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It’s crazy how few people understand basic startup equity but are faced with major career decisions based on these concepts.

It’s even crazier how few companies are forthcoming with necessary details like latest valuation, shares outstanding, or fundraising plans (read ‘dilution’).

One of the most valuable topic areas I got comfortable with while at Uber were these concepts and I regularly have friends and colleagues asking me to simplify and clarify these topics.

The key: ASK MORE QUESTIONS... without clarity you’re forced to discount the valued equity. The less is shared, the less serious the company is taking their own equity, and likely so should you. Here are a few questions to start with.

Valuation questions:

• What is the latest valuation of the company?
• When was the valuation set?
• How was the valuation set?

Equity types & value questions:

• How many shares outstanding?
• How will i receive equity? options? RSUs?
• What is the vesting schedule?
• Paid over 4 years w 1 year cliff is normal

Ask about who gets equity:

• Is there a standard equity program?
• Do all employees get equity?
• Do leaders / executives receive the same form of equity as me?

Ask about Investors, expectations, and outcomes:

• What is the fundraising plan?
• What is the plan/expectations for an exit?
• What is a reasonable valuation at the time of an exit?

It’s not exhaustive but it will get you started. The right mentality in these convos:

• I want equity because I believe in the company long-term
• I want to be aligned with the leaders/founders
• The more information I have the better decision I can make for my family

If you’re early in your career, find a place where you can be and operate as an owner. Optimizing for learning, speed, ownership, and great people to learn from is paramount. For more on equity >> https://t.co/V461HQbAkz