

# The promise, perils and profitability of emerging technology

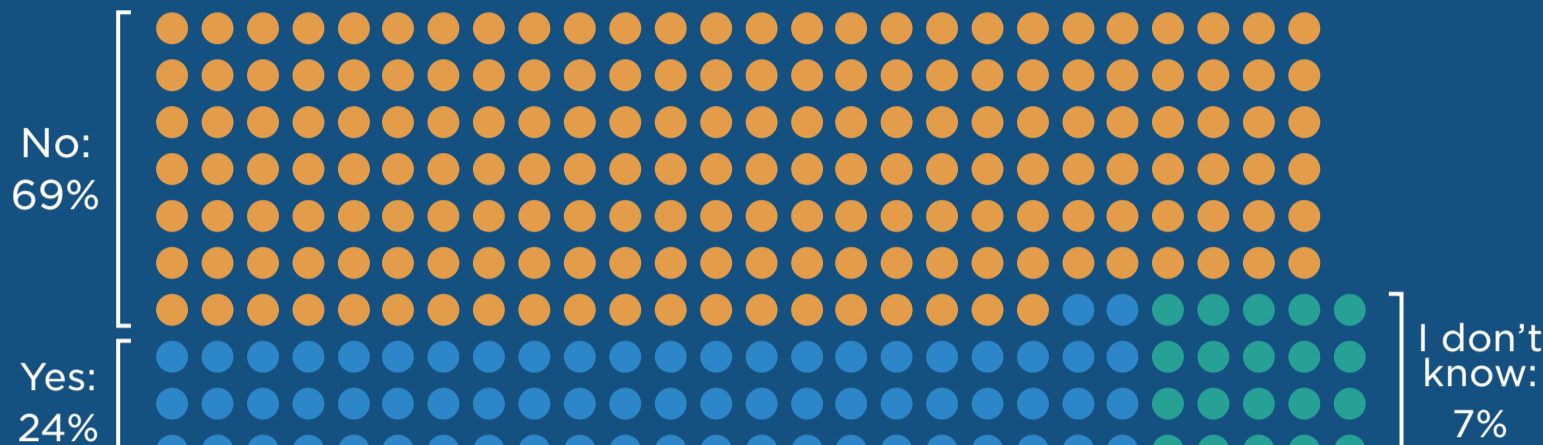
In a recent survey, **264 venture capitalists** shared their perspective on investing in emerging technology sectors in 2020 and beyond.



