

Morgan Stanley

Founder Survey

What Founders Reveal About Growth, Capital and the Path to Liquidity

April 2026

Introduction

Building a company requires conviction, but conviction alone is not enough to separate the companies that make it from those that don't. Outcomes are determined by a series of practical decisions on growth, capital and timing, and those decisions are being made in a market that is more complex and less forgiving than in prior cycles.

This paper is based on research conducted with 150 private company founders at Series A or later-stage companies. They are founders who have navigated the fundraising decisions, operational pressures and strategic trade-offs that define this stage of the journey. The following pages share what they revealed: what drives them, where they have struggled, how the most successful among them have broken through and what they wish they had known sooner.

Foreword

At Morgan Stanley, we have the privilege of working alongside many of the world's most ambitious private company founders—leaders who are building category-defining businesses, navigating rapid growth, and making decisions that can shape outcomes for decades. Their priorities are evolving quickly: scaling responsibly, attracting and retaining talent, managing liquidity and concentration, preparing for strategic transactions, and translating enterprise value into long-term personal and family goals.

The Morgan Stanley Founders Survey brings forward the voice of founders by interviewing 150 private company founders, the majority of whom have raised a Series C round or higher. They expose the complexity of the path to liquidity and the power of networks to provide an edge.

Morgan Stanley is uniquely positioned to support them through the full founder journey, from early scale to liquidity events and beyond. Founders don't experience their challenges in silos, and neither should their advice. What differentiates Morgan Stanley is the ability to connect the dots across a single, integrated platform—bringing together the capabilities that founders need as operators and as individuals. That includes strategic advice and capital markets expertise, access to a deep network of investors and corporate decision-makers, and the resources to help founders plan for liquidity, manage complexity and build enduring wealth with intention.

Just as important is our network. Founders consistently tell us that the most valuable insights often come from other founders—peers who have faced similar decisions and learned hard-earned lessons. This report is an extension of that idea: a way to share patterns, perspectives and practical takeaways, and to reinforce that founders are not navigating these moments alone.

We hope this report is useful, thought-provoking and actionable. More than anything, we hope it sparks conversations—between founders and their teams, among peers, and with us—about what's next and how we can help.

Thank you for your time and thank you for the trust you place in Morgan Stanley.

Mandell Crawley,
Chief Client Officer, Morgan Stanley

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About This Study

A survey of founders was commissioned by Morgan Stanley and conducted in the first quarter of 2026 in partnership with 8 Acre Perspective, an independent research firm.

The study was conducted with 150 founders of private companies headquartered in the U.S. and Canada with 25+ employees. Qualifying founders were required to be employed and have an active role in the company and hold 15% or more of the company's equity. All participating companies have raised venture capital and completed a Series A or higher fundraising round (67% of participants are Series C or later).

Executive Summary

Four themes that define the founder journey today

**SECTION 1****Founders are building with urgency; growth is the priority, liquidity is the destination**

These are mission-driven builders, not wealth-chasers. The initial motivation to start the business is to create impact, not simply to get rich. That translates into an intense focus to scale the business. Capital raising fuels this growth, with liquidity as the milestone that ultimately validates what they've built.

**SECTION 2****The path to liquidity is more complex, and more costly, than founders expected**

From dilution regret to macro headwinds to the mounting pressure of AI adoption, founders face compounding barriers between where they are and where they're trying to go. Many wish they'd known more sooner—about capital, about terms, and about the true cost of growth.

**SECTION 3****The founders who break through don't go it alone; trusted networks are their competitive edge**

The most successful founders have built something beyond a business: a community of mentors, advisors and partners who open doors they couldn't open themselves. Access to the right people isn't a 'nice-to-have;' the data suggests it's one of the most consequential advantages a founder can cultivate.

**SECTION 4****For founders, business and personal wealth aren't parallel tracks, they're the same track**

Founders don't separate their financial lives into personal and professional. Their wealth is tied to their company's outcome, their goals depend on the business succeeding, and they want partners who plan with that reality, not around it.

1 Founders are building with urgency; growth is the priority, liquidity is the destination

Ask founders why they started their company and “financial gain” rarely tops the list. When 150 founders were asked to rank their top reasons for starting their current business, “make a difference/have a positive impact” ranked first. Wealth creation? Sixth.

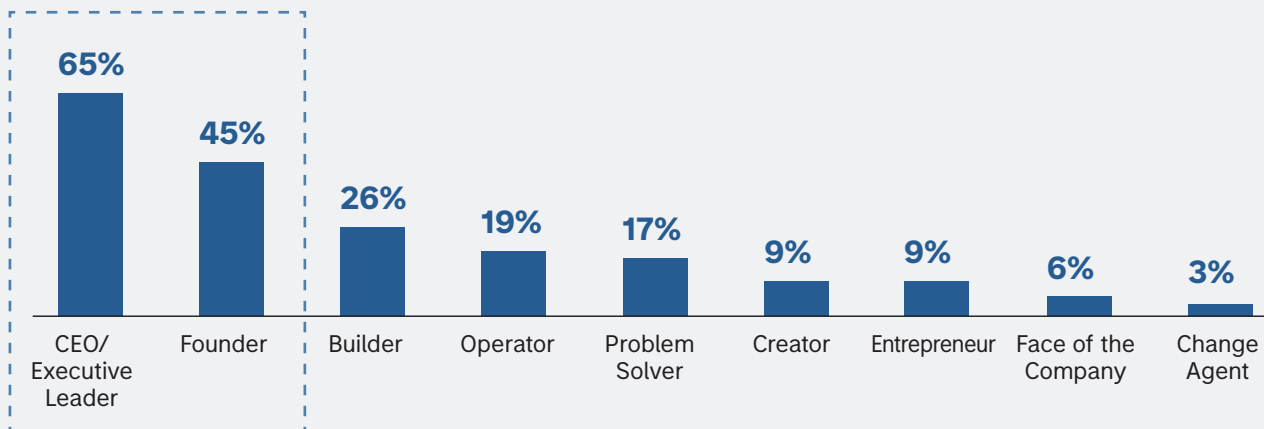
This matters more than it might seem. Founders aren’t optimizing for an exit; they’re optimizing for impact, with an exit as the mechanism that validates it. That’s the founder mindset, and it shapes everything from how they raise capital to how they choose partners (e.g., investors, advisors, experienced leaders) and how those relationships evolve over time.

MAIN REASON FOR STARTING A CURRENT BUSINESS



Just as telling is how founders describe the roles they play within the company. When asked to pick two terms that describe how they show up day to day, a majority said CEO or executive leader, and about 1 in 4 said builder. Only 9% chose “entrepreneur.” They’re not just ideating at a whiteboard—many are actively running companies day to day. In practice, this means they’re focused on what drives execution, not the next big idea, and they engage with partners who help them operate, not just ideate.

HOW FOUNDERS DESCRIBE THEIR ROLE



“Entrepreneur is somebody that says: I want to make a lot of money. Founder is more of a creator.”

— Series B, consumer/retail company,
25-49% ownership
50-99 employees

“You can’t create or build a business to sell it. You can only build a business that somebody wants to buy. The intent was always to impact and change the industry.”

