

Hampton

Allocation Survey

2023

Wouldn't it be cool to learn how successful founders are thinking about their money in today's environment?

We thought so. So we asked members of [Hampton's private founder peer group](#) a series of questions about their net worth, income, personal spending, asset allocation, and more. Then we analyzed the results, and created this.

Welcome to the first-ever Hampton Wealth Allocation Survey.

This report curates data from dozens of Hampton members, representing about 15% of our community. The survey was answered anonymously, and we took time to clean the resulting data, removing any extreme or questionable outliers (e.g., someone with a net worth of \$20m and \$0 in reported monthly expenses).

The final picture offers an interesting look at how people at different levels of reported wealth earn, spend, invest, and shape their lives.

For questions about this report, please tweet to us at [@HamptonFounders](#)

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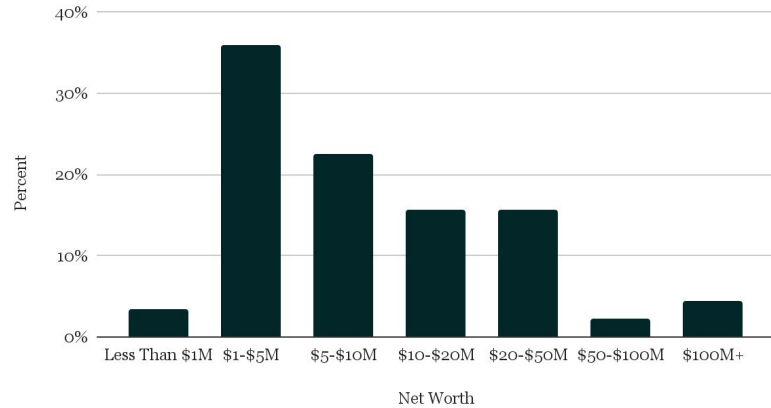


Section No. 1

Who We Talked To

Hampton Allocation Survey, 2023

Net Worth of Respondents



Most respondents built their wealth by starting a company...



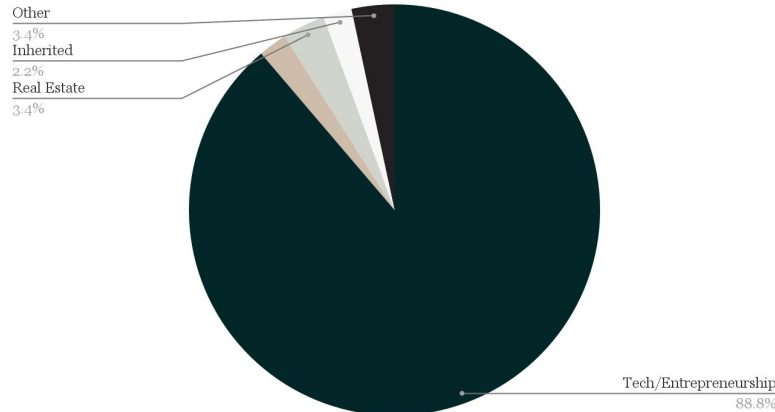
We measured total net worth, which included liquid assets, real estate, and personal company stock (full breakdown on pg 12).

The final data included 89 responses, with total net worths from <\$1 million to over \$100 million.

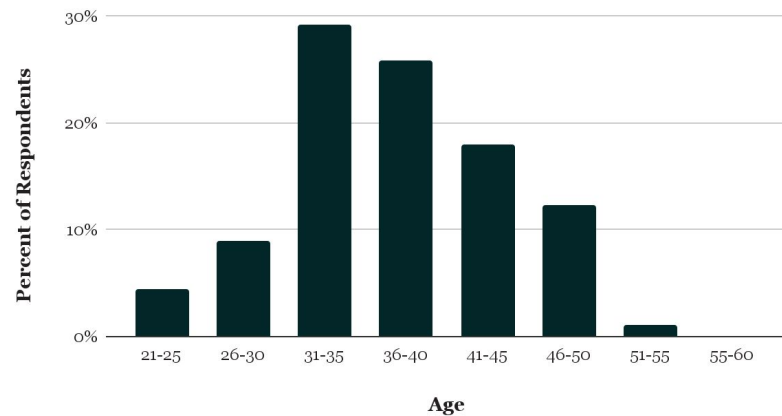
Most (58%) were in the \$1 to \$10 million range.

As for the source of their wealth, the vast majority (89%) obtained it through tech entrepreneurship, and ownership in a private company. However, a very small percentage made their money primarily in real estate, as an investment manager, or through inheritance.