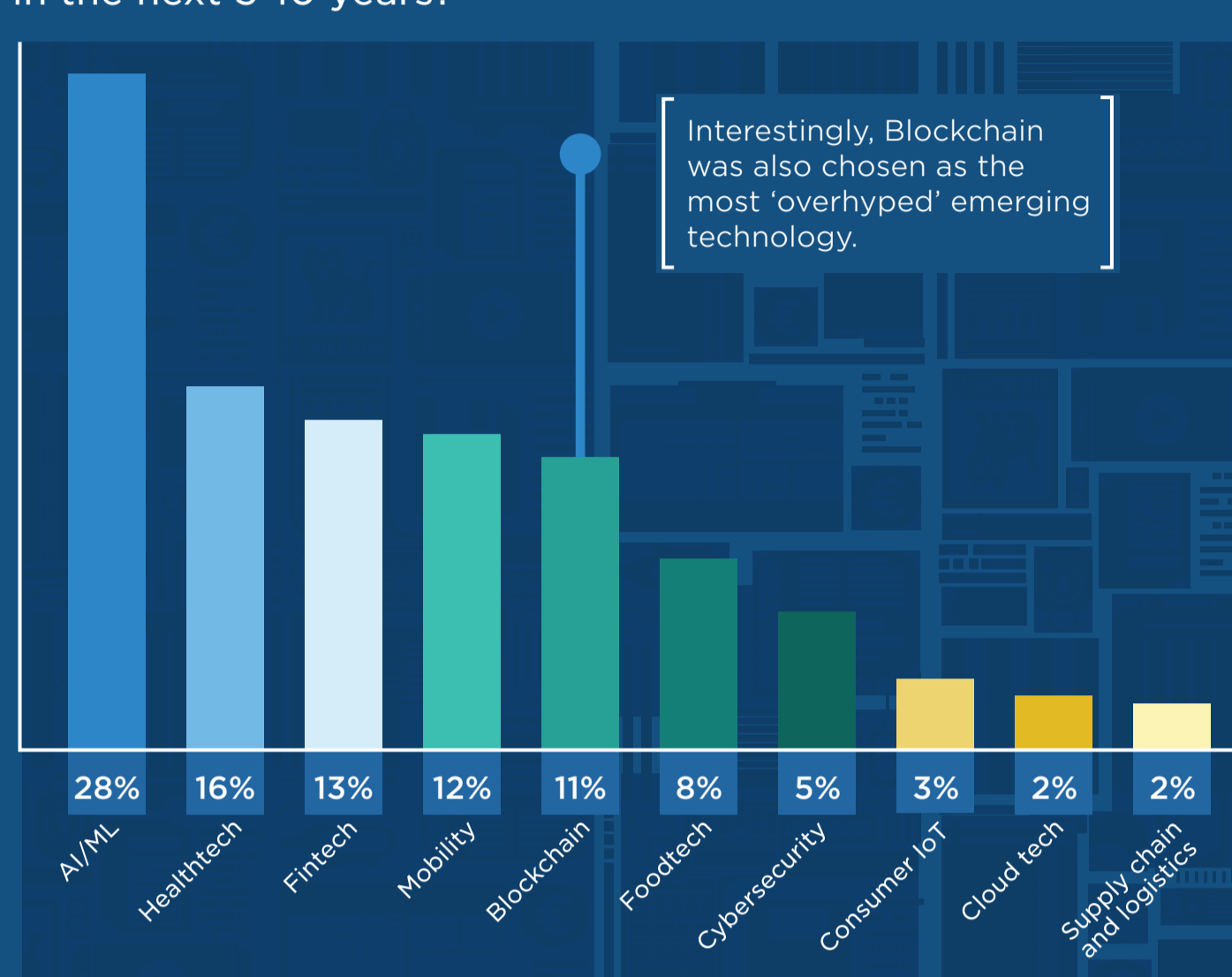
## The promise

Venture investment in tech has consistently increased over the last 10 years—and nearly 70% of respondents agreed investment will continue growing.

In your opinion, is there a lack of promising new investment opportunities in technology?



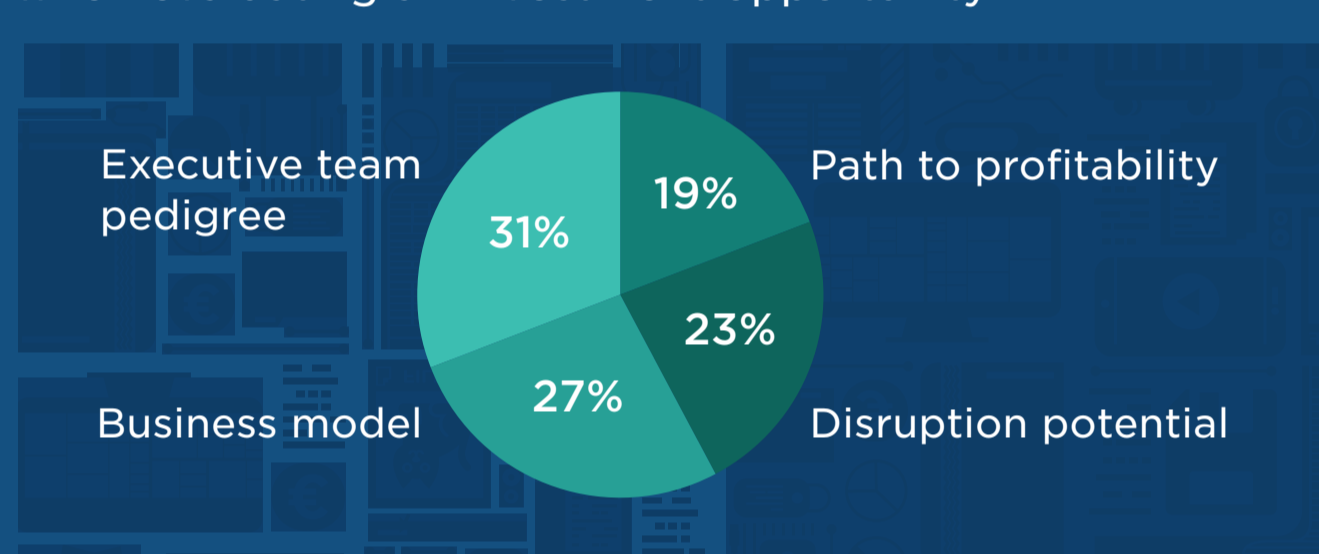
Which of the below emerging technology categories has the potential to be most disruptive in the next 5-10 years?



