



**SHERPA PARTNERS™**

*Helping Emerging Companies Realize Their Vision*

# **Employment Generated by Venture Capital Investments**

**By**

**Rick Brimacombe and Bryce Bowman**

5050 Lincoln Drive, Suite 490, Minneapolis, MN 55436  
(952) 942-1070

[www.sherpapartners.com](http://www.sherpapartners.com)

# Employment Generated by Venture Investments

---

<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>NATIONAL STATISTICS .....</b>	<b>4</b>
QUANTITY OF JOBS CREATED .....	4
<i>Affected Industries</i> .....	5
<i>Geographic Focus</i> .....	5
TYPES OF JOBS CREATED .....	5
COMPENSATION .....	6
OTHER ECONOMIC EFFECTS .....	7
<b>STATISTICS – SHERPA INVESTMENTS .....</b>	<b>8</b>
TYPES OF JOBS CREATED .....	8
REQUIRED SKILLS .....	9
COMPENSATION .....	9
<b>GOVERNMENT JOB CREATION PROGRAMS .....</b>	<b>11</b>
EFFECTIVENESS OF JOB CREATION PROGRAMS .....	11
TYPES OF JOBS CREATED/COMPENSATION .....	13
LEGAL ISSUES WITH GOVERNMENT SUBSIDIES .....	13
GOVERNMENT SUBSIDIES COMPARED TO VENTURE CAPITAL .....	14
<b>CONCLUDING REMARKS .....</b>	<b>14</b>

### EXECUTIVE SUMMARY

While it is widely accepted that venture capital stimulates economic growth and creates subsequent employment opportunities; it is not well known the approximate quantity and types of jobs created by venture-funded businesses. To determine the amount and type of employment typically created by venture-financing, this analysis examined published national statistics on venture-backed firms. As a complement to these national statistics, aggregated employment data from Sherpa Partners' current venture investments was analyzed and compared to national trends. Finally, the effectiveness of several government job creation programs was analyzed and compared to the outcomes achieved through venture investments.

Published national statistics confirmed that venture investments have directly created about 12.5 million jobs since 1970, with an additional 15 million jobs created indirectly, resulting in one job created for every \$12,309 of venture capital investment<sup>1</sup>. The vast majority of these positions are in highly skilled areas, such as engineering, marketing, and management, although many lower skilled positions in administration and manufacturing are created as well. Consequently, the average base cash compensation for employment at venture-backed firms is typically between \$70,000 and \$80,000, well above the average national salary of \$32,281<sup>2</sup>. Currently, venture-funded firms generate \$1.8 trillion in revenue, resulting in a measurably higher gross state product, as well as a higher average income for regions that invest in venture capital.

An analysis of Sherpa investments confirmed that venture capital investments create desirable jobs for both low- and high-skilled workers. Sherpa invests in early-stage technology companies, which initially employ workers with highly developed technical and managerial skills. As a result, employees at Sherpa portfolio companies are provided with an attractive salary that includes an average cash compensation of \$80,083 per year, plus equity positions in the company. Engineers, marketing/sales personnel, and managers comprise the bulk of the labor force at Sherpa's portfolio companies, although these companies require lower-skilled administration and manufacturing support as their operations grow. Sherpa companies have historically employed workers throughout the upper Midwest, including Minnesota, South Dakota, North Dakota, Wisconsin, and California.

As a comparison, the effectiveness of several government job creation programs was analyzed, and compared with the typical outcomes of venture capital investments. These taxpayer-funded government subsidies, which attempt to artificially inflate the job market in specific regions, have enjoyed varying degrees of success. A cursory review of 8 government subsidies revealed the costs ranged from \$356 up to \$235,000 per job created, with reported average costs in excess of \$50,000 per job. Much of the data is skewed, as many companies would simply transfer jobs to new areas to take advantage of tax subsidies, and would not actually create any new jobs. Thus, it is extremely difficult to measure the effectiveness of these programs. Most programs do not reveal the types of jobs created, but an analysis of Minnesota job creation programs revealed that over 80% of the new jobs provide below average wages, with about 75% of the workers still qualifying for Medicaid.

---

<sup>1</sup> DRI-WEFA, "Measuring the Importance of Venture Capital and Its Benefits to the United States Economy", 2002, p 104.

<sup>2</sup> "Employment Situation Summary", National Bureau of Labor Statistics, 2004.