Main Source of Wealth



Age of Survey Group

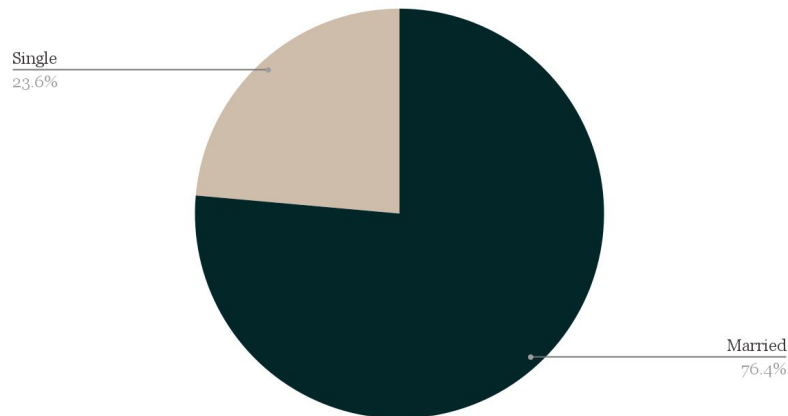


They're 30-something and married...

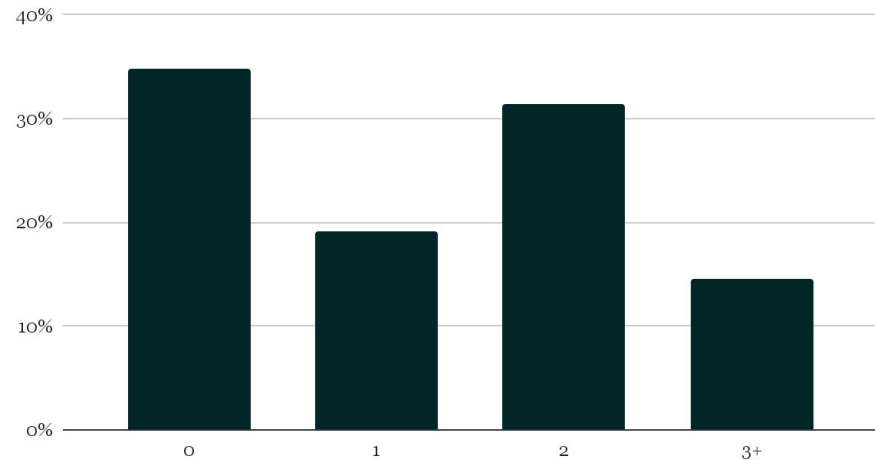


As a group, Hampton founders are a bit more mature, with most respondents aged 31-50. More than 75% were married, and roughly two thirds have kids at home.

Marital Status of Survey Group



Respondents with Children

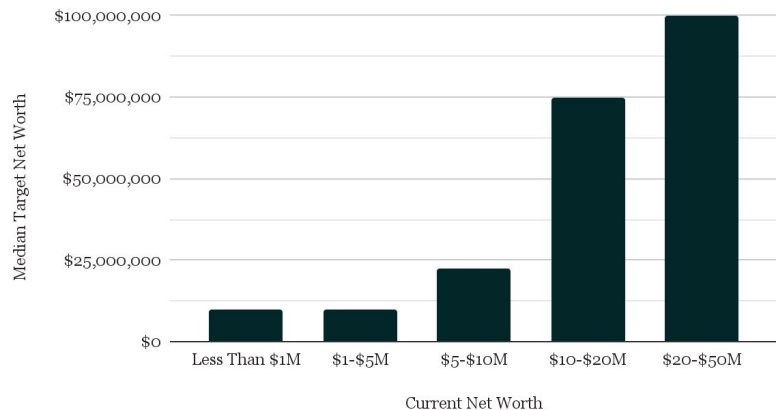


Section No. 2

Financial Goals

Hampton Allocation Survey, 2023

Financial Goals vs Current Net Worth



When it comes to wealth, they think in terms of decades...



