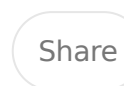
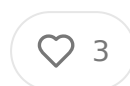


The 2025 Playbook for Early Stage Health Tech Angel Investing: What Carta's Latest Data Tells Us About Founder Equity, Team Dynamics, and SAFE Financing

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Abstract

Carta's latest dataset provides the most comprehensive look yet at early stage startup economics, covering everything from founding team structures to SAFE financing mechanics. For health tech angel investors, this data reveals several critical insights. Solo founding has increased to 35 percent of all new startups in 2024, up from 1 percent in 2015, though VC-backed companies still skew toward multiple cofounders at 83 percent. Equal equity splits among cofounders have become more common, reaching nearly 46 percent for two-founder teams in 2024. About 24 percent of top founder VC-backed teams lose a cofounder by year four, highlighting the importance of proper vesting schedules. Median advisor equity has dropped to 0.25 percent at preseed and 0.11 percent at seed. The first employee typically receives 1.54 percent equity, declining rapidly to 0.48 percent by the fifth hire. Founders are delaying first three hires substantially, with median time to first hire increasing from 320

in 2019 to 476 days in 2024. Post-money SAFEs have become the dominant structure at 88 percent of preseed deals by 2025. Valuation caps only (without discount) now represent 61 percent of all SAFEs, up from 41 percent in 2020. Healthcare-relevant sectors show significant variance, with median seed valuations ranging from around 14M for traditional software to over 20M for AI companies. Median founder ownership drops from 56 percent after seed to 36 percent after Series A and 23 percent after Series B. For angel investors building health tech portfolios, these patterns suggest focusing on teams with proper four-year vesting, appropriate option pool sizing (10 percent at seed seems standard), realistic valuation expectations relative to subsector, and capital efficiency that allows meaningful founder retention through multiple rounds.

Introduction

Peter Walker and the team at Carta have been doing the hard work for years now publishing increasingly detailed analyses of startup equity structures based on this massive dataset of cap tables. Their latest release is particularly rich, covering founding team dynamics, equity allocation patterns, SAFE financing mechanics, ownership trajectories from incorporation through later stage rounds. For those investing at the angel and preseed stages in healthcare, this data is pure gold. It benchmarks what we're seeing in our own deal flow against broader market patterns and, more importantly, helps us identify when a founding team is setting themselves up for problems down the road.

The healthcare technology landscape has evolved considerably over the past decade. We've moved from a world where most digital health startups were consumer-facing apps or basic workflow tools to a much more sophisticated ecosystem spanning infrastructure plays, clinical AI, specialty SaaS, and novel care delivery models. Each of these subsectors has different capital requirements, team composition needs, typical ownership structures. Understanding how equity gets allocated and diluted in the earliest days of a company directly impacts whether founders remain motivated through the long, difficult journey to product-market fit and eventual exit.

What follows is a detailed analysis of Carta's findings with specific application to health tech angel investing. I've tried to pull out the patterns that matter most for portfolio construction and due diligence while maintaining the casual, data-driven approach that I think works best for this audience. If you're writing checks between 10k and 100k into very early stage healthcare companies, this is meant to give you a framework for evaluating team structures and equity splits that you can apply immediately.

Founding Team Composition and the Solo Founder Trend

One of the most striking findings in the Carta data is the steady march toward solo founding. In 2015, only 17 percent of startups on their platform had a single founder. By 2024, that number hit 35 percent. The two-founder configuration actually increased slightly from 32 percent in 2015 to 37 percent in 2024, while three-founder teams dropped from 25 percent to 16 percent, and four-founder teams fell from 16 percent to just 7 percent.

This trend is dramatically different if you look at VC-backed companies specifically. Among companies that raised VC funding in 2024, only 17 percent were solo founders versus 34 percent with two founders and 25 percent with three founders. This suggests VCs still have a strong preference for founding teams over solo operators.

What's driving the overall increase in solo founding? Part of it is probably the decreased cost of building software products. You can get pretty far with no-code tools, offshore dev teams, and AI coding assistants before you need a technical cofounder. Part of it is that more operators are coming out of larger companies with enough savings and risk tolerance to bootstrap solo for a while. And part of it is the mythology of the solo founder has gotten stronger over the years.

For health tech specifically, I think solo founding is actually more common than Carta averages suggest, particularly in certain subsectors. Clinical workflow tools often get started by a physician who has a very specific problem they want to solve and enough technical chops (or contractor budget) to build an MVP. Provider-facing

sometimes emerges from consultants or former health system operators who understand the domain deeply but don't have an obvious technical cofounder. On the flip side, infrastructure and data companies almost always have multiple technical cofounders because the engineering lift is substantial.