### NATIONAL STATISTICS

#### QUANTITY OF JOBS CREATED

To determine the total job creation provided by venture financing, it is crucial to look at the long-term results of venture-backed firms. While startup firms do increase headcount upon receiving venture financing, the true results of job creation can not be measured until the company has had sufficient time to mature.

As a classic example - Cisco Systems was founded in 1984, and raised approximately \$17 million in venture financing between 1988 and 2000. The company continued to grow at a rapid pace, and employs 34,000 workers as of 2004. If we were to examine the company shortly after venture investment, it would be very apparent that the invested capital indeed provided immediate job opportunities for highly-skilled engineers. However, by reviewing the company after it had time to mature, we see nearly exponential job growth in both high and low-skilled occupations, with one job created for every \$500 of initial venture capital invested in Cisco.

While the results of Cisco Systems cannot be consistently repeated, domestic venture capital investment has provided substantial job creation, especially when analyzed over a long duration. Throughout the period from 1970 through the year 2003, venture capital firms invested a total of \$338.5 billion in startup companies in the United States<sup>3</sup>. During this period, venture-backed firms directly created approximately 12.5 million jobs, resulting in one job created for every \$27,080 invested in venture capital.

It is worth noting that this data accounts for the number of employees directly employed by venture-backed firms, and does not include jobs indirectly created by these firms. Most firms will employ outside accounting and legal services, and will often outsource such functions as manufacturing and marketing. Furthermore, venture-backed firms create additional jobs in the industry supply chain through their utilization of vendors and distribution channels. In the above example with Cisco Systems, a new market was created for the distribution, support, and training for Cisco products. Many new firms increased their market presence through reselling and support of Cisco products, although the exact amount of jobs created through these indirect effects is unknown. It is estimated that an additional 15 million jobs have been indirectly created by venture-funded companies<sup>4</sup>, resulting in a total of 27.5 million jobs, or one job created for every \$12,309 of venture capital investment.

---

<sup>3</sup>“Venture Impact 2004”, *National Venture Capital Association*.

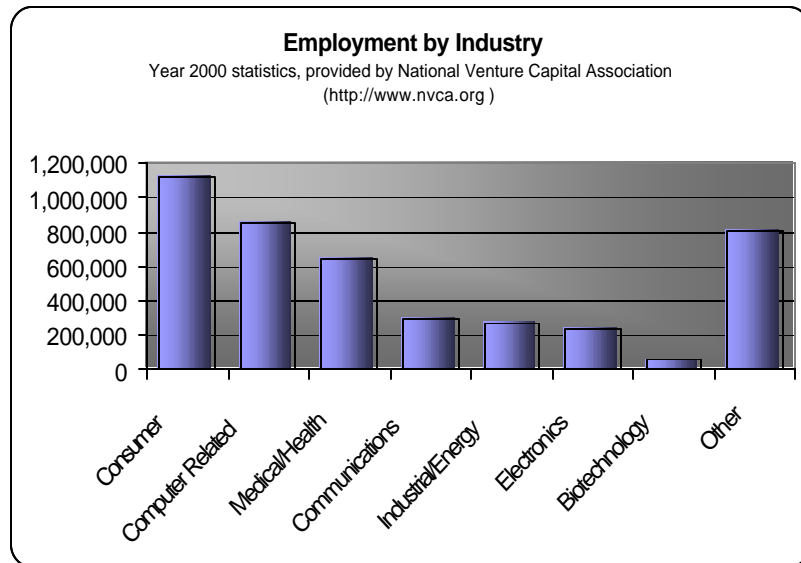
<sup>4</sup> DRI-WEFA, “Measuring the Importance of Venture Capital and Its Benefits to the United States Economy”, 2002, p 104.

