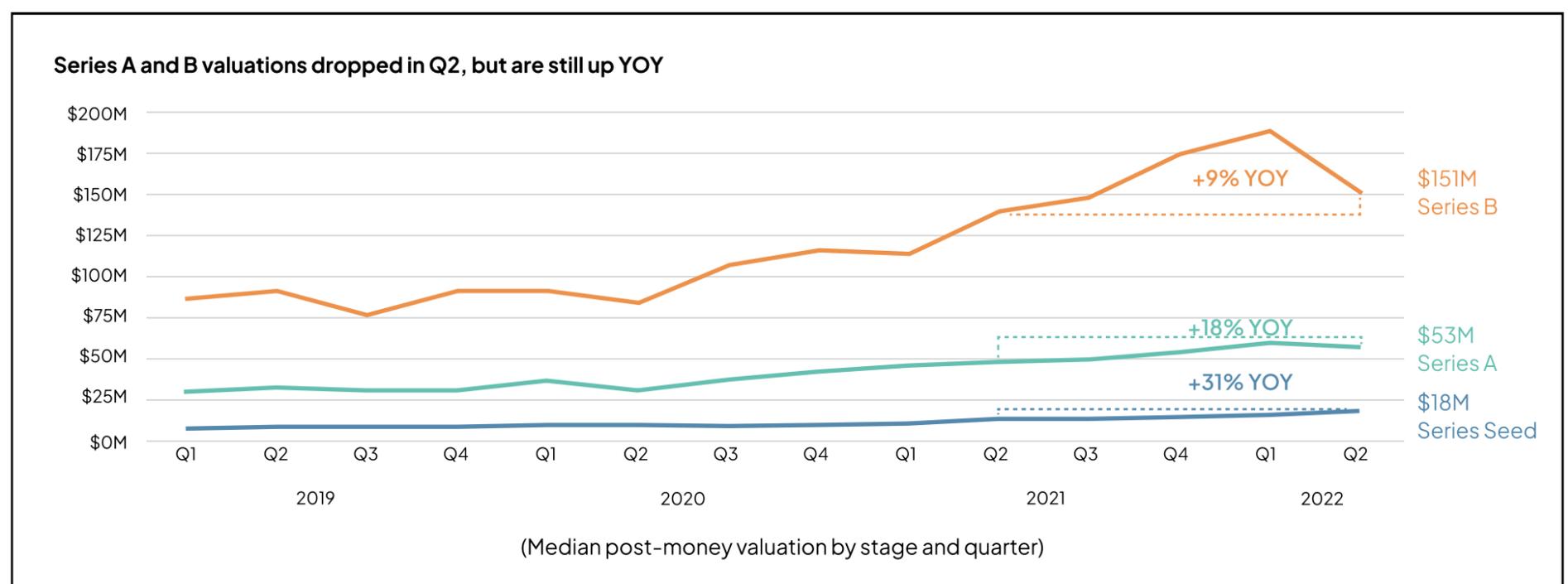


Why Carta uses post-money valuations to determine compensation segments

Carta Total Compensation competitors leverage various scope factors to surface how much an employer should compensate an employee. Carta does things differently – we anchor on post-money valuations.

Some customers and prospects struggle to understand why we use post-money valuations to filter our compensation bands, as opposed to funding stage, industry, or public company market cap or revenue comps.



What is a post-money valuation?

A post-money valuation is a company's estimated value based on the amount of capital the company has raised.

Why do we use post-money valuations with Carta Total Comp bands?

Post-money valuation can be applied consistently and draw large enough sample sizes to increase the fidelity of our benchmarks.

This is especially important for equity benchmarking. The value of a company has a significant impact on an employee's equity grant. Carta Total Comp helps you make sound equity compensation decisions for your business.



How can I stay consistent in turbulent markets?

Funding stages don't have a consistent meaning over time below. The median valuation of a Series B company doubled between Q3 2019 and Q2 2022. Post-money valuations better account for macroeconomic shifts.



I'm still pre-revenue – is this a platform built for startups?

Yes. Hiring pre-revenue doesn't mean you shouldn't have access to quality compensation benchmarking. Post-money valuations level the playing field and help reduce reporting conflicts between ARR and net-new revenue.



How do I get reliable data to make informed decisions?

Many companies are solving niche problems. The sample size for your industry category may be too small to make sound decisions, post-money valuations take the guesswork out of compensation and provide you with insights you can count on.