From an investor perspective, solo founder companies deserve extra scrutiny. The data on cofounder breakups (more on this below) shows that even teams that start together have high failure rates. A solo founder by definition has no internal accountability, no one to catch their blind spots, and no redundancy when they inevitably burn out. They need to focus on a single problem area. That said, some of the best health tech companies I've seen were solo founded by deeply domain expert physicians or operators who had the self-awareness to hire strong teams early. The key diligence questions are whether the founder recognizes their own limitations and whether they can attract the talent needed to fill critical gaps.

Founder Equity Splits and the Economics of Partnership

The shift toward equal equity splits among cofounders is one of those quiet trends that has big implications. For two-founder teams, the percentage doing a true 50/50 split increased from 31.5 percent in 2015 to 45.9 percent in 2024. Three-founder teams saw equal splits (33.3 percent each) rise from 12.1 percent to 26.9 percent over the same period. Four-founder teams went from 5 percent doing equal splits in 2015 to 10.5 percent in 2024.

This is happening even as the conventional wisdom in startup advice land has moved toward unequal splits that reflect differential contributions, risk, and commitment. What gives? I think it's partly that more founders are going into partnership with people they've worked with before and trust deeply, so there's less worry about free-riding. It's partly that negotiating equity splits at formation is incredibly uncomfortable and most people want to just get started building. And it's partly that the cultural narrative around founder egalitarianism has strengthened.

The Carta data also shows what non-equal splits look like when they happen. For founder teams incorporated between 2019 and 2024, the median split is 51 percent, 49 percent (so nearly equal with a slight lead). For three-founder teams, it's 45 percent, 33 percent, and 20 percent. For four-founder teams, it's 41 percent, 25 percent, 18 percent, and 10 percent. Five-founder teams show 36 percent, 23 percent, 17 percent, 12 percent, and 8 percent.

For health tech, I've noticed that unequal splits are more common in companies where there's a clear clinical domain expert paired with a technical builder. The physician cofounder might have the idea and customer relationships but be contributing little to the execution side, leading to something like a 60-40 or 55-45 split in favor of the CEO/technical lead. Provider-facing companies also sometimes have splits that reward who is taking a salary versus working sweat equity, particularly if one founder has more financial runway than the other.

As an investor, what should you look for? Honestly, I care less about whether the split is equal and more about whether the founders can articulate a clear rationale and whether there's any lingering resentment. If two cofounders have a 50-50 split and one of them is clearly doing 70 percent of the work, that's a time bomb. If they have a 70-30 split that matches their relative contributions and both people feel good about it, that's great. The worst scenario is a split that was done hastily and never revisited, with founders secretly feeling like they got screwed. You can usually sniff this out by asking each founder separately why they landed on their particular equity allocation.

The Cofounder Breakup Problem

Here's a stat that should make you nervous: about 24 percent of two-founder VC-backed teams lose a cofounder by year four. Looking at the data more granularly, for companies incorporated in 2015, 19.1 percent lost a cofounder by year four. For the 2016 cohort, it was 18.7 percent. For 2017, it jumped to 24.1 percent. The 2018 and 2019 cohorts show 24.2 percent and 26 percent respectively. By 2020, it was 27.1 percent, though this likely reflects COVID-related disruptions.

The breakup rate increases steadily over time. By year five, about 24 to 30 percent of two-founder teams have lost someone. By year six, it's 29 to 34 percent. By year seven, you're looking at close to 39 percent for older cohorts. This means that if you're in a two-founder company, there's roughly a one in four chance one of them won't be there in four years.

Why do cofounders split? The usual reasons: misalignment on vision, unequal commitment levels, interpersonal conflict, life circumstances that force one person out, or discovering that someone isn't pulling their weight. In health tech, I've seen several breakups driven by the clinical cofounder deciding they actually want to practicing medicine or the technical cofounder getting recruited away by a large company.

The financial implications of a cofounder breakup depend entirely on whether the person was properly vested. If both founders started with 50 percent and one leaves after 18 months with no vesting, they walk away with half the company for what amounts to part-time work over a year and a half. If there's a standard four-year vest with a one-year cliff, that same person leaves with about 18.75 percent (50 percent times 37.5 percent vested over 18 months), which is still a lot but at least there's some alignment with value created.

From an angel perspective, I will not invest in a company where founders do not have vesting on their equity. Full stop. It's just too risky. I've watched multiple situations where an early cofounder departure cratered a promising company because they had too much equity with them or because the remaining founders were too resentful to keep building. The one exception I'll make is for a solo founder who has been working on the company for multiple years before raising outside capital. In that case, there's already proven commitment and it feels punitive to impose vesting on sweat equity already earned. But even then, any new grants or refreshes should absolutely have time-based vesting.

Founder Vesting and the Dangerous Game of Unprotected Equity

The standard founder vesting structure is four years with a one-year cliff, and Carta data confirms this remains the norm. Looking at their chart on founder vesting by funding stage, you can see the median vesting period is around 4 years at priced rounds, extending to about 4.7 years at Series A, 5.9 years at Series B, and over 8 years at Series C and Series D. The increasing vesting periods at later stages reflect investors requiring founders to revest equity to ensure continued commitment.