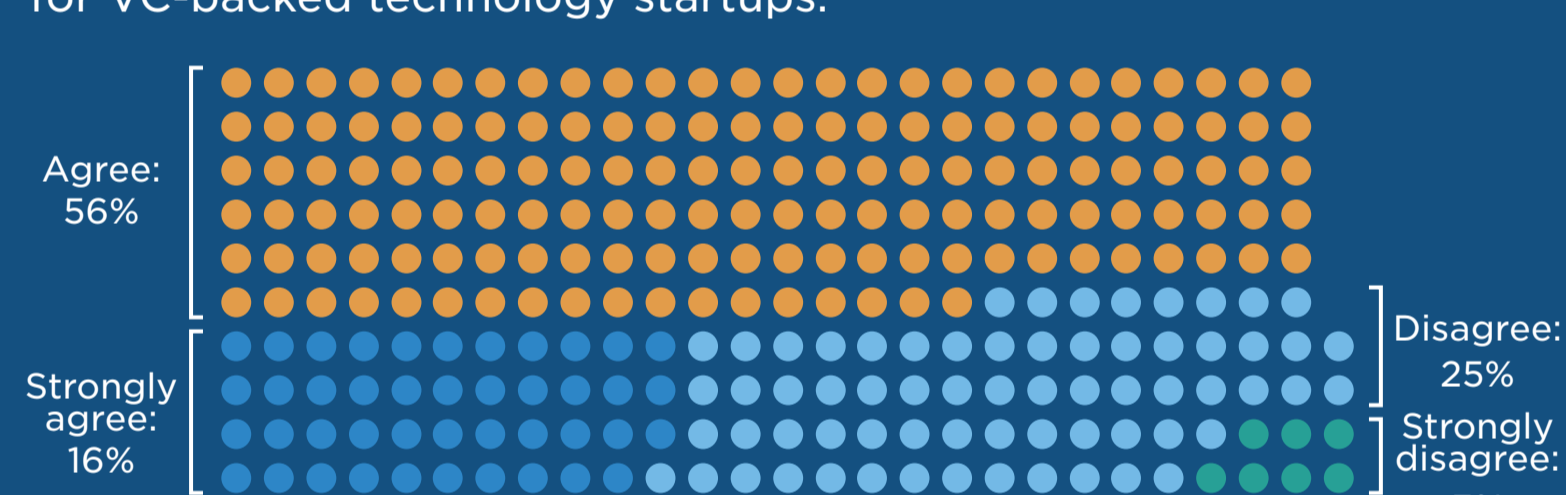
## The profitability

Only 19% of respondents cited path to profitability as most important when evaluating investment opportunities—in fact, 72% strongly agreed or agreed growth must come before profit for startups.

In a niche and nascent technology industry, what's the most important criterion you look at when evaluating an investment opportunity?



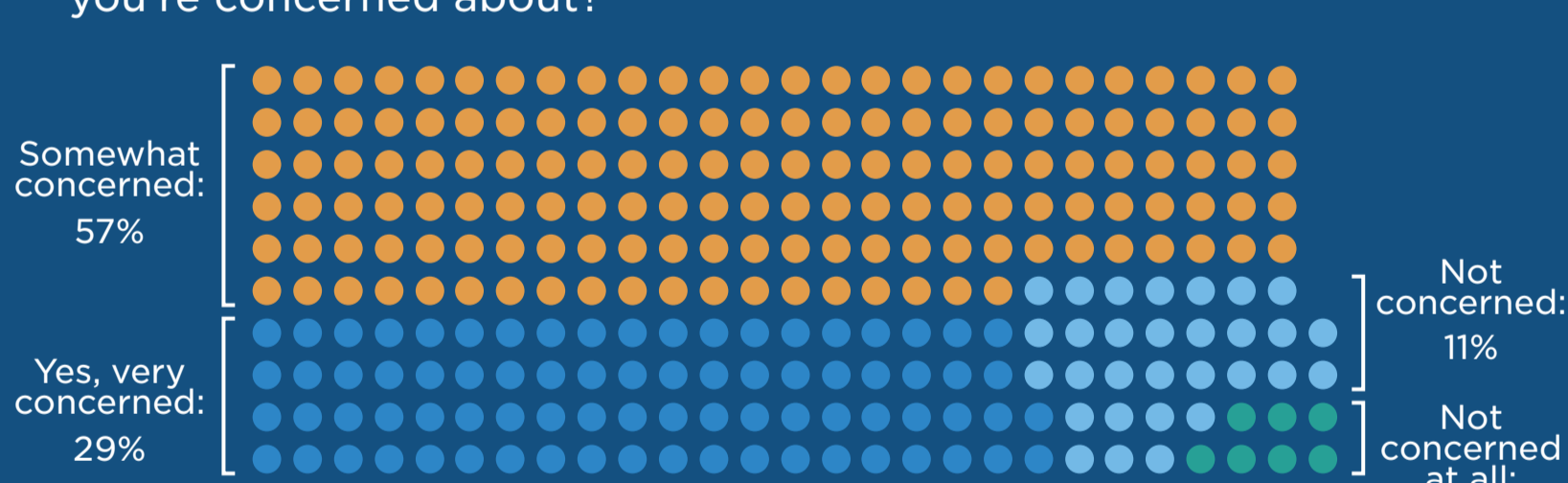
Agree or disagree? Growth must come before profit for VC-backed technology startups.