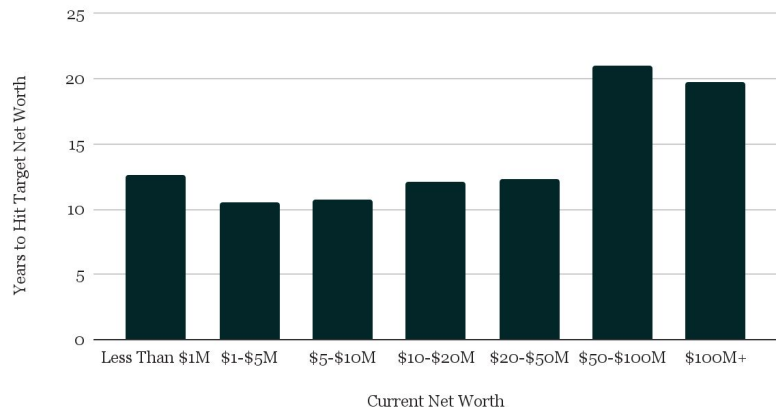
We asked the group about their current financial goal, time horizon, and reasons for reaching that goal. At every stage, we found people are aiming for a goal roughly 2-10x their current wealth.

This held true even at \$50 and \$100+ million, but those are not shown here because the median goals (\$2 billion and \$750 million respectively) dwarf the lower end of the chart making it hard to read.

Members think long-term about their financial goals, with the vast majority averaging 11-13 years. That nearly doubled among those with \$50-\$100+ million net worth, which begs an interesting question:

Which comes first – a net worth of over \$50 million, or the habit of thinking longer term?

Wealth Building Time Horizon



There's more to financial security than net worth alone...

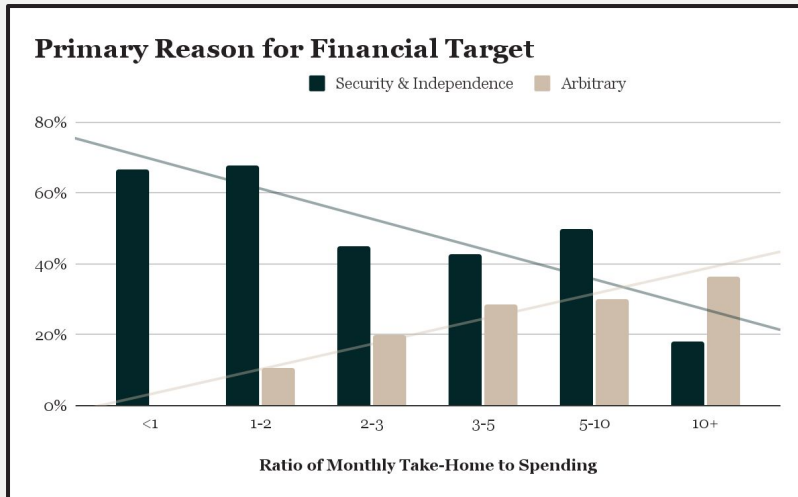
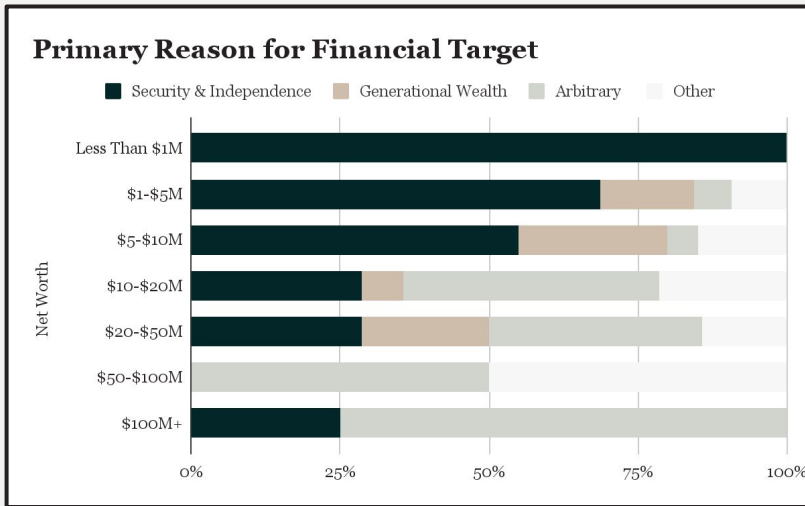


We asked respondents for the reasons behind their financial goals. The main ones were:

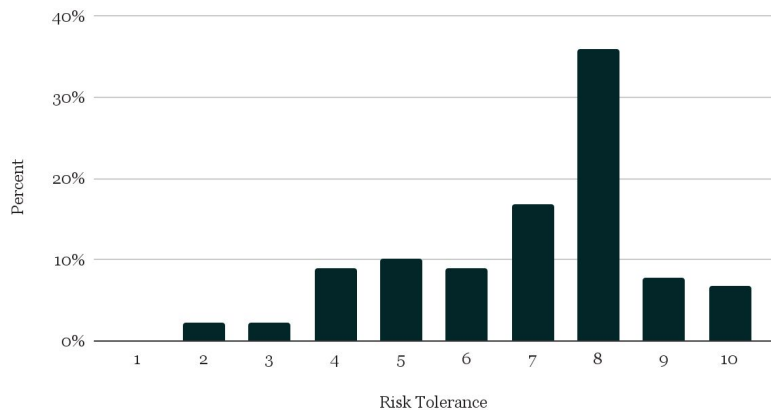
- Security & financial independence
- Generational wealth
- Arbitrary - Simply needing some kind of goal to shoot for

Interestingly, a high net worth doesn't make people feel secure on its own. At almost every wealth level, people felt they needed more to be secure.

Instead, the key to feeling secure seems to be maximizing the ratio between your take-home pay and burn rate. More on lifestyle and expenses in Section No. 4.



Self-Reported Risk Tolerance



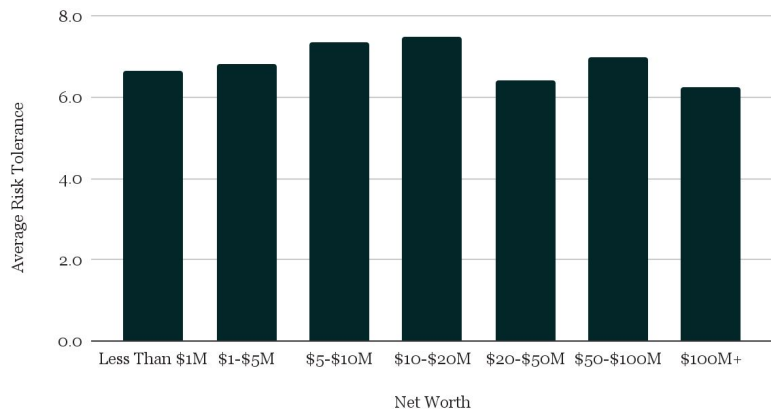
Appetite for risk doesn't make you wealthy...



People were asked to rate their risk-tolerance on a scale of 1-10. Interestingly, we saw a wide range of responses overall.

But the average was almost identical across all wealth levels, indicating no particularly strong correlation between one's risk tolerance and financial outcomes.

Average Risk Tolerance vs. Net Worth



Section No. 3

Wealth Allocation

Hampton Allocation Survey, 2023

Allocation

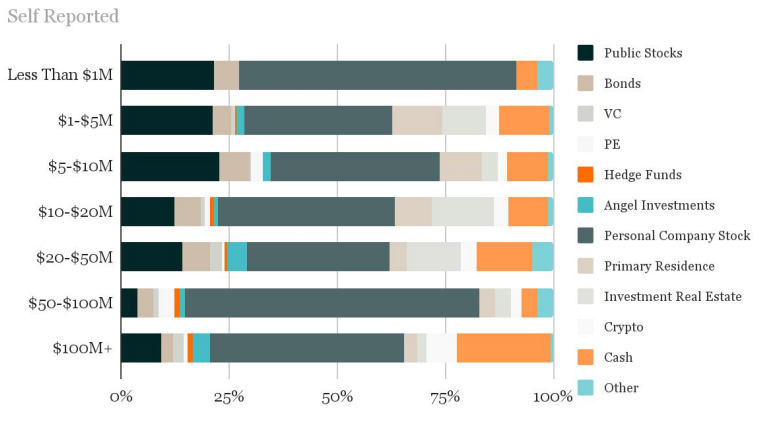


Overall, most wealth was tied up in personal company stock, with public stocks, bonds, real estate, and cash being the other major allocations.

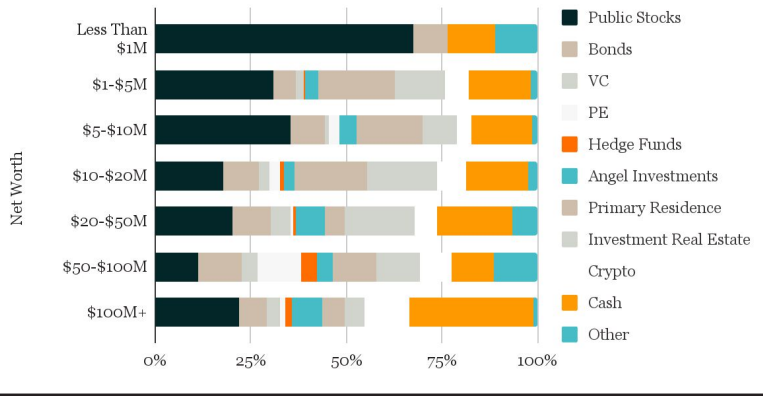
Crypto, and angel investing were also common-but-small parts of most allocations (~7% or less across the board).