The mechanics matter more than you'd think. The typical structure is no equity at all until the 12-month mark (the cliff), at which point 25 percent vests immediately and then the remaining 75 percent vests monthly over the next three years. Some companies use no cliff, which I think is a mistake because it means a cofounder who leaves after three months still gets some equity. The cliff ensures that anyone who bounces early gets nothing, which is appropriate given they didn't stick around long enough to prove commitment.

As companies raise later rounds, VCs are increasingly asking founders to revest. Carta data shows a note on their chart stating "Many investors will ask founders to revest equity if approaching fully vested." This typically means setting up a new year vesting schedule starting from the Series A or B close, often on a portion of founder's existing equity. The goal is to ensure founders have meaningful unvested equity as an incentive to stay through the next phase of growth.

Acceleration provisions (single trigger versus double trigger) determine what happens if the company gets acquired. Single trigger means all unvested equity accelerates upon acquisition, which is great for founders but bad for acquirers who want to keep key people. Double trigger means acceleration only happens if the founder is also terminated without cause within some window (usually 12 months) after the acquisition, which is now standard in most VC deals.

For health tech angels, you should be checking vesting schedules for every investment and flagging anything non-standard. If a founding team has been working together two years before raising and they want to backdate their vesting start date, fine, make sure it's documented clearly. If they have no vesting at all, that needs to be addressed before money goes in. And if there are weird carveouts or acceleration triggers, you

should understand exactly what scenarios could lead to founders getting fully vested early.

Carta explicitly notes on their slide: “My Take: Let the VCs ask first.” This refers to the question of whether founders should have vesting schedules longer than four years or should re-vest in later rounds. Their position, which I agree with, is that founders should start with standard four-year vesting and let investors negotiate longer periods or re-vesting if they want it. Don’t give away leverage by offering extended vesting upfront.

The Advisor Equity Question

Advisors are one of the most misunderstood parts of early stage cap tables. Founders often give away too much equity to people who provide minimal value, and they do it in ways that don’t align incentives properly. Carta’s data on advisor equity is really helpful for benchmarking what’s normal.

At the preseed stage, the median advisor grant is 0.25 percent at the 50th percentile, with the 75th percentile around 0.50 percent and the 90th percentile at 1.04 percent. By seed, the median drops to 0.11 percent with a 75th percentile at 0.24 percent and the 90th at 0.40 percent. By Series A, it’s down to 0.06 percent at the median, 0.12 percent at the 75th percentile, and 0.25 percent at the 90th.

What this tells you is that advisor equity gets smaller as companies mature and the equity base grows. Someone who gets 0.5 percent as the first advisor to a brand new company is getting a meaningfully different deal than someone who gets 0.5 percent when the company has already raised a Series A and the equity base has expanded substantially.

Only about 10 percent of preseed companies grant 1 percent or more to any single advisor. The advisors getting these larger grants are typically people providing truly extraordinary value: an industry expert who opens their entire network, a domain authority who lends credibility, or someone who is basically functioning as a part-time executive.

Advisor equity typically vests over two years rather than four, and it usually starts vesting on a monthly basis rather than having a cliff. Carta notes that advisors can vest according to performance criteria rather than time, which makes sense for advisors whose value is tied to specific deliverables like customer introductions and fundraising help.

The Carta materials note that advisor equity is usually granted as Non-Qualified Options (NSOs) rather than Restricted Stock Awards (RSAs) like founders typically receive. This is an important tax distinction that advisors should understand.

For health tech, I see a lot of companies that want to load up on clinical advisors (physicians, nurses, former health system execs) and end up giving away 3 to 5 percent of the cap table in 0.25 to 0.5 percent chunks. This is almost always a mistake. Unless these advisors are attending board meetings, making critical introductions, and actively shaping strategy, they're not worth the equity. A better model is to have one or two deeply engaged advisors with meaningful grants (0.5 to 1 percent) and then everyone else cash or small honorariums for their time.

Early Employee Equity and the First Ten Hires

The data on early employee equity grants is some of the most valuable for operators trying to understand how to structure offers and for investors trying to assess whether a company is being smart about dilution.

According to the Carta data, the first employee (hire number 1) gets a median grant of 1.54 percent fully diluted equity, with a range from 0.61 percent at the 25th percentile to 4.13 percent at the 75th percentile. By the second hire, the median drops to 1.00 percent (range 0.43 to 2.00 percent). The third hire gets 0.61 percent median (range 0.28 to 1.45 percent). Fourth hire is 0.50 percent median (0.25 to 1.00 percent range) and the fifth hire is 0.48 percent median (0.24 to 0.98 percent range).

The decline continues but flattens out as you get to later hires. The data shows that equity grants decline rather quickly with each successive hire, which makes intuitive sense.

sense. The first person in is taking massive risk and should be compensated accordingly. By the time you're hiring employee number ten, the company has more traction and the risk is lower, so smaller grants are appropriate.