## Employment Generated by Venture Investments

### Affected Industries

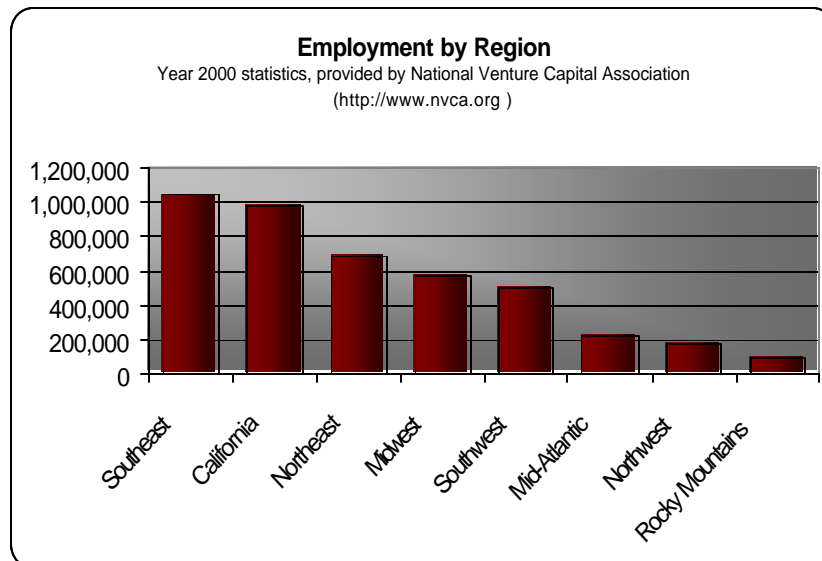
While the successes of high-tech startups are highly publicized, venture-funded companies exist in a variety of industries.

Contrary to popular belief, ventures in consumer products actually generate more jobs than ventures in technology industries, with over 1.1 million jobs attributed to consumer products ventures. Startup companies in both computer and health-related industries also provide large amounts of employment, with 850,000 and 646,000 jobs generated, respectively.



### Geographic Focus

Startup firms based in Silicon Valley generate the most publicity, so the widely held opinion is venture-backed employment is primarily located in California. Surprisingly, venture-backed firms in the Southeast region of the country provide the most employment, with just over 1 million jobs currently located in this region. California is not far behind, with 978,000 workers currently employed by venture-backed startup firms.



### TYPES OF JOBS CREATED

Upon receiving equity financing, venture-backed companies increase total headcount in multiple areas, depending on company needs at the time. Engineers, scientists, and managers typically make up 61% of the workforce at a fast growth venture-backed firm, compared to just 15% created in the economy as a whole<sup>5</sup>. In the first year of operation, manufacturing and production jobs make up 15% of the workforce at a venture-backed firm.

<sup>5</sup> Council for Entrepreneurial Development ( <http://www.cednc.org> )

## Employment Generated by Venture Investments

### COMPENSATION

#### Overall Average Salaries

One commonly held opinion is that venture-backed firms are strapped for cash, and are thus not able to provide adequate compensation for their employees. However, to compensate for the additional risk of working at a startup firm, technical staff and administrative support typically make higher salaries than comparable positions at established companies. In fact, a national study in 1998 revealed that workers at venture-backed firms made an average of \$46,633<sup>6</sup>, high above the nationwide average salary of \$27,892 in 1998<sup>7</sup>. According to a Wisconsin-based venture capital firm, the average salary for an employee at a venture-backed firm located in Wisconsin is \$70,000<sup>8</sup>, well above the current average national salary of \$32,281<sup>9</sup>.

#### Base Salaries – Specific Positions

While technical and administrative support staffs are compensated at or above the national average, executive management are typically provided less compensation at startup firms. This is due to the incentives offered to key management personnel, offered in the form of stock grants or options. Approximately 85% of venture-backed firms provide equity compensation to their employees. While it is difficult to measure the average value of equity-based incentives, it is reasonable to assume the equity compensation provides measurable compensation for employees at these firms. The following table illustrates how compensation for specific jobs at venture-backed firms compare to the median salaries for all firms based in the U.S. Note that each position at the venture-backed firms is typically provided an equity stake in the company. It is difficult to quantify the value of this equity stake, but the percentage of equity ownership is provided in the third column of the table.

Base salaries of VC-backed firms, relative to overall market

<i>Position</i>	<i>Median, VC-backed firms<sup>10</sup></i>	<i>Ownership</i>	<i>Median, US firms<sup>11</sup></i>
Software Engineer	\$88,000	0.10%	\$72,041
Manager, Marketing	\$70,000	0.03%	\$75,035
Manager, Sales	\$85,000	0.06%	\$72,041
Director, Sales	\$110,000	0.16%	\$120,124
Director, Finance	\$95,000	0.21%	\$158,948
Director, Engineering	\$132,000	0.33%	\$135,690
Director, HR	\$90,000	0.08%	\$120,638
Director, Bus Dev.	\$120,000	0.33%	\$115,318

<sup>6</sup> <http://www.businessleader.com/bl/may99/guest3.html>

<sup>7</sup> “Employment Situation Summary”, National Bureau of Labor Statistics, 1999.