— Series C, technology company,
10-24% ownership
100-199 employees

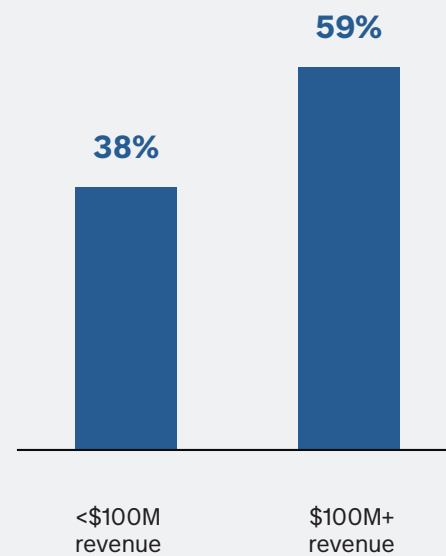
Revenue growth is a key measure of performance, and maintaining adequate capital is essential to sustain operations and support continued growth.

When it comes to business priorities, the ranking is unambiguous: 63% of founders cite revenue growth as a top priority. Capital raising comes in second at 45% overall but climbs significantly among founders running larger companies (\$100M or more in revenue) where sustaining momentum requires external resources at scale.

TOP TWO BUSINESS PRIORITIES



Capital raising is more likely to be a top business priority for large firms



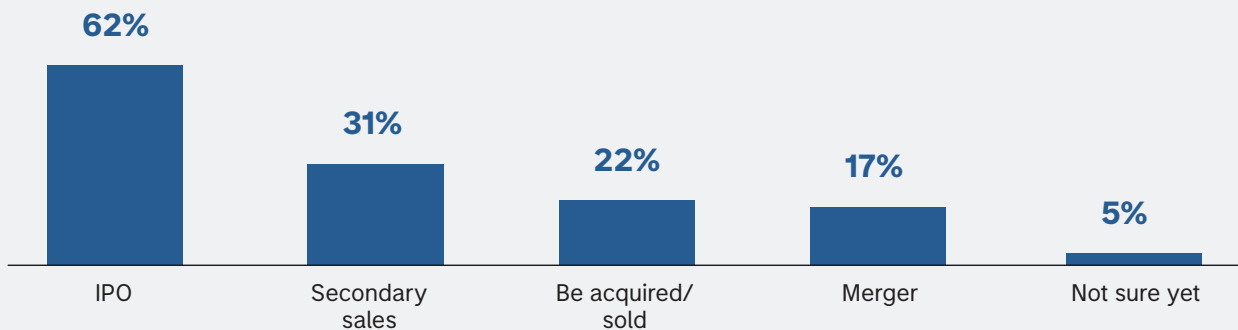
“I couldn’t grow the business myself. I didn’t have the resources to do it. I had to sell some of the business to help increase our market share and sales.”

— **Series B, consumer/retail company,**
25-49% ownership
25-49 employees

IPO is the most common goal, and timelines tend to be aggressive

A majority are planning or considering an IPO, with secondary sales and acquisitions also on the table. Only a small fraction say they haven't yet figured out their path to liquidity. For Series A or later founders with meaningful equity on the line and investors expecting a return horizon, most founders already know where they're headed.

LIQUIDITY EVENTS FOUNDERS ARE CONSIDERING/PLANNING FOR

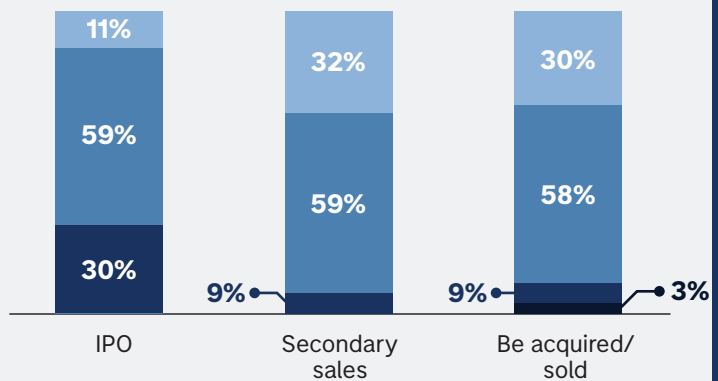


Founders' timelines for liquidity events are already mapped and aggressive. Among those targeting an IPO, most expect to move within one to two years. Secondary sales and acquisitions are even nearer-term for those pursuing them.

TIMELINES FOR TOP LIQUIDITY EVENTS

Base: Considering/Planning for each event

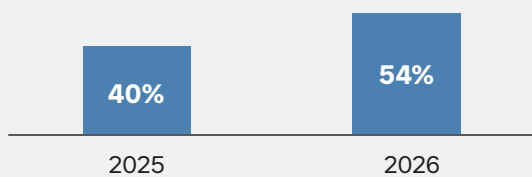
- More than 5 years
- 3-5 years
- 1-2 years
- Next 12 months



TENDER OFFERS

Tender offers are the most-used structured liquidity event while a company remains private.

Companies are increasingly using them to provide interim liquidity on the path to IPO.



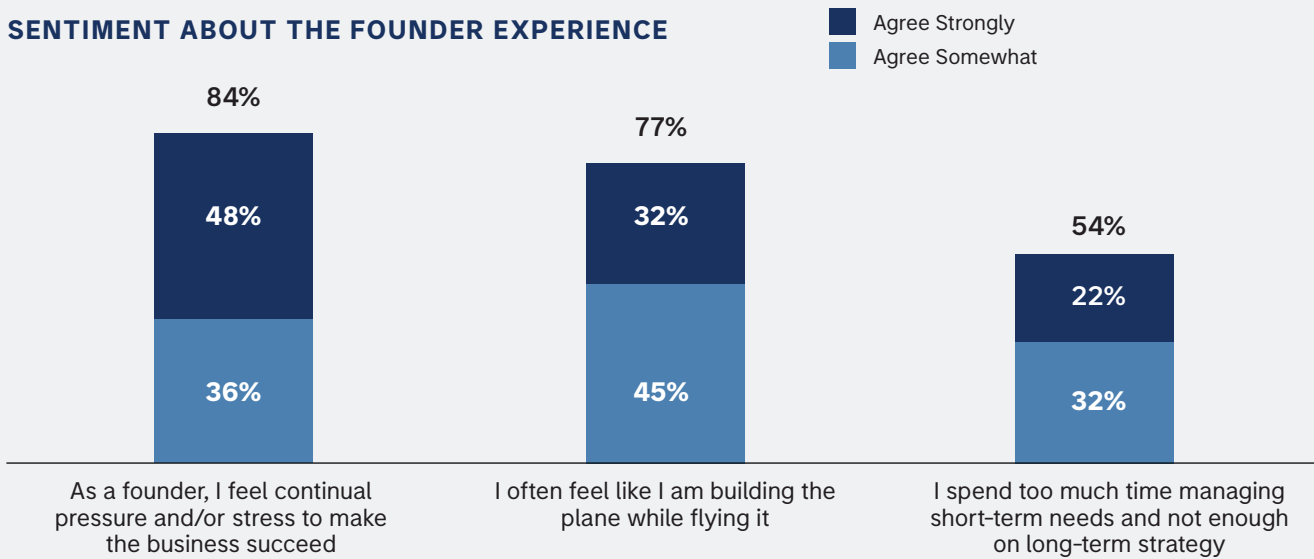
Private companies having reported conducted a tender offer previously.

2 The path to liquidity is more complex, and more costly, than founders expected

Before examining the barriers to liquidity, it's important to recognize the environment founders are operating in. Most report sustained pressure to drive outcomes while managing growth, capital and strategy simultaneously. In this research, 84% of founders say they feel continual pressure to make the business succeed, and a majority describe running the company while core systems are still taking shape. More than half also acknowledge that near-term demands frequently crowd out longer-term planning. These dynamics intensify the challenge of preparing for liquidity. The issue isn't effort or ambition—it's the cumulative weight of decisions made under pressure, with limited margin for error.