For health tech, the pattern I see is that clinical roles (physicians, nurses, clinical informaticists) often get equity grants on the lower end of these ranges unless they're truly founding team members. This is partly because clinical talent is used to be paid in cash and doesn't always value equity appropriately, and partly because clinical roles at a software company are often more consultative than core to the business. Technical roles (engineering, data science, product) tend to get grants in line with or above the Carta medians, especially if the company is competing with other well-funded startups for talent.

One critical point: the Carta data shows that equity grants decline rapidly with employee number, which means if you're planning to hire a ten-person team in year one, you need to be very thoughtful about sequencing. Hire the most critical roles first when you can offer larger grants, and save the less critical roles for later when smaller grants are expected. I've seen companies blow through 8 percent of their option pool hiring customer success and marketing people in the first six months, and then struggle to offer competitive packages to senior engineers in month 18.

Employee Option Pools and Strategic Dilution Management

Option pool sizing is addressed implicitly in the Carta materials but not with as much detail as I'd like. Based on the SAFE modeling screenshots they show, you can see examples where companies are setting up option pools around 10 percent at the time they model a priced round. This aligns with conventional wisdom that seed-stage option pools typically range from 10 to 15 percent depending on hiring plans.

The Carta materials emphasize that founders should be careful about option pool sizing when raising money. The modeling tool they show allows you to input "Option pool after round" as a percentage, and the example shown uses 10 percent. This

important because the option pool is typically created or topped up as part of a financing round, and it dilutes the pre-money shareholders (primarily founders).

Here's the thing founders often miss: the option pool is pre-money dilution, meaning it comes out of the founders' ownership before investors put money in. If you're raising a 3M seed at a 14M pre-money valuation (17M post) with a 10 percent option pool, the math works like this: the post-money cap table is 17M, investors own 3M/17M which is about 17.6 percent, the option pool is 10 percent, which means founders and any existing shareholders own about 72.4 percent. But if the option pool was created as part of this round and the founders owned, say, 80 percent before angels owning the other 20 percent, the founders just got diluted both by the new money AND by the option pool creation.

VCs often negotiate option pool size as part of the term sheet, and this is where sometimes founders get tripped up. A VC might say "we're investing at a 15M post-money valuation, and we want a 15 percent option pool." If the company currently has a 10 percent pool with minimal shares granted, the founders are effectively taking a 5 percent dilution haircut relative to a scenario where they only needed to top up the pool by a few percent. Smart founders push back on this and argue that the option pool should be sized based on an actual hiring plan, not some arbitrary percentage.

For health tech companies, option pool sizing depends heavily on the go-to-market model. If you're building clinical software that requires a large customer success team and lots of hand-holding, you'll need a bigger pool to hire non-technical roles. If you're building infrastructure that sells primarily through developer adoption, you can have a smaller pool and concentrate equity in a lean technical team.

From an investor perspective, I want to see a hiring plan that justifies the option pool size. If a company is creating a 15 percent pool but only planning to hire three people in the next 18 months, that's dilution for no reason.

Hiring Patterns at the Earliest Stages

One of the more interesting findings in the Carta data is that founders are waiting substantially longer to make their first hires. Looking at the chart showing days from incorporation to first, second, and third hire, the median time to first hire increased from 320 days in 2019 to 476 days in 2024. For the second hire, it went from 304 days in 2019 to 552 days in 2024. For the third hire, it increased from 393 days in 2019 to 628 days in 2024 (with a median of 487 days shown for 2024 in another part of the chart).

This is a massive shift. Companies are now waiting roughly 16 months from incorporation to make their first hire, versus about 10 months in 2019. That's an increase of six months of the founder(s) working solo or with contractors. The second hire is now happening at around 18 months post-incorporation versus 10 months in 2019. The third hire is happening at about 21 months versus 13 months.

What's driving this? Partly it's capital efficiency. Founders are bootstrapping longer, using contractors and offshore dev teams, and leveraging AI tools to get more done with fewer people. Partly it's that investors are rewarding capital efficiency, so there's an incentive to show progress with a skeleton team before ramping hiring. And partly it's that the talent market has gotten competitive enough that founders want to show traction before they try to recruit.

For health tech, the hiring delay is even more pronounced in subsectors like clinical AI where the initial work is heavily research-oriented and can be done by a small team of data scientists and engineers. On the flip side, care delivery companies that need to stand up clinical operations often hire faster because they can't deliver the service without people.

From an investor perspective, I actually view delayed hiring as a positive signal in most cases. It suggests the founders are being disciplined about cash burn and figuring out the core product before scaling the team. The companies that worry me are the ones that raise a seed round and immediately go on a hiring spree before they have product-market fit. I'd much rather see a company get to 500k ARR with 10 people and then hire aggressively than see them get to 100k ARR with 15 people.