<sup>8</sup> Walters, Steven. “Wisconsin Senate OK’s Tax Breaks, Tech Centers to Lure Capital”, *National Association of Seed and Venture Funds*, 2003.

<sup>9</sup> “Employment Situation Summary”, National Bureau of Labor Statistics, 2004.

<sup>10</sup> Source: VentureOne statistics, technology-oriented venture-backed firms, 2004

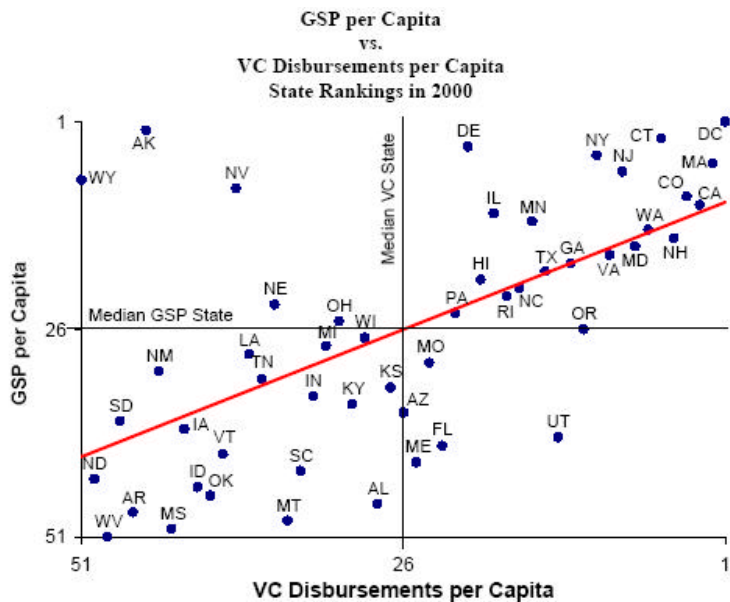
<sup>11</sup> Source: Salary.com, 2004. Note – To ensure parallel comparison, these are nationwide median salaries at technology-oriented firms.

## Employment Generated by Venture Investments

### OTHER ECONOMIC EFFECTS

#### Standard of Living

Venture-funded companies currently generate \$1.8 trillion in domestic revenue<sup>12</sup>, providing huge opportunities for creation of wealth and subsequent increases in the standard of living. For instance, quantitative evidence reveals a strong correlation between venture capital investment by state and Gross State Product (GSP) by state. 80% of the top 25 states ranked by venture capital disbursements per capita are also among the top 25 states ranked by GSP per capita. Conversely, 80% of the bottom 25 states ranked by venture capital disbursements are also among the bottom 25 states ranked by GSP per capita. This strong correlation is illustrated in the below chart:

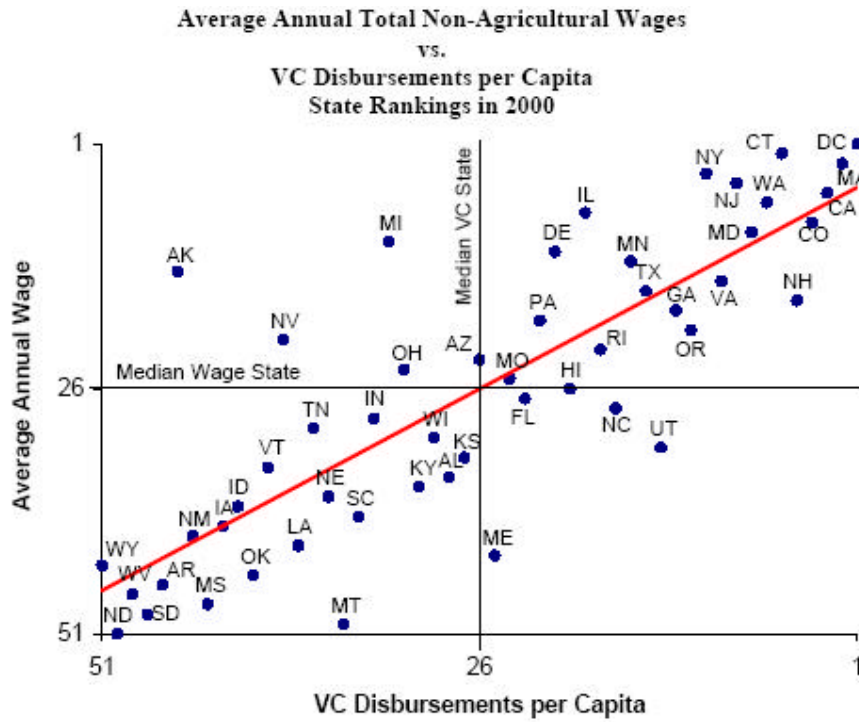


Source: NVCA Yearbook 2001 and DRI-WEFA

<sup>12</sup> DRI-WEFA, "Measuring the Importance of Venture Capital and Its Benefits to the United States Economy", 2002, p 20

