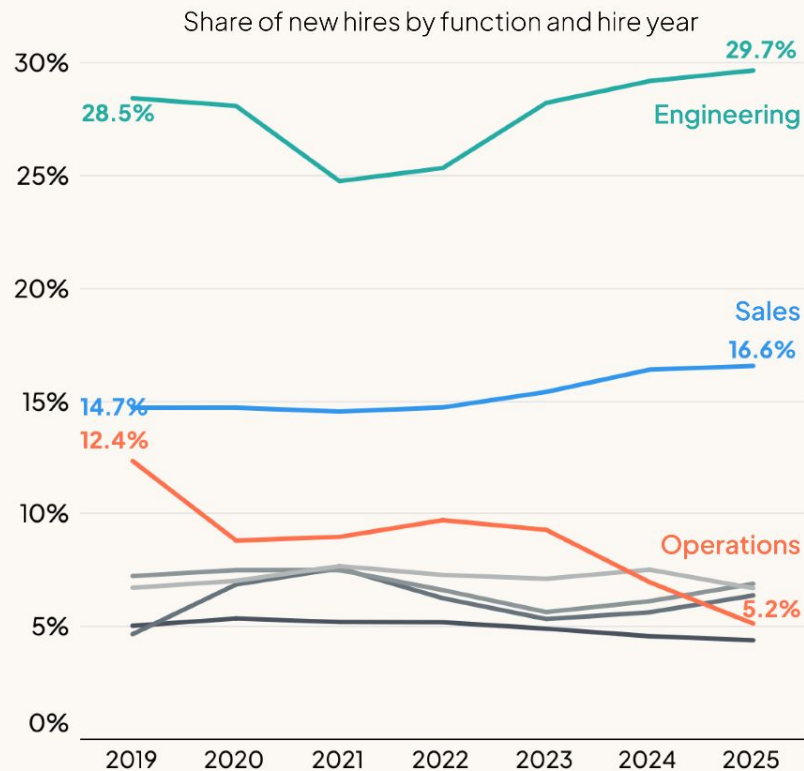
Headcount has declined across most industries

Average headcount on day of Series A fundraise by industry | All data from first half of each year



Operations has lost ground to other functions in share of new hires

Share of new hires in select startup functions & change in percent share of each function vs 2019 | Jan 2019 – June 2025

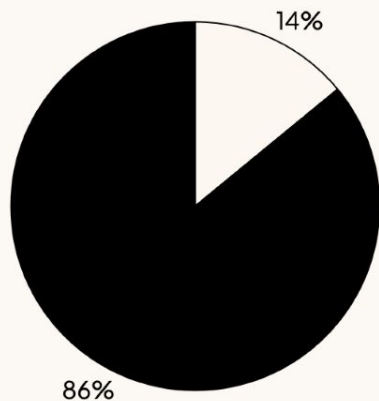


Geographical trends

Startups of all sizes typically adjust compensation by location

Percent of startups that adjust employee compensation based on location | Data as of June 30, 2025