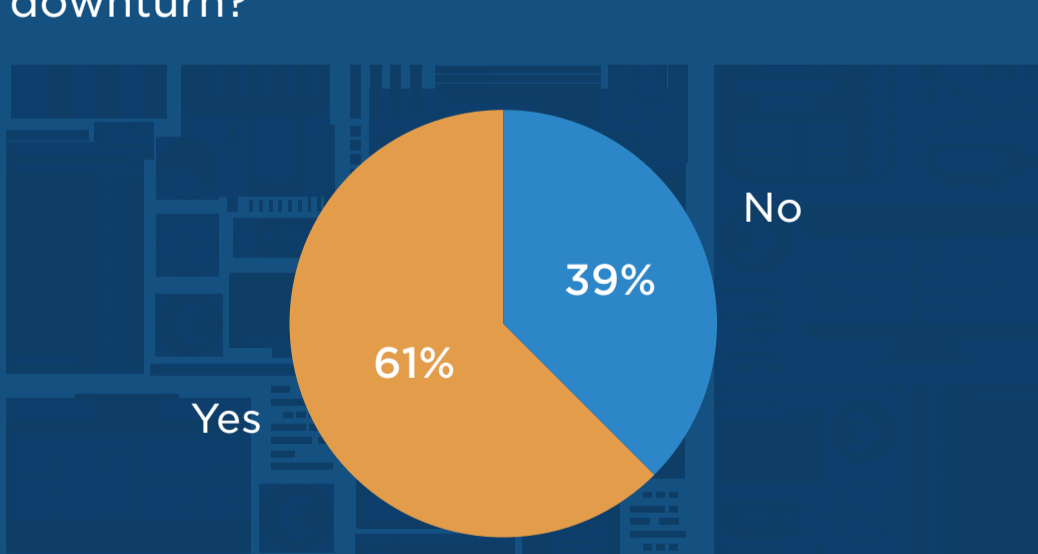
## The perils

The looming global recession was top of mind for investors, however, rising valuations were cited as the greatest threat facing the VC-backed emerging tech industry.

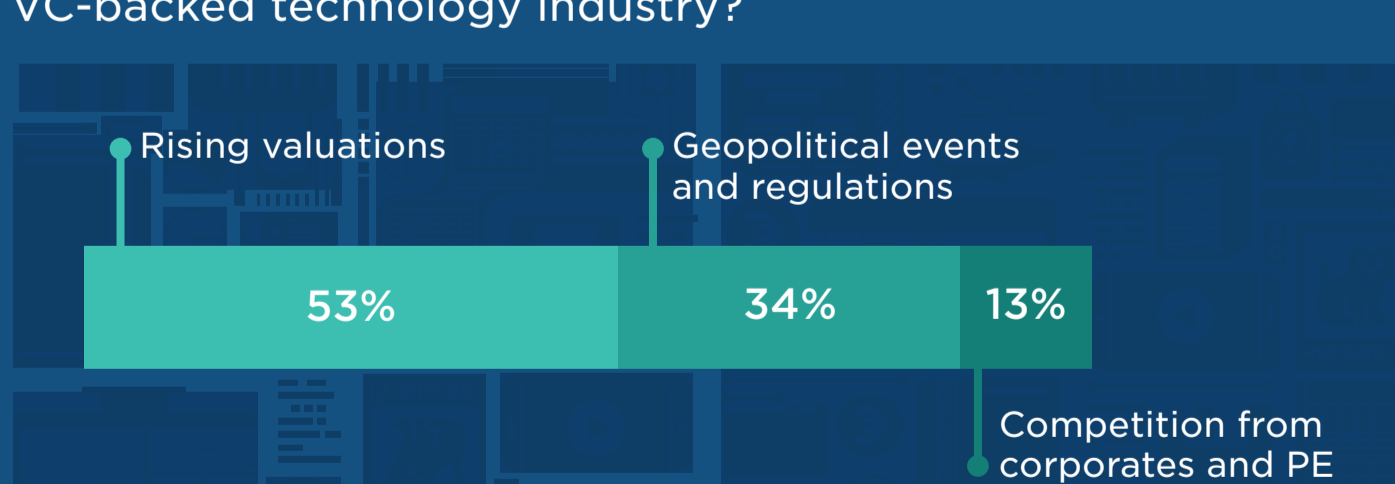
More than 90% of US VC-backed companies that have gone public in 2019 did so without turning a profit—a record high, even surpassing 2002, when the dot-com bubble burst. Is this something you're concerned about?



Is your fund preparing for a global economic downturn?



What's the single greatest threat facing the VC-backed technology industry?



Agree or disagree? Growing deal sizes across all stages, especially in the early stage, is putting upward pressure on private company valuations, which is overall negative for the venture industry.



The survey was administered to 264 VC investors in attendance at the 2019 Web Summit conference from November 4-6. Respondents provided their insights via tablet.