## Employment Generated by Venture Investments

Just as Gross Domestic Product (GDP) is a measure of national income, GSP is an indicator of state income. Thus, it is no surprise that there is a similarly strong correlation between venture investments and average annual wages. The following graph illustrates this strong correlation:



Source: NVCA Yearbook 2001 and DRI-WEFA

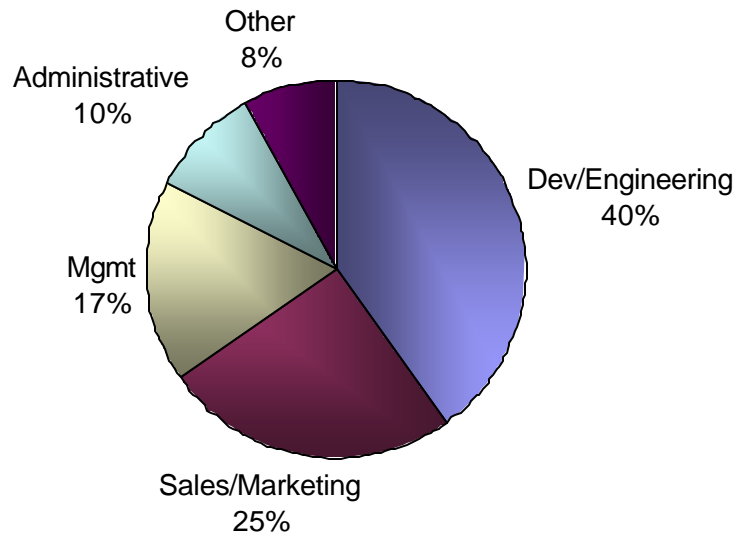
## STATISTICS – SHERPA INVESTMENTS

### TYPES OF JOBS CREATED

Approximately 40% of jobs created by Sherpa portfolio companies involve development and engineering positions<sup>13</sup>. Sherpa invests primarily in early-stage technology companies, so it is not surprising that most of the portfolio companies have made large investments in product development. Sales and marketing positions comprise 25% of the jobs created by Sherpa portfolio companies. Given the marketing efforts required for early stage companies to succeed in the market, large investments in sales and marketing are expected. There is a high degree of variance among the remaining job types, with most companies adding new positions in the areas of finance, operations, IT support, and human resources.

<sup>13</sup> Many of the companies are in different stages of development. To ensure that larger firms didn't bias the results, each surveyed company was asked to provide the percentage of jobs created in each discipline. The quoted figure is an average of these percentages.

### Sherpa Investments – Job Types



#### REQUIRED SKILLS

The management teams at each of the portfolio companies were asked how the skill levels at their companies compared with skills required at comparable established firms. Virtually every manager responded that their employees often filled many roles, and thus needed to be flexible with their assigned work. Put another way, one manager suggested that the most successful employees possess an entrepreneurial spirit, and were willing to do whatever was needed to ensure success of the company. The responses confirm that startup-stage companies do not typically desire to hire workers with a narrow focus. Rather, they actively seek employees that bring a creative spirit to the enterprise, and are willing to dedicate themselves to the effort.