Perhaps none of this is surprising, yet it is a useful reminder: being a founder comes with innate challenges, making barriers encountered on the road to liquidity even harder to navigate.

SENTIMENT ABOUT THE FOUNDER EXPERIENCE



“It’s not a piggybank. Every dollar you take out, it’s 40 cents of somebody else’s money.”

— Series C, technology company,
10-24% ownership
100-199 employees

Barrier 1:

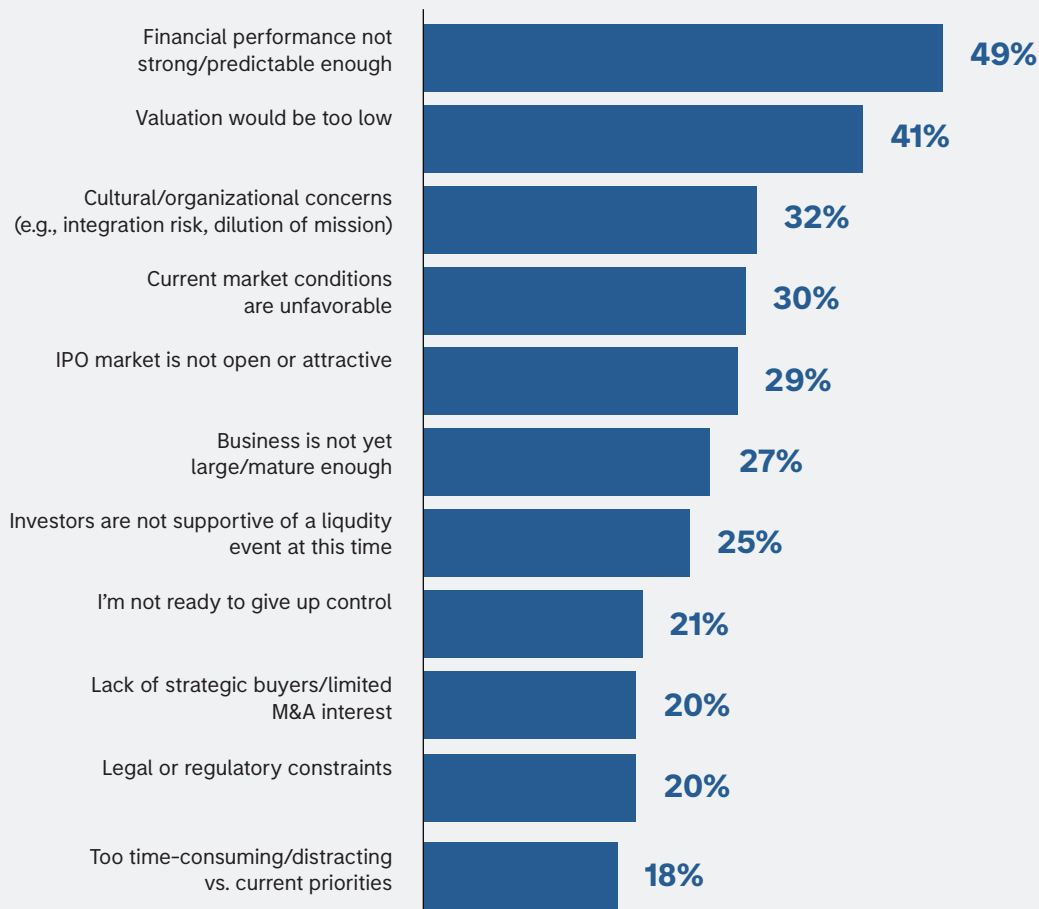
Getting liquidity-ready: the biggest obstacle is predictable performance, not market conditions

When asked what's holding them back from pursuing liquidity, founders point first to internal readiness. The top barrier is delivering consistent, predictable financial performance, followed by valuations, both signs of how well the business is truly operating.

Market conditions and IPO windows rank lower. Founders aren't blaming the market environment; they are focused on execution. They know consistent performance is critical to driving outcomes.

At later stages, liquidity decisions become more complex. Twenty-one percent of founders say they're simply not ready to give up control, rising to 26% among Series C or later founders and 31% at companies with 200 or more employees. As companies scale, liquidity decisions increasingly reflect not just financial outcomes, but ownership, influence and long-term direction.

HURDLES TO MOVING FORWARD WITH LIQUIDITY EVENTS



Barrier 2:

The true cost of capital: what founders wish they had known before signing

Looking back on their fundraising experience, founder satisfaction is lowest on the following:

- Valuations received
- Level of equity dilution
- Types of investors raised capital from

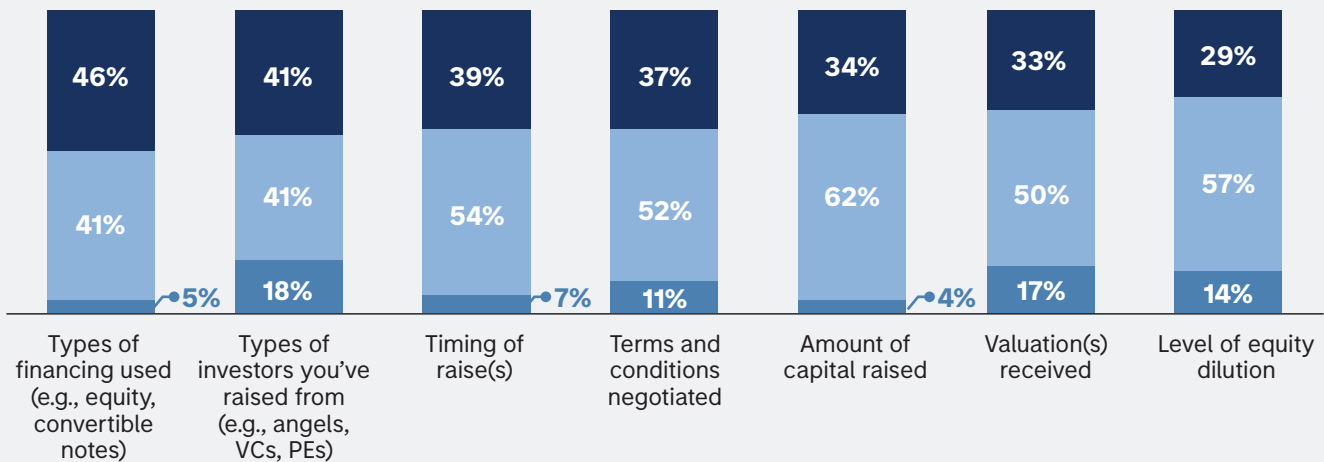
These are important dimensions of fundraising decisions that carry lasting impact on a founder's ownership experience and returns.

1 in 3 feel they gave up too much equity



SATISFACTION WITH FUNDRAISING DECISIONS

■ Somewhat/Very Dissatisfied ■ Somewhat Satisfied ■ Very Satisfied



“Negotiating points that feel emotionally important in the moment often don’t drive outcomes as much as speed and partner quality.”

— Series C+ technology company founder,
15-24% ownership, 200+employees
\$100M-<\$250M revenue

In their own words, what founders wish they'd known falls into the top five themes below. The consistent thread: the regrets aren't about bad luck or bad markets. They're about decisions made without enough information at the time they were made. That gap is closeable, but only before you're in the room.