Percent overall



Adjustment

No adjustment

Percent by post-money valuation

\$1M to \$10M

89%

11%

\$10M to \$25M

92%

8%

\$25M to \$50M

81%

19%

\$50M to \$100M

82%

18%

\$100M to \$250M

77%

23%

\$250M to \$500M

81%

19%

\$500M to \$1B

78%

22%

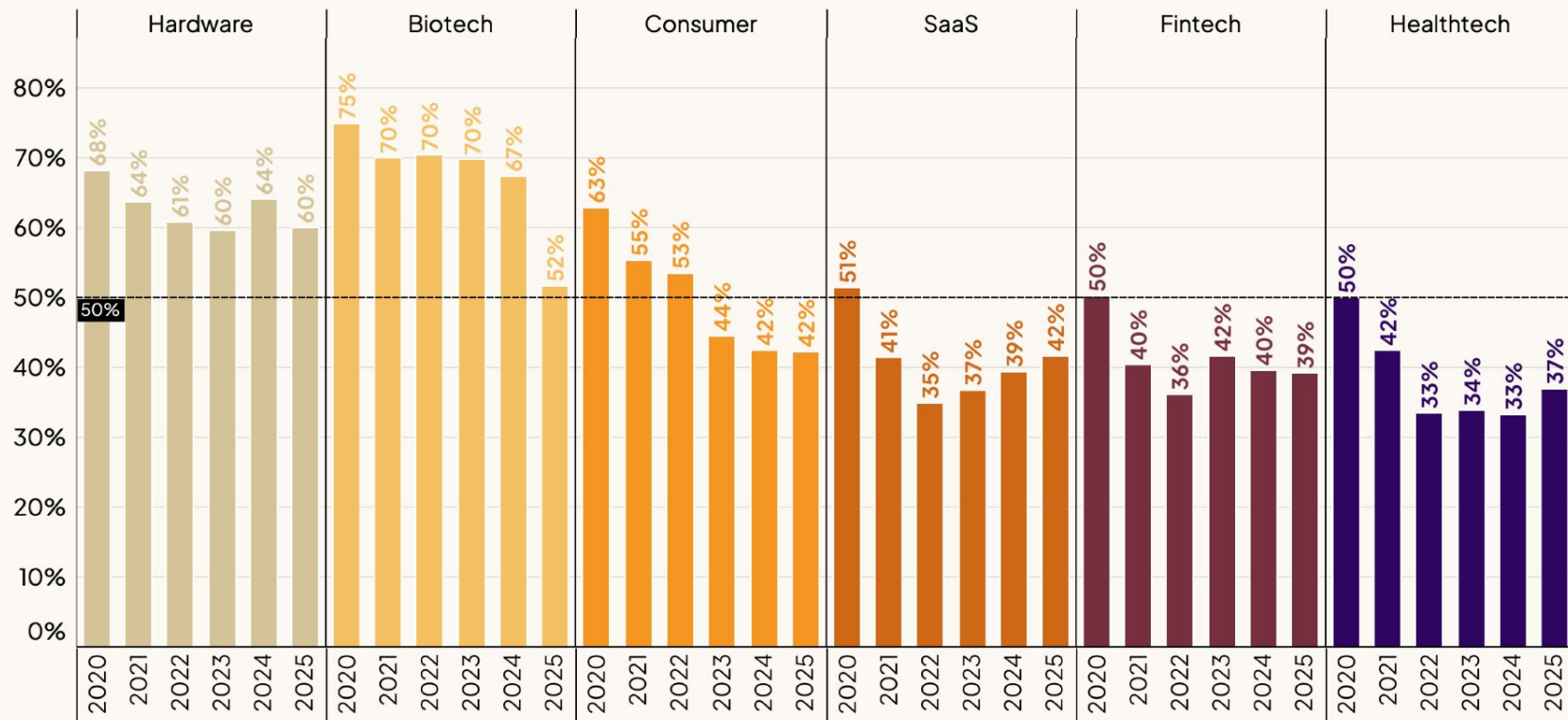
\$1B to \$10B

76%

24%

In-state hiring is more common in hardware and biotech even today

Percent of new hires made in the same state as company HQ by year and industry | 2020-H1 2025



Only three startup metros pay top rate for talent: SF, NY, and San Jose

Salary by Metropolitan Statistical Area (MSA) as a percentage of current San Francisco salaries | % difference from 2024