#### COMPENSATION

##### **Management survey**

The majority of management responses indicated that their employees were paid slightly less than the overall market, with the difference being made up in stock options and potential career advancement. However, this opinion was not consistent among all management, as a couple responses indicated that the risk associated with a startup firm provided a demand for slightly higher salaries. Thus, while the salaries were similar to established companies, the survey indicated that the following factors impact salaries offered by a venture-backed firms:

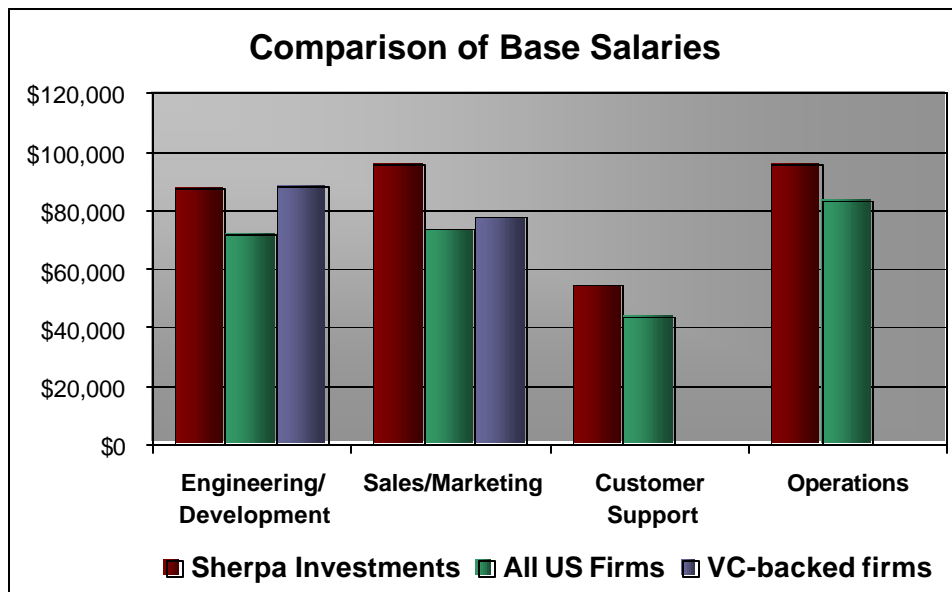
- Risk factor of venture: A high risk venture may offer higher salaries to entice workers from more stable, mature companies
- Non-cash compensation: Stock grants/options may provide additional compensation, providing incentive for employees to accept lower salaries
- Career advancement potential: Startup ventures often provide their employees many opportunities for leadership positions within the company, allowing their workers to gain valuable experience in management roles. Employees may be willing to accept lower salaries in exchange for this experience.

### Direct Comparison

As most employees fill a variety of roles, it is difficult to find comparables with which to compare the salaries at venture-backed firms. In this analysis, each job created by Sherpa portfolio companies was classified according to discipline, and compared with national median salaries for low level supervisors/managers within that discipline. For instance, base compensation for sales/marketing personnel was compared to nationwide median compensation for sales and marketing managers, and salaries for engineers and customer service personnel were compared to supervisors within the same discipline.

For an additional comparison, base salaries at Sherpa's portfolio companies were compared to median compensation for similar disciplines at technology-oriented venture-backed firms. While this may provide a more accurate comparison, this analysis was limited by the amount of data available for typical venture-backed firms.

As illustrated in the following graph, the results of both the previous comparisons confirm that Venture-backed companies do provide similar compensation relative to comparable positions in the overall job market:



Again, the accuracy of this comparison is limited by the diverse nature of employment at VC-backed firms, as well as a large variance in the number of jobs created at each company. However, even with these limiting factors, it is clear that VC-backed companies provide compensation well above the national average. Sherpa's investments provide their employees an average salary of \$80,083, which is more than double the current national average salary of \$32,281.

## GOVERNMENT JOB CREATION PROGRAMS

### EFFECTIVENESS OF JOB CREATION PROGRAMS

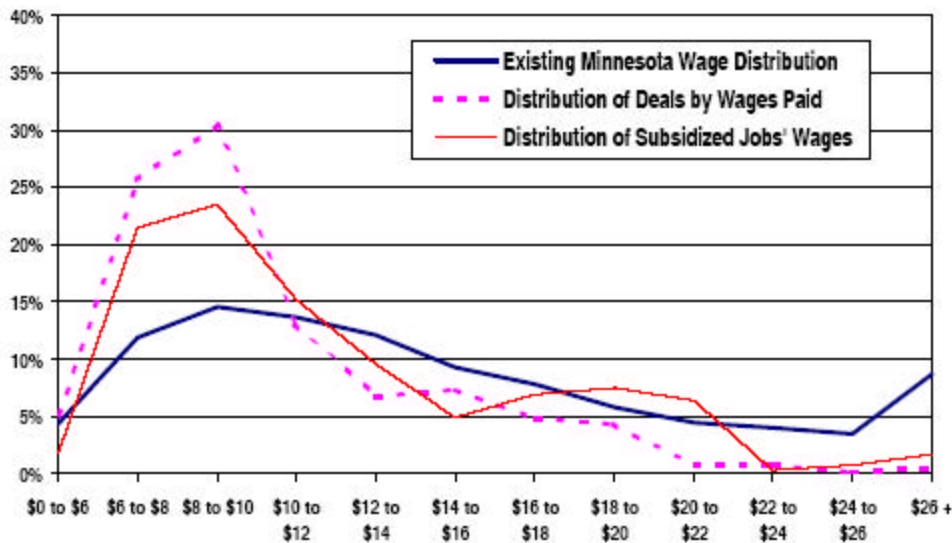
In an effort to determine the effectiveness of government subsidized job creation programs, key government programs in Minnesota, Connecticut, New York, and Maine were analyzed.