WHAT FOUNDERS WISH THEY KNEW EARLIER ABOUT RAISING CAPITAL . . .

True Cost of Capital (~29%)	<ul style="list-style-type: none"> ▪ Dilution/ownership control ▪ Valuation implications ▪ Liquidation preferences ▪ Understanding terms 	<p><i>“Every time I take an investment, I give away a piece of my pie. I must be strategic as a smaller piece of a massive pie is also great.”</i></p> <p>—Series B founder in Media/Communications, \$10M-<\$25M revenue</p>
Founder/Investor Fit & Relationship Dynamics (~25%)	<ul style="list-style-type: none"> ▪ Choosing the right partners ▪ Aligning on vision ▪ Managing evolving investor expectations ▪ Building long-term relationships 	<p><i>“Investor relations are the backbone and building a great relationship should be a founder’s priority.”</i></p> <p>—Series C or later founder in Technology, \$25M-<\$50M revenue</p>
Strategic & Financial Preparedness (~21%)	<ul style="list-style-type: none"> ▪ Clear business plan ▪ Strong financial projections ▪ Cash flow management ▪ Being ready with data/materials 	<p><i>“If I had prepared a stronger data room from the start, it could have streamlined the process.”</i></p> <p>—Series C or later founder in Technology, \$250M or more in revenue</p>
What Investors Really Want (~17%)	<ul style="list-style-type: none"> ▪ Market validation ▪ Revenue traction ▪ Clear milestones ▪ Predictable growth 	<p><i>“Predictability matters more than fast growth.”</i></p> <p>—Series B founder in Technology, \$25M-<\$50M revenue</p>
The Reality of the Fundraising Experience (~11%)	<ul style="list-style-type: none"> ▪ Time/effort required ▪ High rejection rates ▪ Lengthy diligence ▪ Complexity ▪ Resource intensity 	<p><i>“How much time and energy fundraising takes away from running the business.”</i></p> <p>—Series C or later founder in Technology, \$50M-<\$100M revenue</p>

Barrier 3:

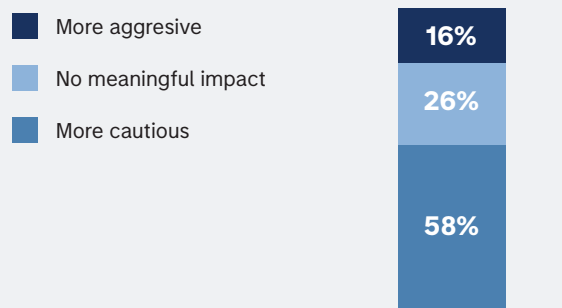
The macro environment is raising the degree of difficulty

More than 50% of founders say the current macroeconomic environment has made them more cautious about raising capital, rising to 64% among Series C or later founders (vs. 44% for Series A-B). Yet what's interesting is how they're responding. Most aren't pulling back.

- Just over 50% are pursuing a broader range of capital sources
- 40% are preparing for more investor conversations
- 33% are building more time into the fundraising process

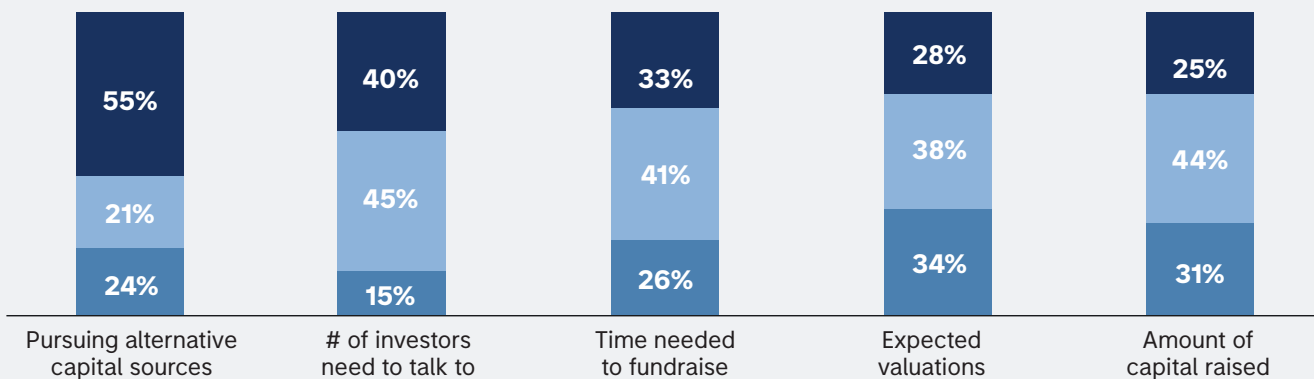
Founders who are navigating this well aren't waiting for conditions to improve. They're widening their pipelines, extending their runways, and resetting their expectations on valuation early enough that none of it comes as a surprise mid-process.

IMPACT OF MACROECONOMIC ENVIRONMENT ON CAPITAL RAISING APPROACH



FUNDRAISING STRATEGY MINDSET IN CURRENT MACRO ENVIRONMENT

■ Decrease/Less ■ No Change ■ Increase/More

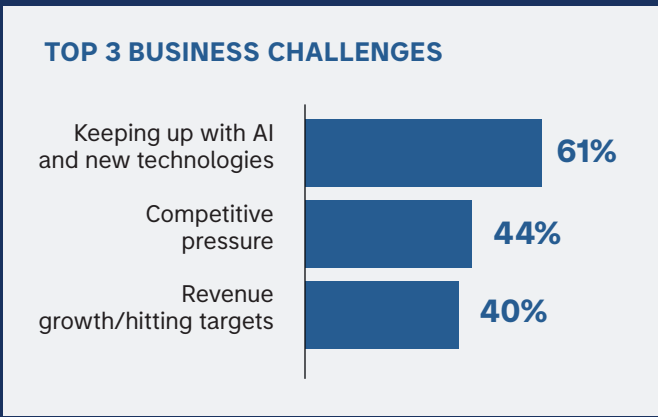
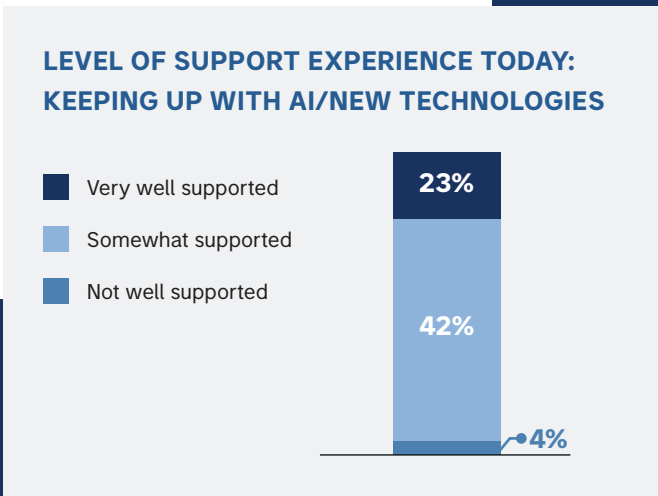
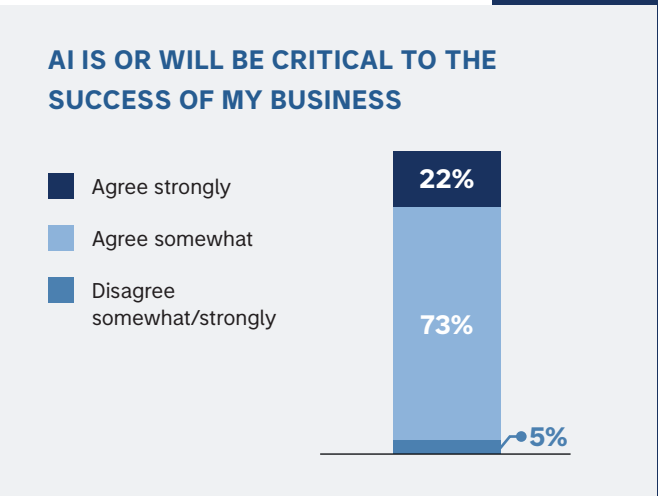


Barrier 4:

The AI imperative—essential to success, yet the area with the least support

95% of founders agree AI is critical to their success, yet only 23% feel very well supported in this area. That’s the lowest support score across the 10 challenges evaluated in the survey, including revenue growth strategy, raising capital and stakeholder management.