We asked people about how they've changed their allocation recently. The two most popular answers were "No change" (40%) and "Moving to more cash" (18%).

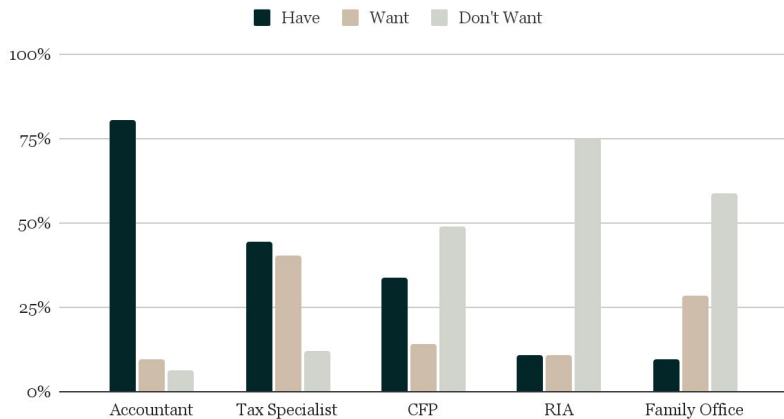
Average Allocations by Net Worth



Average Allocation Excluding Personal Company Stock



Which of the following advisory services do you use?



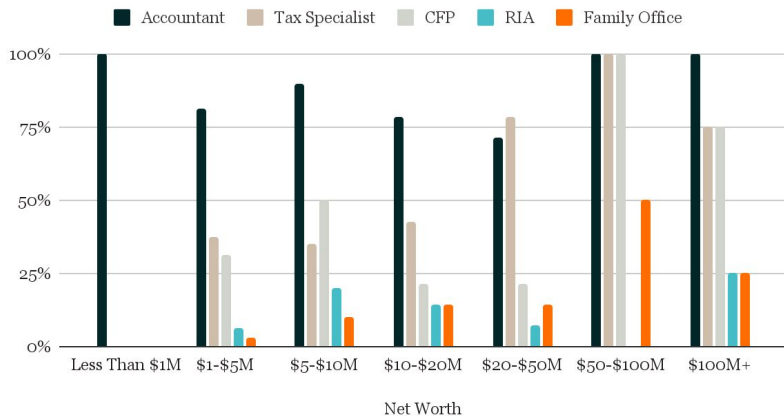
The first advisor they hire is an accountant; Then a tax specialist...



We asked which advisory services members used or wanted. Across all wealth levels, nearly everyone works with an accountant, and many are in need of a tax specialist.

When asked to share other types of advisors they rely on, people listed retirement consultant, trust and estate planning, business consultants, and paid investment newsletters.

Advisory Services Used By Respondents



Net Worth	Average Amount Spent on Services					Total
	Accountant	Tax Specialist	CFP	RIA	Family Office	
Less Than \$1M	\$9,133	-	-	-	-	\$9,133
\$1-\$5M	\$7,242	\$3,596	\$9,111	\$12,000	-	\$31,950
\$5-\$10M	\$6,333	\$7,400	\$42,583	\$11,500	-	\$67,817
\$10-\$20M	\$9,250	\$5,600	\$28,500	\$10,000	\$35,000	\$88,350
\$20-\$50M	\$13,444	\$9,444	\$11,667	\$20,000	\$35,000	\$89,556
\$50-\$100M	\$40,000	\$160,000	\$67,500	-	\$20,000	\$287,500
\$100M+	\$25,000	\$21,707	\$26,000	-	\$200,000	\$272,707

Note: There was an outlier in the \$50-\$100m zone that reported paying \$70k for an accountant, \$300k for a tax specialist, and \$110k for a CFP. When removed, the average paid among people in that wealth bracket H /13 dropped to \$10k, \$20k, and \$25k respectively.

Lots of people want to hire a tax specialist...



Services People Want by Net Worth



We asked members which advisors they actively wanted, and two things stuck out:

Among those with a net-worth of <\$1 to \$20 million there's a strong desire for tax specialists. Whereas those in the \$20 to \$100 million camp are in search of family offices.