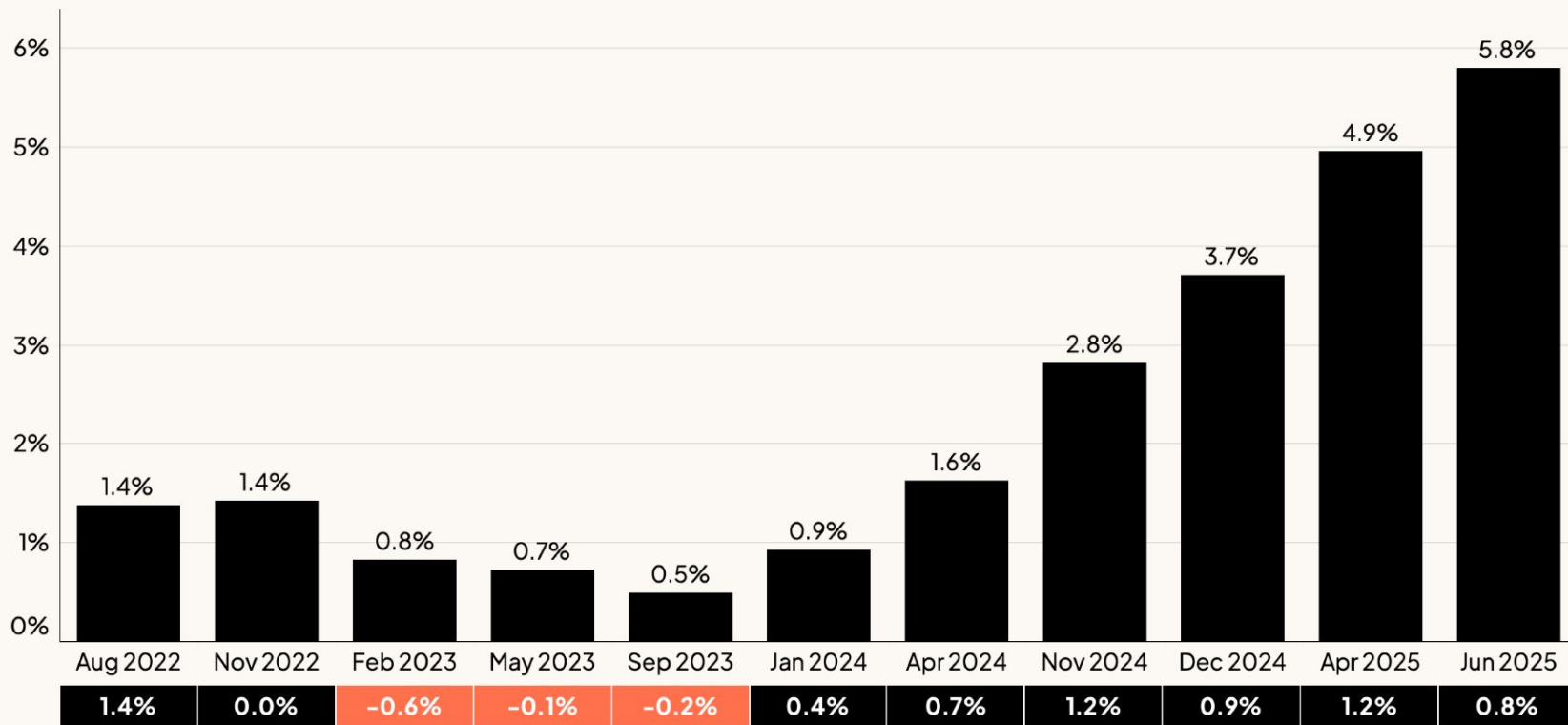
Region	MSA	Percent of SF salary rate	% Δ
Midwest	Cleveland, OH	90%	3%
	Minneapolis, MN	89%	1%
	Chicago, IL	87%	-1%
	St. Louis, MO	87%	2%
	Columbus, OH	83%	1%
	Detroit, MI	81%	-2%
	Ann Arbor, MI	82%	2%
	Kansas City, MO	78%	-4%
	Cincinnati, OH	78%	3%
	Indianapolis, IN	78%	3%
	Omaha, NE	78%	3%
West	San Francisco, CA	100%	0%
	San Jose, CA	100%	0%
	Seattle, WA	95%	-2%
	Santa Cruz, CA	95%	5%
	Boulder, CO	92%	1%
	Los Angeles, CA	91%	0%
	Sacramento, CA	92%	2%
	Portland, OR	89%	-3%
	San Diego, CA	91%	1%
	Denver, CO	88%	-2%
	Oxnard, CA	88%	-2%
	Santa Barbara, CA	85%	0%
	Las Vegas, NV	80%	-5%
	San Bernardino, CA	85%	5%
	Provo-Orem, UT	83%	2%
	Salt Lake City, UT	83%	3%
	Phoenix, AZ	78%	-4%
	Tucson, AZ	77%	0%

Region	MSA	Percent of SF salary rate	% Δ
Northeast	New York City, NY	100%	0%
	Bridgeport, CT	93%	-2%
	Boston, MA	90%	-2%
	Philadelphia, PA	87%	-3%
	Pittsburgh, PA	87%	2%
	Providence, RI	85%	2%
	Worcester, MA	80%	0%
	Burlington, VT	75%	-5%
South	Washington, DC	93%	0%
	Durham, NC	91%	1%
	Baltimore, MD	90%	0%
	Raleigh, NC	90%	0%
	Austin, TX	87%	-2%
	Miami, FL	88%	0%
	Richmond, VA	87%	2%
	Orlando, FL	85%	0%
	Atlanta, GA	82%	-4%
	Tampa, FL	83%	-2%
	Dallas, TX	80%	-5%
	Houston, TX	80%	-4%
	Charlotte, NC	79%	-4%
	Charleston, SC	80%	2%
	Jacksonville, FL	80%	5%
	Nashville, TN	75%	-5%
	San Antonio, TX	72%	-4%

