

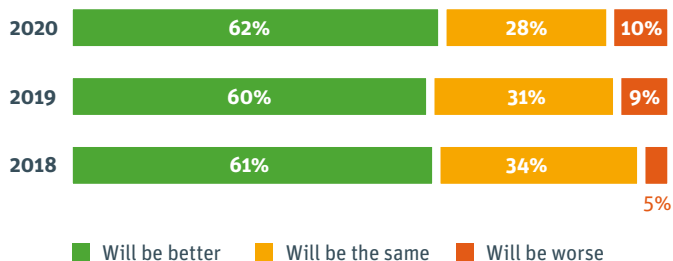
US startups are bullish on 2020

Innovation is flourishing, and despite some cautionary signs most US startups see business conditions improving in 2020. A large majority of startups tell us that they plan to hire, and by a wide margin they expect venture capital to be their next source of funding.

US startups see better times ahead

US startups are optimistic and resilient: In recent years, they have shown essentially the same level of confidence that business conditions will improve in the year ahead.

Describe your outlook for business conditions for your company in the coming year.

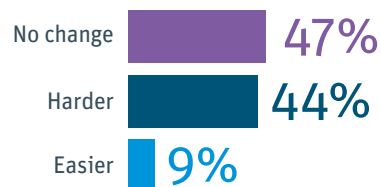


Startup hiring spree continues in 2020

83% of startups say they plan to add employees in 2020

With very low unemployment rates and new immigrant visa restrictions, about half of startups say hiring is getting harder.

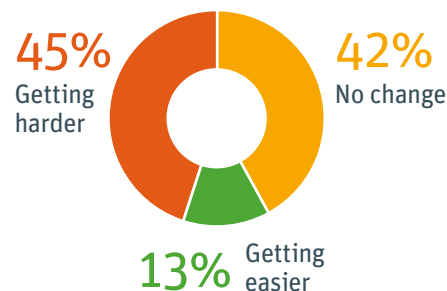
How would you describe the hiring environment compared with a year ago?



Accessing startup capital is no easy task

There may be record amounts of capital in the innovation ecosystem, but it's not easy to access, according to startups. About equal percentages say it is getting harder or there is no change. Investors are looking for startups with experienced founders, a compelling product, a strong growth plan and a path to profitability.

What is your view of the current fundraising environment for companies like yours?

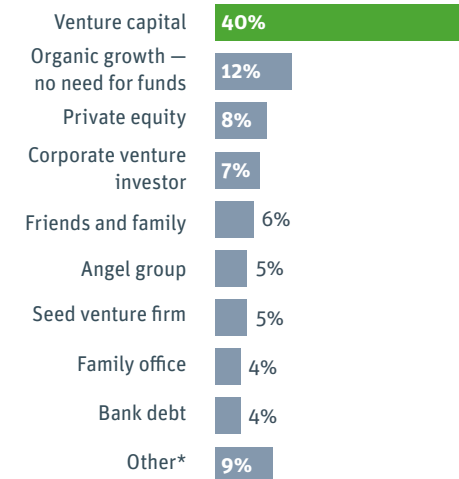


57% of startups raising private capital secured their most recent round in less than six months

Startups still rely on venture capital

Even as non-traditional funding sources grow, venture capital remains startups' top choice by a wide margin. In the short term, 12% of startups say they have no plans to raise money; instead, they are counting on organic growth.

What do you expect your next source of funding to be?

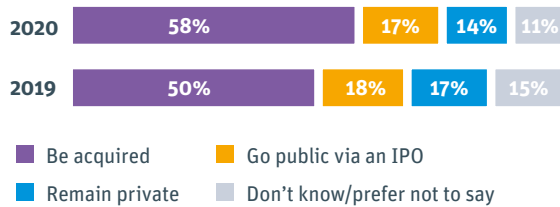


*Other includes accelerator/incubator, crowdfunding, merger and IPO.

Acquisition is the top long-term goal

For US startups, acquisition is typically the realistic long-term exit strategy. That preference is increasing compared with 2019.

What is the realistic long-term goal for your company?



How are ethnic and racial minorities represented in US startup leadership?

For the first time, we asked startups in the US about ethnic and racial minorities* in leadership positions.



Are women making it into startup leadership roles?

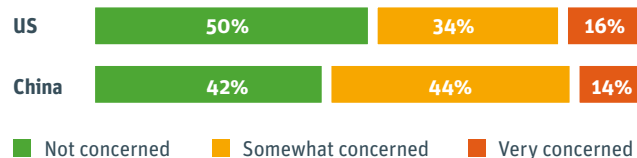
Despite growing awareness and efforts to increase the number of women in tech leadership, US startups still have a long way to go to achieve gender parity.



US, China startups weigh in on trade tensions

Similar to a year ago, 50% of US startups have at least some concern about trade tensions. Among Chinese startups, a larger percentage now say they are not concerned compared with 2019 — a sign that they are coping with the trade environment.