There may be a significant business opportunity either catering to these groups directly, or helping connect them with these services (e.g. Nerd Wallet for Tax Specialists).

Section No. 4

Lifestyle

Hampton Allocation Survey, 2023

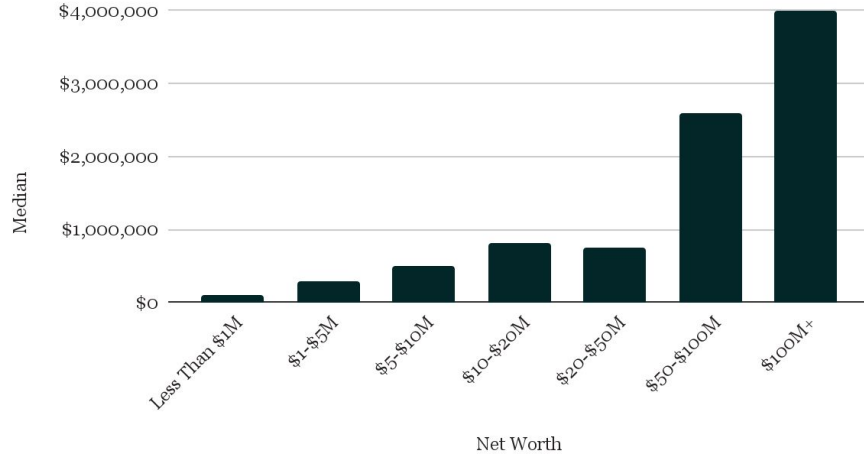
Lifestyle

Take-Home Pay

Reported take-home pay ranged from \$70k to \$26 million with the median for each group shown to the left, and the overall count shown below.

Interestingly, there's quite a range of take-homes within each wealth level, but they mostly cap out around \$1-\$5 million per year.

Median Take-Home by Net Worth



Net Worth	2023 Take-Home Pay							
	\$150K or Less	\$150-\$250K	\$250-\$500K	\$500k-\$1M	\$1-\$5M	\$5-\$10M	\$10-\$20M	\$20M+
Less Than \$1M	2	1	0	0	0	0	0	0
\$1-\$5M	6	9	9	7	1	0	0	0
\$5-\$10M	2	2	8	7	1	0	0	0
\$10-\$20M	0	1	5	2	5	0	0	1
\$20-\$50M	1	2	2	5	2	1	0	1
\$50-\$100M	0	0	0	0	2	0	0	0
\$100M+	0	0	0	0	3	0	1	0

Includes liquidation events from exit or Angel investments

Lifestyle creep may be unavoidable...

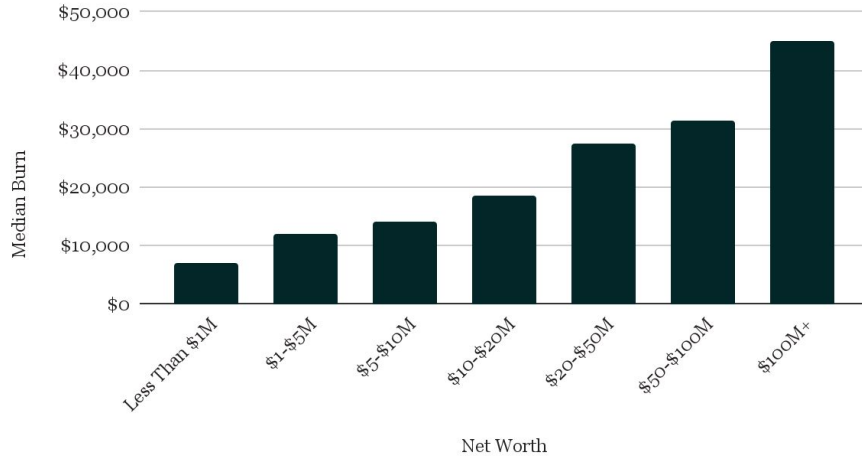


We asked about monthly household burn (just personal expenses, not business).

The result was fascinating – it showed an almost perfect depiction of so-called lifestyle creep, and helps explain why financial goals continue to rise at every wealth level.