The Carta data also shows that team sizes at funding have been trending down. At the preseed, the median team size dropped from 10.3 employees in 2021 to 6.2 in 2025. At Series A, it went from 25.9 in 2021 to 16.8 in 2025. At Series B, from 72.3 in 2021 to 48.2 in 2025. This reflects the broader trend toward capital efficiency and doing more with less.

SAFE Financing Mechanics in 2025

SAFEs (Simple Agreements for Future Equity) have completely taken over early stage financing. Looking at the Carta chart showing percentage of preseed rounds raised via SAFEs versus convertible notes, in Q1 2019 it was about 54 percent SAFEs and 46 percent convertible notes. By Q3 2025, it's 92 percent SAFEs and only 9 percent convertible notes. Priced equity rounds are basically nonexistent at the preseed stage.

Why did SAFEs win? They're simpler (no interest rate, no maturity date), they're cheaper to execute (less legal negotiation), and they've become the standard form everyone understands. Y Combinator popularized them and the ecosystem converged around them.

The dominant SAFE structure is post-money with a valuation cap only. Looking at the Carta chart showing percent of SAFEs by type and conversion terms from Q1 2020 to Q3 2025, the breakdown shows that pre-money SAFEs have essentially disappeared (went from 61 percent in 2020 to 12 percent in 2025), while post-money SAFEs have grown from 39 percent to 88 percent. Within the conversion terms, valuation cap only has grown from 41 percent in 2020 to 61 percent in 2025, while valuation cap plus discount has dropped from 44 percent to 31 percent.

Let me unpack this for anyone who hasn't done a bunch of SAFE deals. A post-money SAFE with a 10M valuation cap means that if you invest 500k, you will own $500k / 10M$ equals 5 percent of the company on a fully diluted basis after the next priced round (ignoring option pool complications for a moment). A pre-money SAFE with a 10M cap means you own $500k / (10M \text{ plus all the other money that came in on SAFE rounds before the priced round})$, which could be significantly less than 5 percent.

The shift from pre-money to post-money SAFEs happened around 2018-2019 and driven by YC changing their standard form. Post-money is better for investors because you know exactly what percentage you'll own when the SAFE converts, whereas with pre-money it depends on how much other money gets raised before conversion.

Most SAFEs historically included both a valuation cap and a discount rate, typically 20 percent, which gave the investor a choice: convert at the cap or convert at a 20 percent discount to the next round's price, whichever is more favorable. The Carta data shows this structure has declined from 44 percent of SAFEs in 2020 to 31 percent in 2025, while valuation cap only has grown to 61 percent. Discount only structures remain rare at about 8 percent.

SAFE side letters have become increasingly common and typically include three provisions: MFN (most favored nation), information rights, and pro rata rights. MFN means if the company gives anyone else better terms, you automatically get those terms too. Information rights mean you get to see financials quarterly or annually. Pro rata means you can invest in the next round to maintain your ownership percentage.

The Carta materials include screenshots of their SAFE modeling tool, which shows how investors can model what their ownership will look like when the SAFE converts to equity in a future priced round. The example shows a post-money SAFE with a valuation cap and 20 percent discount converting in a priced round with a \$3M investment at a \$14M pre-money valuation and 10 percent option pool.

For health tech, SAFEs are absolutely the norm at preseed and increasingly common at seed, though seed rounds are still often priced equity. The shift to SAFEs at seed has been driven partly by speed (you can close a SAFE in a week versus a month for priced equity) and partly by valuation uncertainty (easier to agree on a cap than argue about what the company is worth right now).

Valuation Caps and the New Normal

The Carta data on SAFE valuation caps is super helpful for benchmarking. Look at their chart showing valuation cap ranges by amount of cash raised in post-money SAFE rounds (Q1 2025 to Q3 2025), here's what the data shows:

For rounds raising under 250k, the median cap is 7.5M with a 25th to 75th percentile range of 5.0M to 12.0M. For 250k to 499k raised, median cap is 10.0M (range 6.0M to 14.0M). For 500k to 999k, median is 10.0M (range 7.5M to 15.0M). For 1M to 1.9M, median is 13.0M (range 10.0M to 20.0M). For 2M to 2.9M, median is 15.0M (range 12.0M to 25.0M). For 3M to 3.9M, median is 20.0M (range 15.0M to 30.0M). For 4M to 4.9M, median is 25.0M (range 17.3M to 30.0M).

The chart labels the 250k to 499k range as "Angel Round" and the 1M to 1.9M range as "Pre-Seed Round," and the 4M to 4.9M range as "Seed Round," which gives you a sense of how Carta is categorizing these stages.