Salary & equity

Average startup salaries have seen consistent growth since Jan 2024

Change in average startup salaries relative to April 2022 | Bottom bar shows change vs previous period



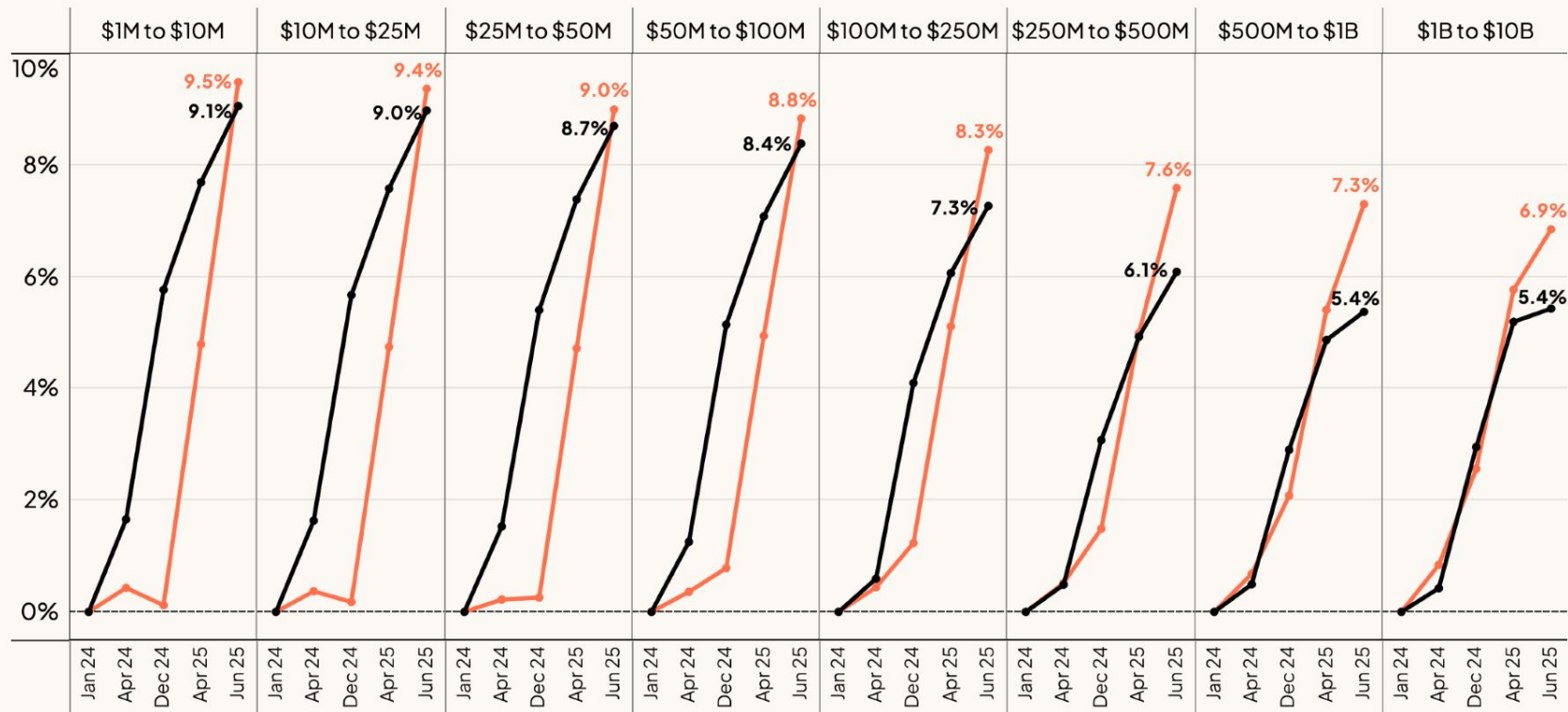
Note: Data above from the following job functions - Customer Success, Data, Design, Engineering, HR/Recruiting, Marketing, Operations, Product, Sales, Support