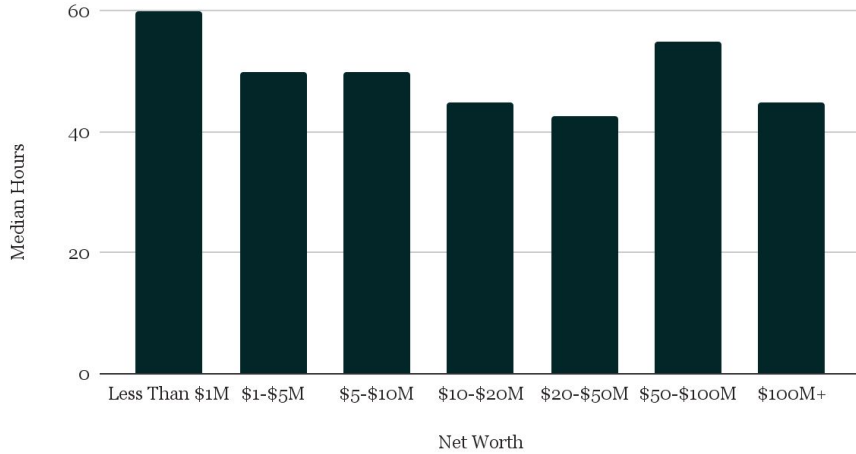
The good news is that personal expenses tend to top out at ~\$50k/mo, meaning that a liquid net worth of ~\$15 million would theoretically be enough to provide financial security to most ambitious founders.

Median Monthly Burn vs. Net Worth



Net Worth	Household Monthly Burn Rate				
	\$5K or Less	\$5-\$10K	\$10-\$20K	\$20-\$50K	\$50-\$100K
Less Than \$1M	0	3	0	0	0
\$1-\$5M	4	7	18	2	1
\$5-\$10M	3	4	10	3	0
\$10-\$20M	0	1	7	6	0
\$20-\$50M	1	1	4	6	2
\$50-\$100M	0	0	0	2	0
\$100M+	0	0	0	3	1

Median Work Hours Each Week



Working 40 to 60 hours per week is normal regardless of wealth...

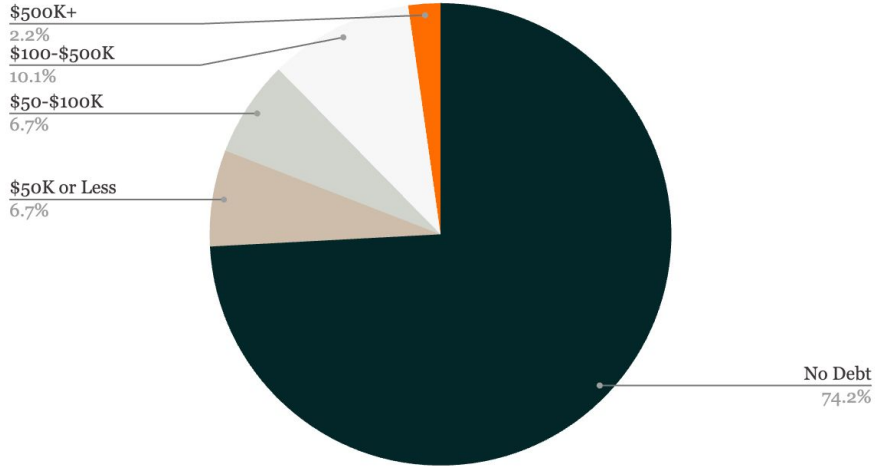


We asked members about how many hours they worked each week. Interestingly, it was uncommon to be below 40-60 hours, no matter how wealthy one was.

Hours Worked Per Week

Net Worth	10	20	30	40	50	60	70	80
Less Than \$1M	0	0	0	0	1	1	0	1
\$1-\$5M	0	1	5	8	9	6	1	2
\$5-\$10M	0	1	2	6	7	3	0	0
\$10-\$20M	0	1	2	3	5	3	0	0
\$20-\$50M	0	2	2	3	6	0	0	1
\$50-\$100M	0	0	0	1	0	0	1	0
\$100M+	0	0	2	0	0	1	1	0

Personal Debt



Most choose not to carry any personal debt...



We asked about both personal and real estate debt (focused exclusively on their primary residence, not investment properties).

Interestingly, about 30% of respondents carried no debt on their homes, and a full 70% chose to carry no personal debt either.