In addition, 60% rank keeping up with AI as a top business challenge, the highest of any challenge measured. This isn’t about founders being behind on AI. Most are acutely aware of what’s at stake. The problem is their ecosystem of support (e.g., advisors, partners, service providers) hasn’t caught up with the urgency founders are already feeling. The gap between knowing it matters and feeling equipped to act is one of the sharpest disconnects identified in this survey.



3 The founders who break through don't go it alone; trusted networks are their competitive edge

Most founders rely on a small group for decision-making, typically co-founders, their executive team and the board. Outside that group, usage drops off sharply.

That instinct is understandable. Trust is critical and the stakes are high, but it can also limit perspective. Solo founders, who don't have co-founders to lean on, cast a wider net, relying more on their board, investors and a broader professional network.

Investors may be underutilized despite the perspective they can offer. Just 3 in 10 founders rely on them as sounding boards.

"SOUNDING BOARDS" FOR BUSINESS-RELATED DECISIONS

% Ranking in Top 3

		Solo Founder	+1 Co-founder
My co-founders	77%	n/a	99%
Executive team/senior leadership of company	53%	73%	47%
Board of directors	47%	76%	38%
Investors/venture capitalists	31%	61%	23%
Professional specialists (e.g., lawyer, CPA)	27%	33%	26%
Consultants or external experts	15%	30%	11%
Business banker	11%	15%	9%

Mentorship isn't just moral support: it can be a practical lever that helps founders make better decisions and execute more effectively.

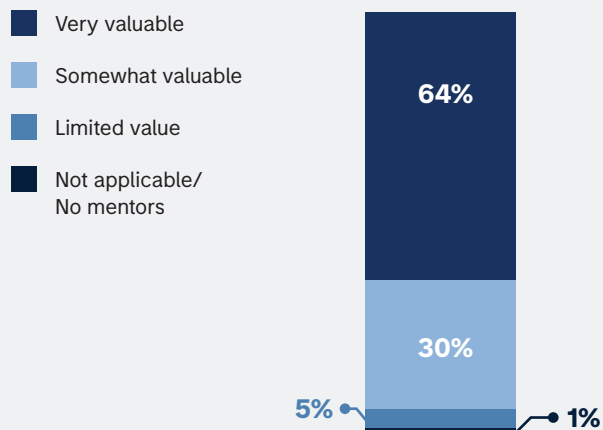
99% of founders have had mentors. But what's more interesting than the prevalence is the pattern of who values them most. Founders at larger companies rate mentors very valuable at a significantly higher rate than those at smaller firms, and founders with greater personal wealth show the same pattern.

Percent rating mentors "very valuable"

- 71% of founders at companies with 200 or more employees vs. 55% at smaller firms
- 70% of founders with \$1M or more in personal assets vs. 54% with <\$1M in personal assets

That correlation isn't coincidental. Founders who built the most also leaned hardest on mentors. It's impossible to say with certainty which direction the causality runs. Did great mentors help produce better outcomes, or did more successful founders simply have better access to mentors? Probably both. But either way, the data makes a strong case that mentorship is less a "nice-to-have" and more a competitive advantage.

VALUE OF MENTOR ADVICE



"I have been mentored by some very successful people, and I'm very appreciative of that. I would have never known what a pro forma is or even how to estimate. Now we're close."

— Series A, technology company,
25-49% ownership
100-199 employees

"I wish for a trusted network of mentors who can provide practical guidance on tough decisions regarding funding, scaling and hiring so I can avoid costly mistakes and move faster with confidence."

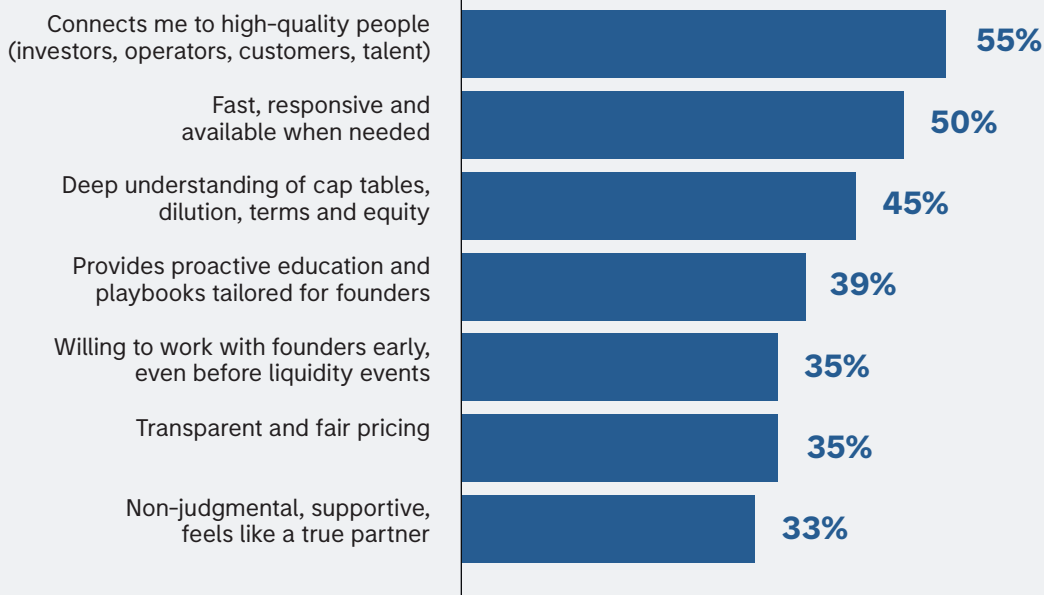
— Series C, or later real estate company founder,
25-49% ownership
100-199 employees

What they want from a financial partner: open doors, not just advice

When asked to define a “founder-centric” financial partner, founders don’t lead with products or pricing. They lead with access: more than 50% say the defining characteristic is connecting them to high-quality people including investors, customers and talent. Responsiveness and deep equity expertise follow. The bar is higher than it may sound. It’s not enough to understand startups. It’s “introduce me to people I can’t reach myself.”

DEFINING CHARACTERISTICS OF A FOUNDER-CENTRIC FINANCIAL PARTNER

(% Ranking in Top 3)



The Right Introduction at the Right Moment

The value of a financial partner’s network isn’t just about who they know. It’s about who they can connect you to when it actually matters. The most valuable introductions shift as a company scales.