There's also a companion chart showing the equity sold (expected dilution) in post-money SAFE rounds by amount of cash raised. For under 250k, the median dilution is 2.5 percent (range 0.9 to 8.2 percent). For 250k to 499k, it's 7.0 percent (range 3.0 to 14.2 percent). For 500k to 999k, it's 10.7 percent (6.2 to 18.2 percent). For 1M to 1.9M, it's 15.6 percent (10.0 to 21.8 percent). For 2M to 2.9M, it's 18.4 percent (11.5 to 25.0 percent). For 3M to 3.9M, it's 20.0 percent (12.9 to 28.9 percent). For 4M to 4.9M, it's 21.6 percent (16.2 to 26.9 percent).

These numbers are really helpful for calibrating expectations. If you're coming in with a 1M preseed SAFE round at a 13M cap, you should expect the company to be selling about 15 to 16 percent of itself when that SAFE converts. If they're raising at a 2M cap for 1M, they're only selling about 10 percent, which is on the lower end but not unreasonable if they have good traction.

One thing that's notable: there's wide variance in these ranges. The 90th percentile caps are substantially higher than the medians, which reflects the fact that some companies (usually with exceptional founders or in hot sectors like AI) can raise significantly higher valuations.

Carta also includes a chart showing that if a discount is present in the SAFE term, it's usually 20 percent. The chart shows 63 percent of SAFEs with discounts use exactly 20 percent, with smaller percentages using other discount rates.

Seed Round Economics and Founder Ownership

Carta provides data on seed round sizes and valuations broken down by year. Look at the chart titled “The gap between the median and upper end is widening” which shows cash raised in seed rounds by benchmarks (25th, 50th, 75th, 90th, 95th percentiles) from 2019 to 2025:

The median (50th percentile) seed round has held relatively steady, going from 4.0M in 2019 to 4.0M in 2025. The 75th percentile has also been fairly stable, going from 6.0M to 6.0M. But the upper percentiles have increased substantially. The 90th percentile went from 5.4M in 2019 to 10.3M in 2025. The 95th percentile went from 6.5M in 2019 to 16.6M in 2025.

For post-money valuations at seed, the chart shows similar patterns. The median money valuation went from 17.0M in 2019 to 20.0M in 2025. The 75th percentile went from 23.9M to 30.0M. The 90th percentile went from 28.5M to 52.2M. The 95th percentile went from 28.5M to 80.5M.

This widening spread tells you that the seed market has bifurcated. Median deal size is pretty similar to five years ago, but the best companies are raising substantially more at substantially higher valuations.

Carta also provides sector-specific data showing median seed round cash raised and pre-money valuations for different industries (April 2024 to March 2025). While we don't break out healthcare specifically, we can look at related sectors:

SaaS shows 389 rounds with median cash raised of 4.0M and median pre-money valuation of 14.0M. AI Software Companies shows a large bubble indicating high activity, with median cash raised around 4.5M and median pre-money valuation

around 20.0M. Biotech shows 117 rounds with median pre-money valuation around 12.0M. Healthtech is shown as a category (presumably this is their label) with 44 rounds and appears to be in the 3.0M to 3.5M raised range at around 15M to 16M pre-money valuation.

The chart notes “If we treated AI as a separate industry...” suggesting that AI companies are commanding a premium in valuation relative to similar non-AI companies.

Another critical chart shows founder ownership declining across funding rounds. A chart titled “Median total investor ownership crosses 50 percent between Series B” shows the median share of fully diluted company equity owned by different stakeholder groups after each round:

After Priced Seed: Founding Team owns 56.2 percent, Employee Pool is 11.8 percent, Investors in Round own 21.0 percent, All Prior Investors own 11.0 percent.

After Series A: Founding Team owns 36.1 percent, Employee Pool is 13.9 percent, Investors in Round own 21.6 percent, All Prior Investors own 28.4 percent.

After Series B: Founding Team owns 23.0 percent, Employee Pool is 15.4 percent, Investors in Round own 18.0 percent, All Prior Investors own 43.6 percent.

After Series C: Founding Team owns 15.7 percent, Employee Pool is 16.7 percent, Investors in Round own 14.2 percent, All Prior Investors own 53.4 percent.

After Series D: Founding Team owns 11.4 percent, Employee Pool is 17.9 percent, Investors in Round own 11.1 percent, All Prior Investors own 59.6 percent.

This is one of the most important charts in the entire presentation for angels. It shows that founders go from owning 56 percent after seed to 36 percent after Series A (a 20 percentage point drop) to 23 percent after Series B (another 13 percentage point drop). By Series D, founders collectively own only about 11 percent of the company they built.

AI's Impact on Fundraising Dynamics

The emergence of AI as a category has had a noticeable impact on fundraising. Carta data includes a chart showing “Founders usually sell 20 percent of the business in the seed round” broken down by AI versus Non-AI companies across quarters 2024 Q1 through 2025 Q3.

For AI companies, the median percent sold in seed rounds has been trending down from 20.5 percent in 2024 Q1 to 19.0 percent in 2025 Q3. The 75th percentile has gone from 26.8 percent to 21.0 percent over the same period, while the 25th percentile has gone from 14.0 percent to 10.5 percent.