#### Minnesota

An analysis of 550 disclosure reports, which account for more than \$176 million in loans, grants, and Tax Increment Financing (TIF), revealed that these programs produced low wage jobs, with many of the job recipients remaining at or below the poverty level. While 22% of the projects exceeded the federal guideline of \$35,000 per job, the average cost per job created in the Twin Cities metro area was \$21,919, which is within the federal standard. Unfortunately, a large portion of the workers who receive these jobs remain near or below the poverty level, as 76% of these employees would still be eligible for Medicaid, and 37.2% still qualifying for food stamps.<sup>14</sup>

86.5% of the analyzed projects projected wages below the state average in 1996, with two-thirds of the projects providing wages 20% or more below local market levels for the respective industries. The below chart illustrates the discrepancies between subsidized jobs and existing Minnesota jobs:

**Benchmarking Subsidized Wages and Deals vs. Existing State Wages**



Source: LeRoy, Greg; Slocum, Tyson, "Economic Development in Minnesota: High Subsidies, Low Wages, Absent Standards", 1999

<sup>14</sup> LeRoy, Greg; Slocum, Tyson, "Economic Development in Minnesota: High Subsidies, Low Wages, Absent Standards", 1999

### Connecticut

The State of Connecticut maintains three agencies that provide economic development subsidies to private businesses: the Connecticut Development Agency (CDA), the Department of Economic and Community Development (DECD), and Connecticut Innovations, Inc. (CII). Since 1991, these three agencies have provided a combined total of about \$622 million to 1,050 companies, which then used these subsidies to create 11,462 jobs.<sup>15</sup> This calculates to an average cost of \$54,266 per job created, nearly double the CDA's upper limit of \$20,000 per created job, and well above the normally-accepted federal guideline of \$35,000 per job. Only one-fifth of the subsidized companies created jobs at a cost at or less than \$35,000 per job, while 56 companies consumed over \$100,000 of subsidies for each job created.

In addition to the high program costs, Mark Breslow's analysis indicates the following issues with these agencies:

- Subsidized companies achieved less than half of their projected job gains, falling short by 53 percent. To qualify for the subsidy, these companies projected that they would create 24,134 jobs. However, they showed actual gains of only 11,462 jobs.
- As of June 1999, 355 companies, or 34 percent of the total, were actually below their employment levels relative to the time they applied for a state subsidy, meaning they incurred a net loss of jobs during the subsidized period.
- CDA sums up the employment increases at those subsidized companies which gained jobs, but does not consider the thousands of jobs which were lost at the remaining companies, resulting in an inflated figure for job creation.

### Maine

Maine has a total of seven government-subsidized job creation programs, but the two largest programs consume 90% of allocated state funds: The Business Equipment Tax Reimbursement (BETR) program, and Tax Increment Financing (TIF). During the period of study (1998-1999), these two programs consumed \$63.7 million in subsidies, providing a gain of only 443 jobs. This calculates to a cost per job of \$144,000, well in excess of any reasonable standards for government-sponsored job creation efforts<sup>16</sup>.

Many large companies consumed large amounts of state resources during this period, only to produce weak job creation. For instance, National Semiconductor received over \$23 million in state aid, and produced only 90 new jobs, resulting in a cost of \$235,000 per job. L.L. Bean received over \$2 million in subsidies, and created only 11 new jobs, resulting in a cost per job of \$185,000.