Earlier-Stage Founders (Series A–B)

- Operators and experienced executives
- Peer founders who have navigated similar stages
- Specialized vendors and service providers (legal, finance, HR)
- Early customers and design partners
- Angel and early-stage investors

Later-Stage Founders (Series C or later)

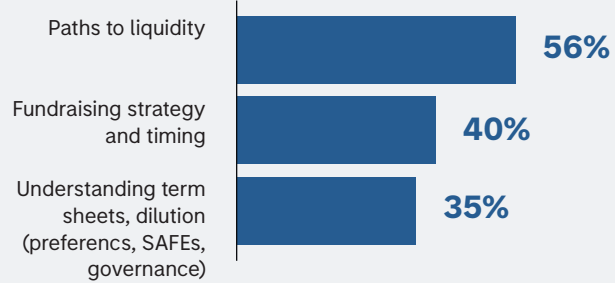
- Late-stage investors and strategic partners
- Investment bankers with capital raising and strategic advice experience
- Board-level talent and independent directors
- Experienced talent ready to support you through the next stages
- Wealth advisors specializing in founder liquidity planning

The learning agenda maps directly to identified barriers—founders are asking for the playbook

Topics founders most want to learn about are not random. Paths to liquidity ranks first followed by fundraising strategy and timing and understanding term sheets and dilution.

Founders aren't asking for general education. They're asking for the specific knowledge that would have helped them avoid the mistakes they've already made or are trying hard not to make. That's a signal worth taking seriously, both for founders earlier in the journey and for the partners who support them.

TOP 3 BUSINESS TOPICS OF INTEREST

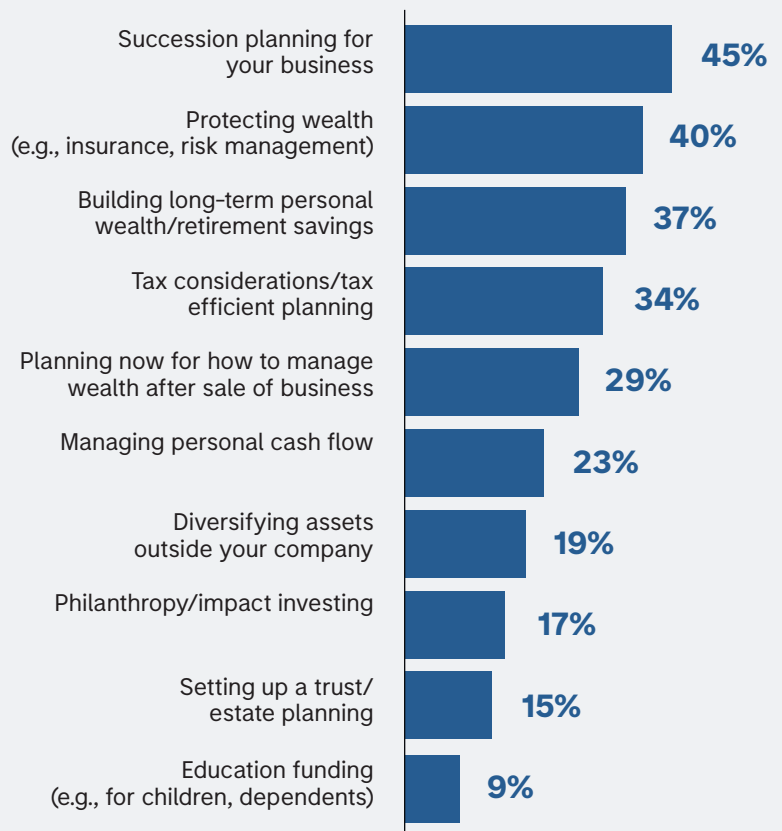


4 For founders, business and personal wealth aren't parallel tracks: they're the same track

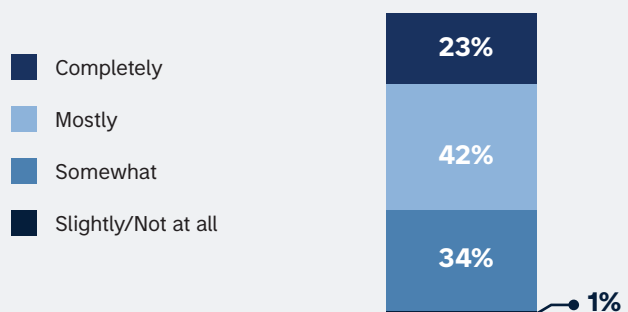
For most founders in this survey, personal financial goals and business outcomes aren't separate conversations. They're the same conversation. A majority say their personal financial goals are mostly or completely dependent on business success. While not a surprising finding, it has significant implications for how founders should be thinking about financial planning and who they should be doing it with.

Founders' list of top personal financial goals reflects this reality. Succession planning for the business, protecting wealth, and building long-term savings lead the rankings, none of which can be meaningfully planned without a clear view of what the business is worth, when a liquidity event might occur, and what the proceeds are likely to look like after taxes and dilution.

TOP 3 PERSONAL FINANCIAL GOALS



EXTENT TO WHICH PERSONAL FINANCIAL GOALS ARE DEPENDENT ON BUSINESS SUCCESS



Founders want their wealth advisor in the business conversation, not waiting on the sidelines

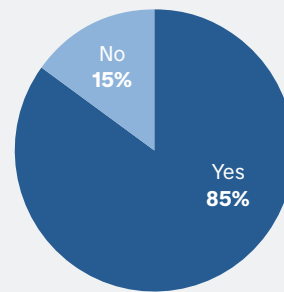
Most founders work with a personal wealth advisor yet they seek broader support that includes the business itself. When asked what additional business or founder-related support they would like from their wealth advisor, founders point to:

- Growth strategies (24%)
- Business financial planning (22%)
- Risk navigation (20%)

Demand for integrated advice is clear. Nearly 70% say planning that connects personal wealth and business equity is very appealing, and most value advisors with founder-specific expertise.

The ask founders are making is straightforward. They want someone who understands that their personal and business goals are inseparable and plans accordingly.

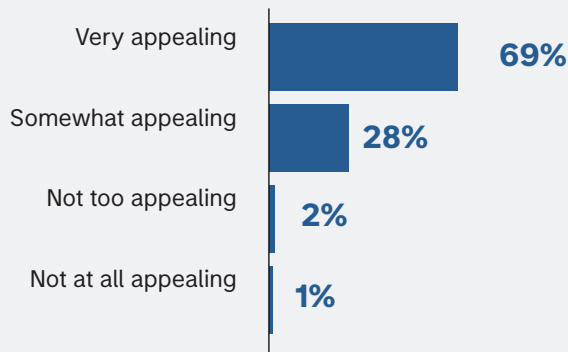
WORK WITH A FINANCIAL ADVISOR FOR PERSONAL WEALTH



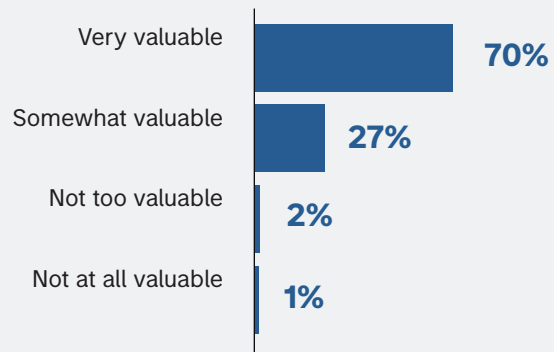
“I wish my personal wealth advisor could provide founder-specific guidance that integrates my business and personal finances.”