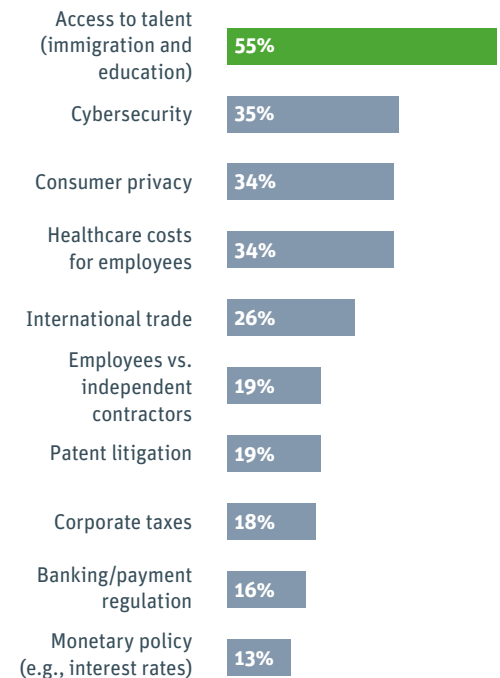
How concerned are you that trade policy between the US and China will negatively impact your business in 2020?



Finding talent is top public policy issue

While it's no surprise that access to talent tops the list of public policy issues, cybersecurity and consumer privacy are now as big a concern for US startups as employee healthcare costs.

What are the three most important public policy issues affecting companies like yours?



*Ethnic and racial minorities are defined as Black/African American, Hispanic, Asian/Pacific Islander, American Indian and Alaskan Native.

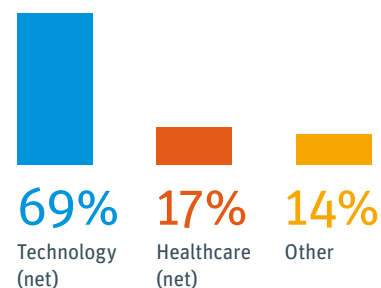
About the Startup Outlook Survey

Our annual survey offers insights into what is on the minds of technology and healthcare startup leaders. For the 2020 report, we conducted the survey in October and November 2019 and received responses from startup executives in innovation hubs primarily in the **US**, the **UK**, **Canada** and **China**.

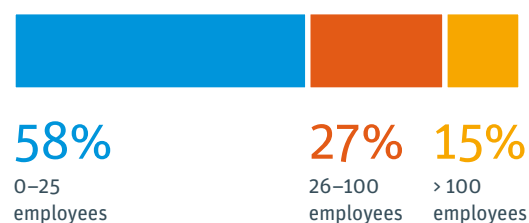
Total respondents

1,100

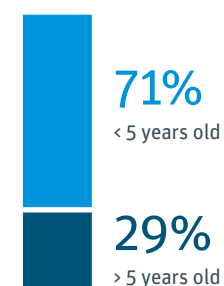
Industry sector



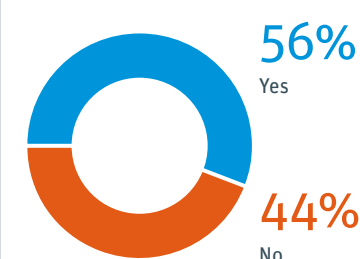
Size



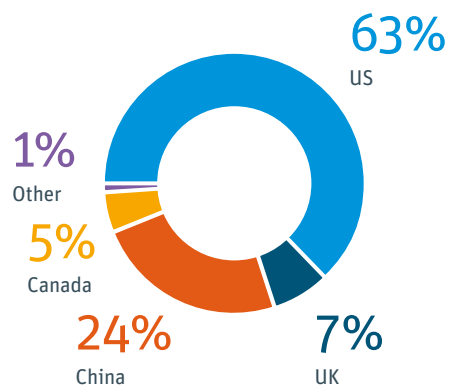
Company age



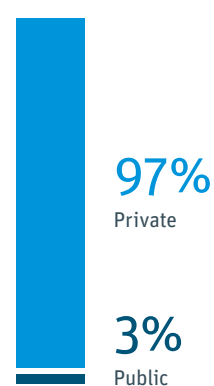
Profitable



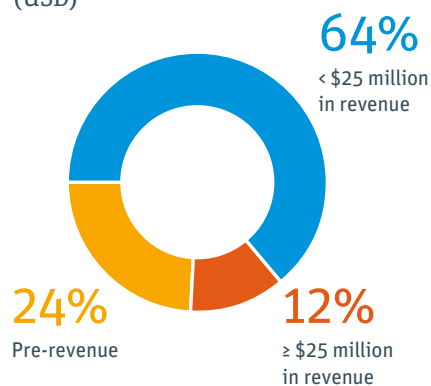
Primary place of business



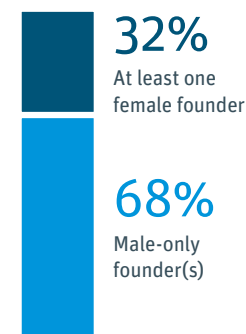
Ownership



Revenue stage (USD)



Founder gender



Companies with at least one founder born outside their primary country