Real Estate Debt

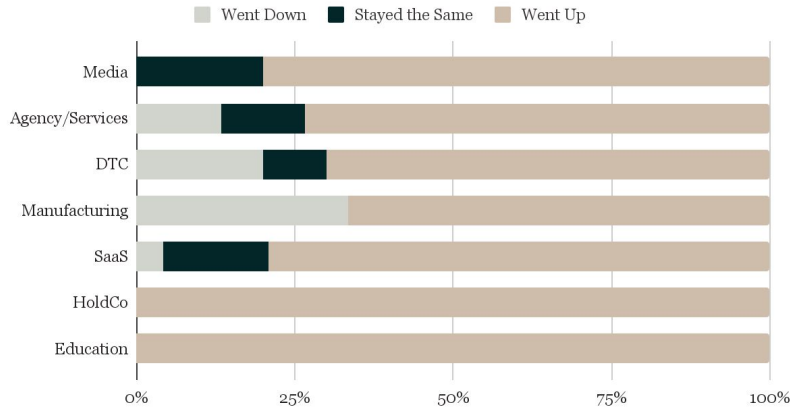
Net Worth	\$0	Less Than \$100K	\$100-\$250K	\$250-\$500K	\$500K-\$1M	\$1M-\$2.5M	\$2.5M-\$5M	\$5M+
Less Than \$1M	2	1	0	0	0	0	0	0
\$1-\$5M	10	3	2	11	2	4	0	0
\$5-\$10M	5	0	2	2	8	3	0	0
\$10-\$20M	2	0	0	1	3	5	3	0
\$20-\$50M	6	1	0	1	2	1	3	0
\$50-\$100M	1	0	0	0	0	1	0	0
\$100M+	1	0	0	0	0	1	1	1

Section No. 5

State of Business

Hampton Allocation Survey, 2023

2023 Revenue Report



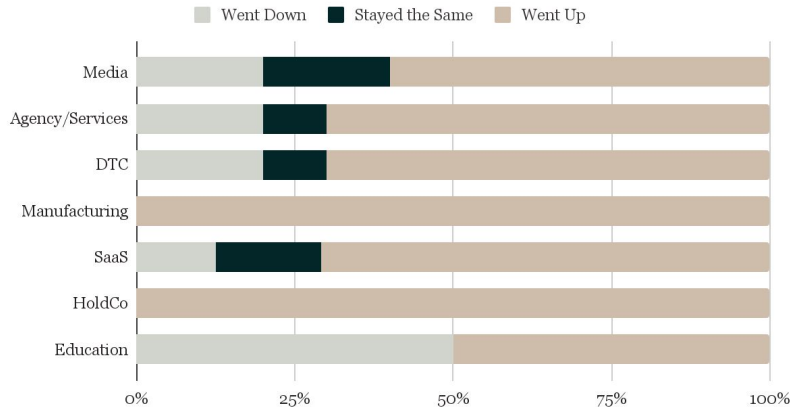
2023 was a good year for business owners...



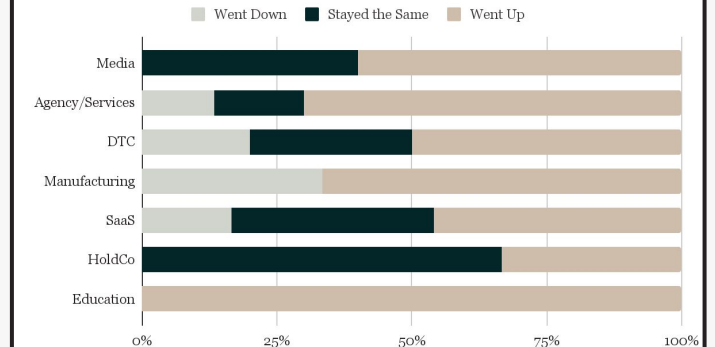
Most businesses had a good year, with revenue, profit, and headcount either stable or increasing.

Manufacturing, DTC, and agencies were hit hardest in terms of revenue and headcount. Whereas media, agencies, and DTC struggled most often with a downturn in profits.

2023 Profit Report



2023 Headcount Report



Section No. 6

More About Hampton

Hampton Allocation Survey, 2023

Starting a company is lonely...

You have to make difficult decisions every day with imperfect information on problems you've likely never faced before. It's daunting.

In our experience, the best way to overcome the challenges is to learn from the wins and mistakes of others, and to surround yourself with founders who've been there, done that.

Whether you're in the thick of it in New York City or San Francisco, or you're a SaaS founder in Iowa, finding your people is tough.

But when you do find them, it's life changing.

And that's what Hampton is for.

[Joining Hampton](#) gives you immediate access to a tribe of founders and entrepreneurs who are going through the same things as you. Members consistently call it "life changing."