— Series B technology company founder,
15-24% ownership, 200+employees
\$100M-<\$250M revenue

APPEAL OF HOLISTIC PLANNING INTEGRATING PERSONAL WEALTH AND BUSINESS EQUITY



VALUE OF WORKING WITH AN ADVISOR WHO IS A CERTIFIED SPECIALIST IN SUPPORTING FOUNDERS



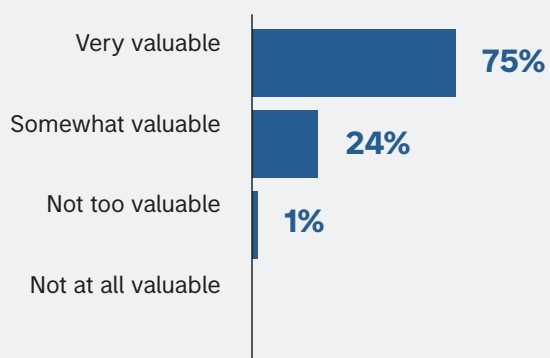
Founders ideally want one firm for business and personal needs, and the demand grows with personal wealth

75% of founders say working with a single firm that offers both investment banking and wealth management would be “very valuable,” rising to 83% among founders with \$1M or more in assets.

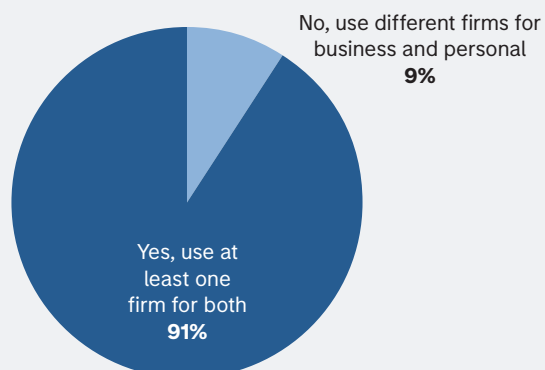
While most already use at least one institution for both business and personal needs in some capacity, founders are signaling a clear appetite for deeper integration: a single trusted partner who understands both sides of their financial life and can connect the dots between them versus two separate relationships that happen to share a logo.

For founders with a liquidity event in sight and the complexity that comes with that, integrated advice is a meaningful competitive advantage for what comes next.

VALUE OF WORKING WITH SINGLE FIRM FOR BUSINESS NEEDS AND PERSONAL WEALTH NEEDS



USE THE SAME FIRM FOR BUSINESS NEEDS AND PERSONAL WEALTH NEEDS



Supporting Your Journey at Every Stage

Founders today are focused on growth, but getting there requires navigating pressure, tradeoffs and increasingly complex decisions. As your company scales, your business and personal financial needs become more interconnected, requiring support that evolves along the founder journey.

Morgan Stanley experts are there for you at the moments that matter most, connecting you to the right teams and helping you act with speed and confidence when the stakes are highest.



Personal Wealth Management

Integrated, tailored advice and planning that grows with you and your business, including tax optimization, trust and estate planning, private share lending for liquidity and more.



Corporate and Workplace Solutions

As growth accelerates, operational complexity increases. We offer scalable support to help navigate core business needs and workforce growth, such as cash management, 409A, lending, retirement plans, equity programs, cap table and executive services.



Capital Raising and Strategic Advisory

Capital is a key enabler of growth, but also introduces tradeoffs around timing, valuation and control. Having the right support is critical at these inflection points, from early-stage acceleration support to build readiness for scale through to investment banking and capital markets guidance on IPOs, debt or equity raises and M&A to support your decisions around growth, financing and transformational transactions.



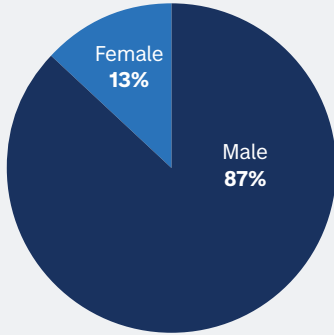
Research and Founder Insights

Industry-leading research and insights on public and private market valuations, growth trends and trade-offs to help inform strategy, capital decisions and planning. In this rapidly evolving environment, we provide founders with perspective to help them navigate uncertainty, evaluate tradeoffs, and make informed decisions.

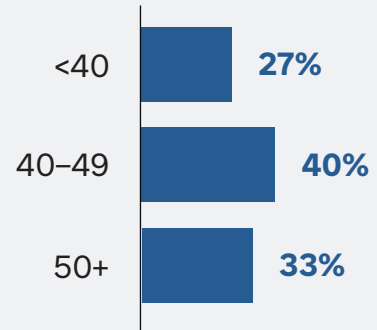
Connect with us to learn more.