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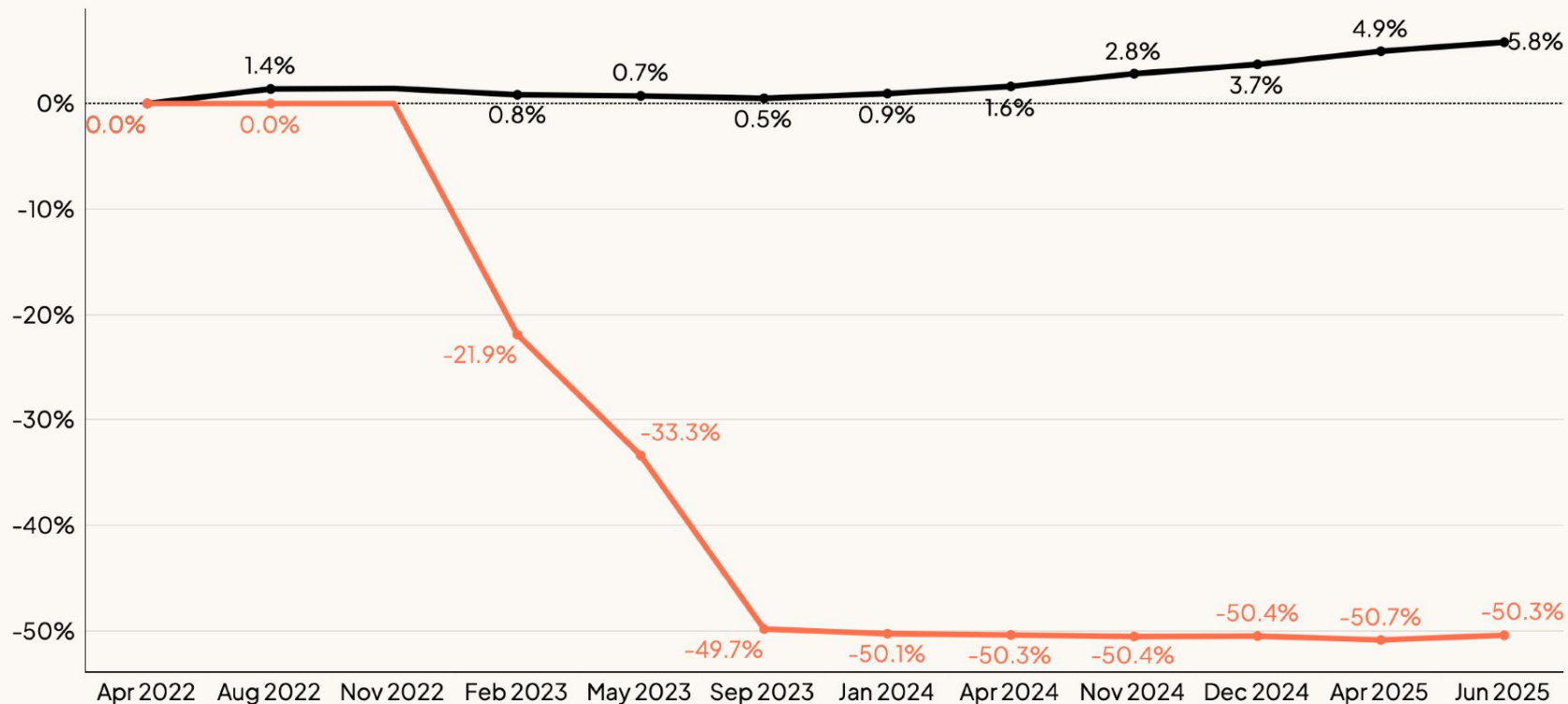
AI engineering salaries have risen impressively in 2025

Change in **50th percentile salaries** and **90th percentile salaries** for AI/ML engineers relative to January 2024



The average initial equity grant is 50% smaller today than in late 2022

Change in average startup **salaries** and **equity packages** relative to April 2022