For Non-AI companies, the median has been very stable at 21.0 percent across most quarters, occasionally dipping to 20.0 percent. The 75th percentile has stayed around 28.0 percent and the 25th around 14.0 to 16.0 percent.

What this tells you is that AI companies are selling less of their business at seed stage, which makes sense if they're raising at higher valuations for similar amounts of capital. If a traditional SaaS company raises 3M at a 12M pre-money (15M post), they're selling 20 percent. If an AI company raises 3M at a 17M pre-money (20M post), they're selling 15 percent.

The sector breakdown chart mentioned earlier reinforces this, showing AI Software Companies commanding median pre-money valuations around 20M versus 14M for traditional SaaS at seed stage.

In health tech, the AI premium is even more pronounced because healthcare investors are eager to find the next generation of clinical AI winners. If you have a founding team with deep learning experience and you're applying AI to a real clinical problem (diagnostics, treatment planning, patient monitoring), you can raise at meaningfully higher valuations than if you're building a traditional software product.

That said, there's also more scrutiny. Investors have wised up to “AI washing” where companies slap an AI label on what is essentially a rules-based system or a thin wrapper around a foundation model. The companies getting the AI premium are

ones doing actual model development, have proprietary datasets, or are solving problems that genuinely require machine learning.

Founder Ownership Trajectories to Exit

I covered the key data on this in the previous section, but it's worth emphasizing implications. The Carta data shows that at IPO, collective founder ownership across prominent SaaS companies that went public ranged widely. Looking at the chart page 2 titled "Flash forward - how much of your company will you own at IPO?" data shows:

Veeva (2013 IPO): founders owned about 17 percent

HubSpot (2014 IPO): about 15 percent

New Relic (2014 IPO): about 28 percent

Box (2015 IPO): about 5 percent

Shopify (2015 IPO): about 17 percent

Appfolio (2015 IPO): about 26 percent

Twilio (2016 IPO): about 13 percent

MongoDB (2017 IPO): about 21 percent

Okta (2017 IPO): about 17 percent

Smartsheet (2018 IPO): about 8 percent

Dropbox (2018 IPO): about 34 percent

Zscaler (2018 IPO): about 28 percent

Elastic (2018 IPO): about 15 percent

Avalara (2018 IPO): about 6 percent

Slack (2019 IPO): about 12 percent

Datadog (2019 IPO): about 24 percent

Fastly (2019 IPO): about 14 percent

Zoom (2019 IPO): about 19 percent

Cloudflare (2019 IPO): about 23 percent

ZoomInfo (2020 IPO): about 56 percent

Confluent (2021 IPO): about 19 percent

UiPath (2021 IPO): about 26 percent

GitLab (2021 IPO): about 18 percent

Hashicorp (2021 IPO): about 19 percent

Toast (2021 IPO): about 14 percent

Amplitude (2021 IPO): about 16 percent

FreshWorks (2021 IPO): about 7 percent

Klaviyo (2023 IPO): about 52 percent

The average across all these companies is 21 percent, with a huge range from as low as 5 percent (Box) to as high as 56 percent (ZoomInfo).

What this tells you is that even companies that go all the way to IPO typically have founders who own less than a quarter of the business. ZoomInfo and Klaviyo are outliers at over 50 percent, likely because they raised less capital or had unusual circumstances. Atlassian is shown on the chart as an extreme outlier at 76 percent.

founder ownership at IPO, which reflects the fact that they bootstrapped for many years and raised very little VC funding.

For health tech companies, the dilution path depends heavily on capital requirements. Pure software companies that can get to cash flow positive after Series A or B with founders retain more ownership. Companies that need to run clinical trials or build out provider networks might need to raise Series C, D, and beyond, leading to much higher dilution.

Portfolio Construction Implications for Health Tech Angels

Putting all of this together, what does it mean for how you should construct an angel portfolio in health tech?

First, focus on team quality and vesting structures above almost everything else. The data is clear that cofounder breakups are common (24 percent by year four) and improper vesting destroys companies. If you see a team with poor vesting, no cliff, or equity splits that don't make sense, pass or ask them to fix it before you invest. Standard four-year vesting with a one-year cliff should be the baseline. Anything less is a red flag.

Second, calibrate your valuation expectations by subsector and stage. The Carta benchmarks are incredibly useful here. A 10M to 15M cap for a 1M to 2M SAFE round is reasonable for most health tech companies. If you're seeing clinical AI companies with strong teams raising at 20M caps, that's within the range shown in the data for AI software. But if someone wants a 30M cap on a 1M raise with no revenue and no exceptional team pedigree, they're outside the norms.

Third, pay attention to option pool sizing and hiring plans. Companies should be creating option pools around 10 percent at seed, potentially 12 to 15 percent if they have aggressive hiring plans. Use the employee equity benchmarks to pressure-test whether the pool is adequate. If a company plans to hire 10 people in the next 18

months and they've only allocated a 10 percent pool, they're going to run out of cash to grant or need to do a painful dilutive refresh.