Founders' Demographic Profile

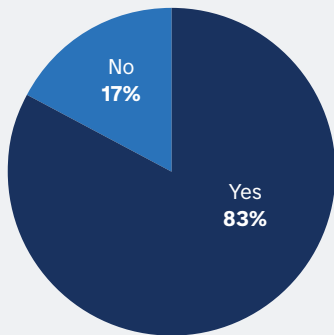
Gender



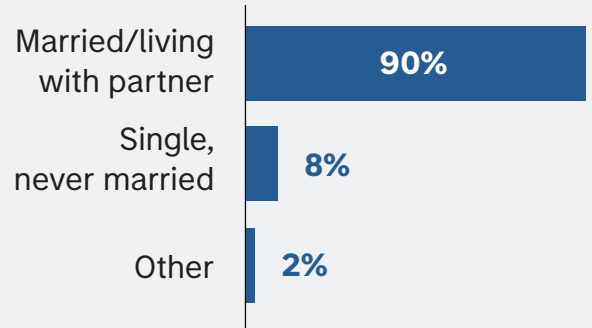
Age



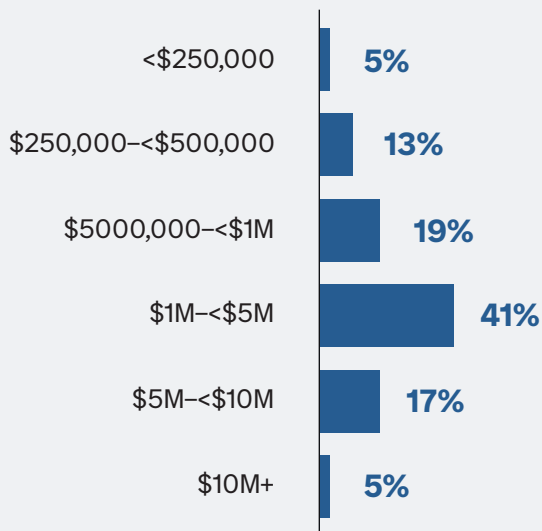
Has Children



Marital Status

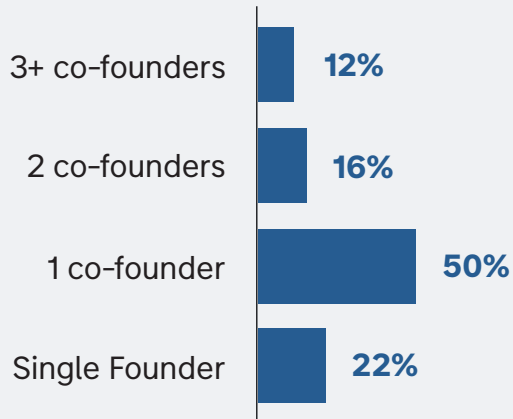


Investable Assets

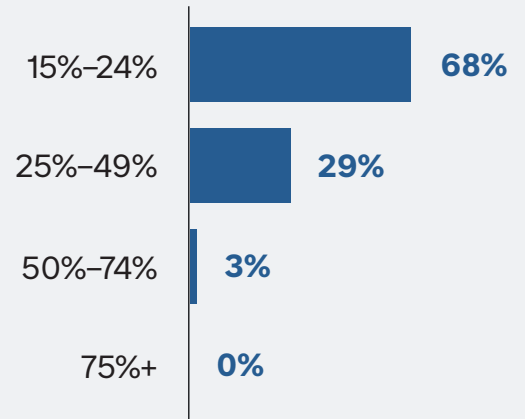


Founders' Business Profile

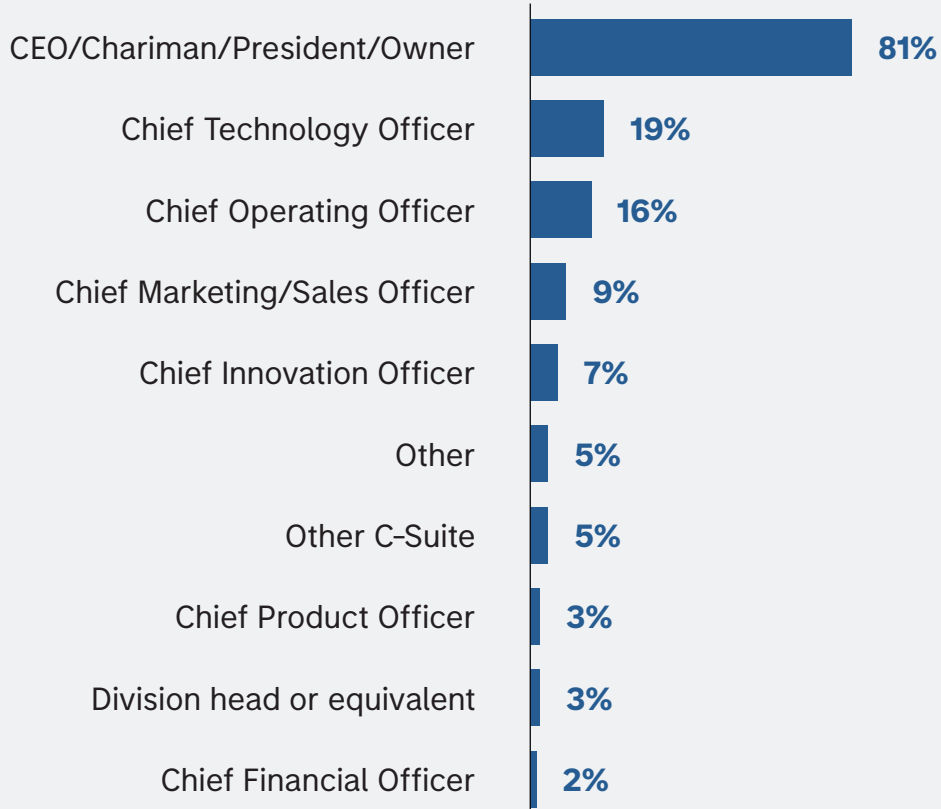
Number of Founders



Ownership Stake



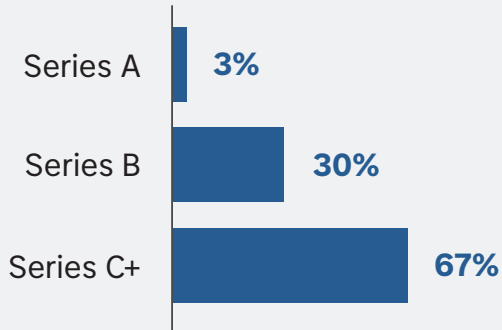
Role (Beyond Founder)¹



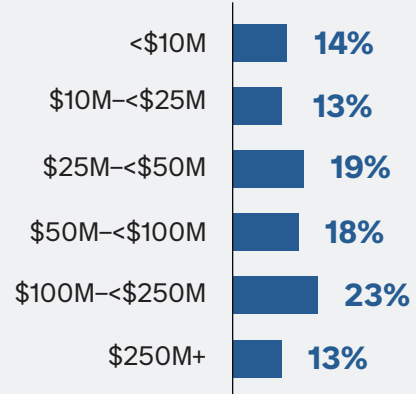
¹ Percentages sum to more than 100% as some founders hold multiple roles

Profile of Founders' Companies

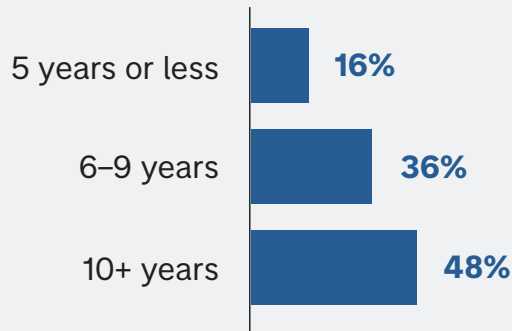
Fundraising Round



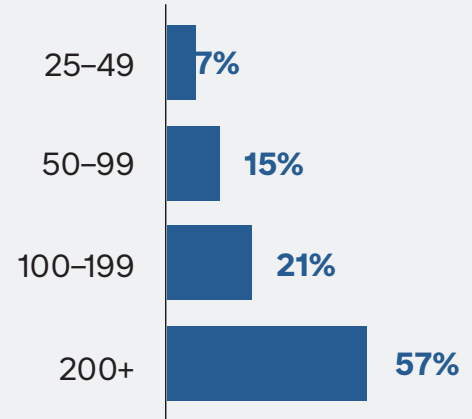
Company Annual Revenue



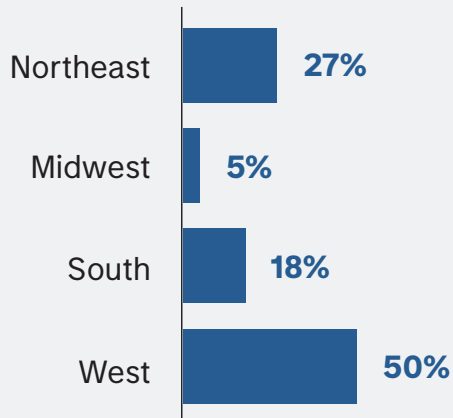
Company Age



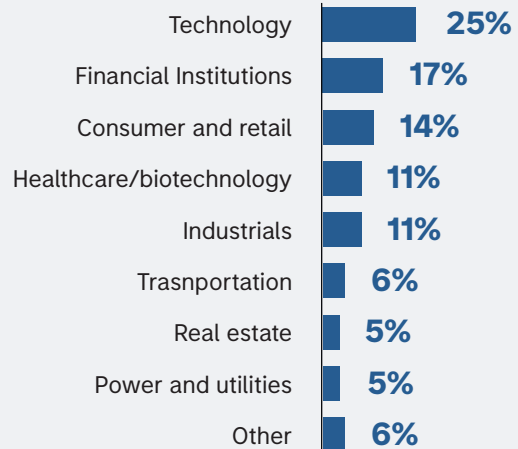
Full Time Employees (FTEs)



Region



Industry



Disclosures

¹ 2026 Morgan Stanley at Work Liquidity Trends Report

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