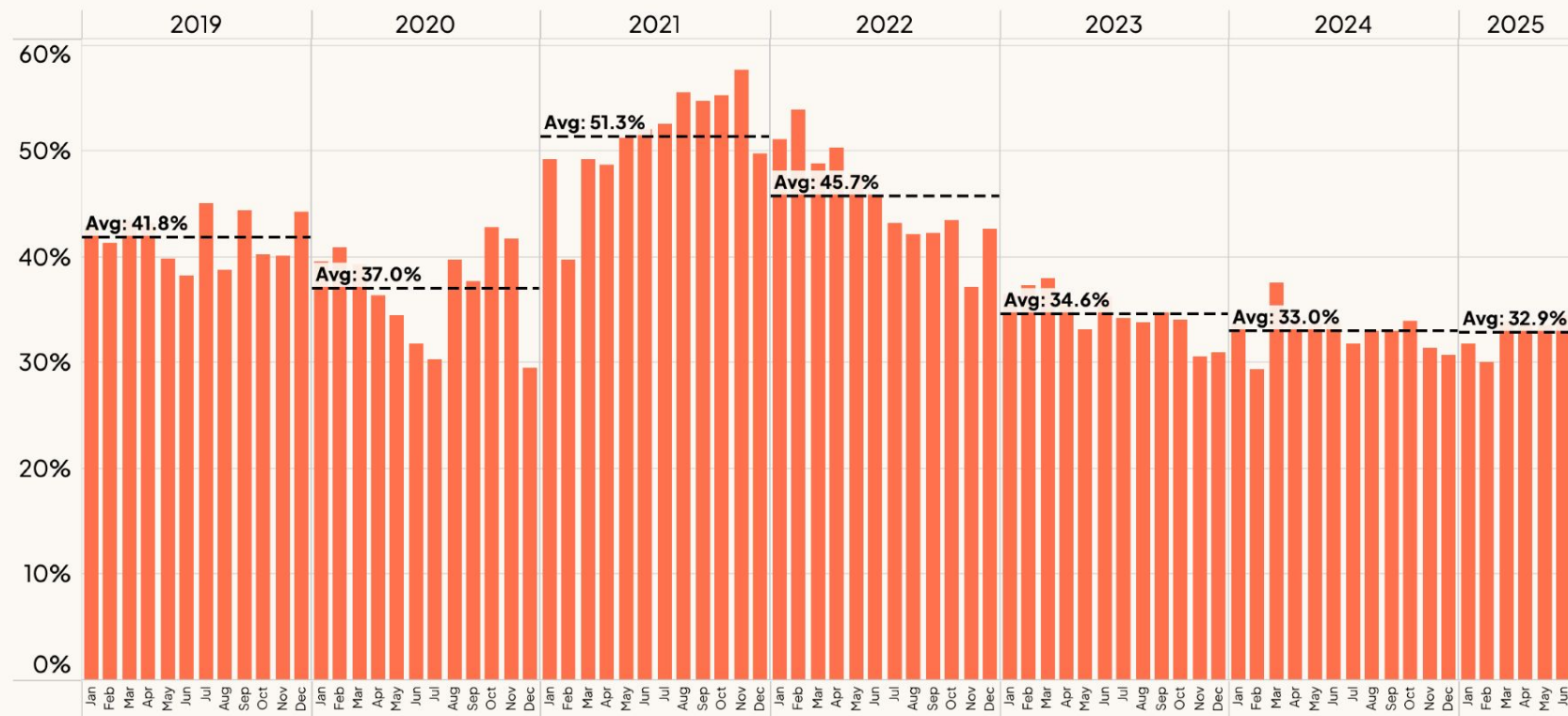
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About 70% of option grants are not exercised by exiting employees

The percent of in-the-money option grants exercised before expiration by month

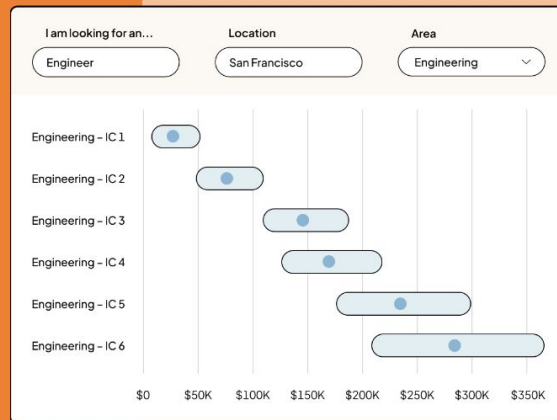


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Carta Total Compensation

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- ✓ Forecasting, planning, and scaling tools
- ✓ Total comp view for every employee

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Compensation Summary

Projected Annual
Salary Spend
\$15,840,581
All departments

Largest
Salary Spend
\$4,073,478
Engineering

Largest
Equity Spend
448,828 shares
Marketing

Job Area	Current Salary Spend	Target	Delta
Product	\$2,145,660	\$2,394,000	\$-248,340
Engineering	\$4,073,478	\$4,810,000	\$-736,522
Data	\$1,109,778	\$1,035,000	\$74,778
Marketing	\$1,189,062	\$1,070,000	\$119,062