Fourth, understand that early stage health tech investing is now almost entirely SAFE with post-money caps, and you need to model out what your ownership will look like after conversion. If you're writing a 50k check into a 10M cap and the company raises a 3M seed at a 14M pre-money valuation with a 10 percent option pool, your ownership will be roughly 0.36 percent fully diluted (50k / 10M equal percent of the cap, but then you get diluted by the option pool and new money). Do the math and make sure it pencils out for your return expectations.

Fifth, pay close attention to how much of the company founders are selling at each stage. The Carta data shows seed rounds typically sell about 20 percent, with AI companies trending slightly lower (19 percent median) and non-AI at 21 percent. If you see a seed round where founders are selling 30 percent or more, that's a red flag about either valuation or dilution management. By Series A, founders should still own around 36 percent collectively. By Series B, around 23 percent. If the numbers are off these benchmarks, dig into why.

Sixth, be very selective about companies that have already raised multiple SAFE tranches at increasing caps. The data shows that most companies do one or maybe two SAFE rounds before converting to priced equity at seed. If a company is on their fourth SAFE at a 25M cap and still hasn't done a priced round, something is wrong. They're either struggling to hit milestones that would support a priced round or they're being undisciplined about fundraising.

Seventh, use the advisor equity benchmarks to evaluate whether a company is being smart about bringing on advisors. Median advisor grants are 0.25 percent at pre-seed and 0.11 percent at seed. If a company has given out 2 to 3 percent of their cap to advisors who aren't adding significant value, that's equity that should have been reserved for employees or kept by founders.

Eighth, think about capital efficiency as a predictor of founder ownership at exit. The team building approach. The data shows founders are now waiting much longer

make their first hires (476 days median in 2024 versus 320 days in 2019). Companies that demonstrate this kind of discipline and leverage contractors, offshore teams, AI tools to stay lean are more likely to preserve founder ownership through multiple rounds. Conversely, companies that hire aggressively before finding product-market fit tend to burn cash and need more rounds, leading to higher dilution.

Ninth, be cautious about solo founders unless they have a very clear plan for team building. The data shows 83 percent of VC-backed companies in 2024 had multiple founders. Solo founders are at a structural disadvantage for VC fundraising and company building. If you invest in a solo founder, make sure they have the self-awareness and network to hire strong people quickly, and that they have proper vesting in place even though they're solo.

Tenth, pay attention to sector-specific patterns and understand where your deal fits. AI companies command premiums (median 20M pre-money at seed versus 14M for SaaS). Different healthcare subsectors have different capital requirements and exit dynamics. A digital therapeutics company that needs FDA clearance has a very different trajectory than a provider workflow SaaS tool. Use the benchmarks to understand what's normal for the specific type of company you're evaluating.

Conclusion

The Carta dataset is a gift to anyone trying to make sense of early stage startup economics. For health tech angels, it provides a framework for evaluating whether founding teams are making smart decisions about equity splits, vesting, hiring, and financing. It also gives us benchmarks for what's normal and what's a red flag.

The key takeaways: solo founding is on the rise overall (35 percent of all startups in 2024) but VCs still strongly prefer teams (83 percent of VC-backed companies have multiple founders). Equal equity splits are increasingly common, reaching 46 percent for two-founder teams. About 24 percent of two-founder VC-backed teams lose a cofounder by year four, which is why four-year vesting with a one-year cliff matters much. Advisor equity should be small (0.25 percent median at preseed, 0.11 percent at seed) and tied to real value creation. Early employee grants decline rapidly from

percent for the first hire to 0.48 percent by the fifth. Founders are waiting much longer to hire, with median time to first hire increasing from 320 days in 2019 to 360 days in 2024. Option pools are typically around 10 percent at seed. Post-money SAFE with valuation caps only have become the dominant structure at 88 percent of private deals. Valuation caps range from 7.5M median for small angel rounds to 25M for larger seed-stage SAFE rounds. AI companies command premiums both on valuation (20M versus 14M median pre-money at seed) and on dilution (selling 19 percent versus 21 percent). Founder ownership drops from 56 percent after seed to 36 percent after Series A to 23 percent after Series B, and ends up around 21 percent at IPO on average.

If you're building a health tech angel portfolio, use this data to make better investment decisions. Check the vesting schedules every time. Question equity splits that don't make sense. Model the dilution path using the SAFE cap and expected round parameters. Push back on inflated valuation caps relative to sector benchmarks. Verify that option pools are sized appropriately for hiring plans. And most importantly, focus on teams that understand these dynamics and are making thoughtful decisions about equity from day one. The companies that get cap table management right from the beginning are much more likely to keep their teams intact, maintain founder motivation through multiple rounds, and ultimately generate higher returns for early investors.



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