### New York

New York established 127 Industrial Development Agencies (IDAs) statewide. The IDAs sponsor projects that utilize tax exemptions to provide incentives for companies that either retain or create new jobs in specific areas. Six IDAs in Erie County financed 149 projects, which accounted for 25% of the statewide total. An audit in 1999 revealed the cost per created job was

---

<sup>15</sup> Breslow, Mark, "Connecticut's Economic Development Programs: High Costs and Inadequate Job Expansion", 2000.

<sup>16</sup> Breslow, Mark, "Maine's Economic Development Subsidies in 1998-99: Tax Credits Yield Few New Jobs at High Cost per Job", 2001.

## Employment Generated by Venture Investments

---

between \$356 and \$36,872.<sup>17</sup> On the surface, this appears to be a very effective program. However, the audit detailed the following issues with the IDA program:

- Many of the jobs located in projects sponsored by the IDAs were jobs that already existed in the area and were merely moved from one location in the area to another. Approximately 30% of the participating companies executed some type of geographic move to take advantage of the tax credit.
- Only immediate job creation results are published, and it is unknown how long these jobs were maintained. There are no penalties if the jobs are not maintained for a pre-determined period.
- The auditor's review of the IDA reports indicated that some amount of incomplete or erroneous information was provided by each of the IDAs, and their activities did not always comply with legal requirements.

### TYPES OF JOBS CREATED/COMPENSATION

With the exception of Minnesota, the state agencies responsible for the job creation programs referenced in this analysis do not provide statistics on either the types of jobs created or the compensation provided by the added jobs. It would be reasonable to expect that the subsidized companies will make the smallest investment required in order to receive the subsidy. This appears to be the case with Minnesota's job creation program, which provided low compensation jobs near the poverty level. Nearly two-thirds of the jobs created in Minnesota are in manufacturing, more than three times the factory share of employment in the state. Accordingly, it is doubtful that participating companies in other regions create highly-skilled technology positions to satisfy the requirements of the subsidy. Rather, it would be more likely that these firms would create low-skilled jobs, such as minimum wage textile positions, in order to receive the maximum benefit from the tax credit.

### LEGAL ISSUES WITH GOVERNMENT SUBSIDIES

In September, 2004, the 6<sup>th</sup> District of the Federal Court ruled it was unconstitutional to use the tax code to encourage businesses to locate in one location over another. Specifically, the court ruled this practice violated the Constitution's guarantee of free commerce between the states.<sup>18</sup> Mel Burstein, former general counsel of the Federal Reserve Bank of Minneapolis, responded "This was a big step forward in that the courts are starting to recognize that bidding wars, at least when it comes to taxes directly, is a form of interference with the commerce clause."

It is very possible that this court decision will set a precedent for similar cases in other districts, forcing a reduction or elimination of tax-subsidized job creation programs. Government subsidies work to create imbalances in an otherwise efficient marketplace. Put another way, these tax-funded job creation programs act contrary to natural market forces, interfering with trade and local economies. Thus, it is little surprise that the federal courts have begun to declare these corporate subsidies to be unconstitutional and a detriment to interstate trade.

---

<sup>17</sup> "Industrial Development Agency Activity in Erie County", 1999,

<http://www.osc.state.ny.us/localgov/muni/perf/idabody.htm>

<sup>18</sup> Meyers, Mike, "Court Bars Tax Breaks to Attract Companies", *Minnesota Star Tribune*, September 10, 2004

### GOVERNMENT SUBSIDIES COMPARED TO VENTURE CAPITAL

Government subsidies are essentially a direct transfer payment directly to corporations, with the intention of artificially creating demand for workers. In contrast, venture capital provides investments in small businesses, with the intent of making a positive return on investment. Additional employment opportunities are simply a natural side effect produced by the successful startups. Thus, while government subsidies are a direct cost for the taxpayer, venture capital investments on average provide a substantial monetary return, in addition to the added benefit of increased employment.

There are very few statistics on either the types of jobs or the compensation levels of jobs created by government subsidies. Subsidies provide companies with economic incentive to increase headcount, but have little regulation over the types of jobs created. Thus, it is likely the subsidies will result in an increase of low-skilled, low paying positions. In comparison, venture-funded companies typically provide both high and low-skilled jobs in product development, manufacturing, management, administration, and marketing, with average annual cash compensation in excess of \$70,000.

### CONCLUDING REMARKS

Both national statistics and data from Sherpa's investments confirm that venture investment produces large quantities of desirable jobs. It is estimated that venture-funded companies have generated a total of 27.5 million jobs, both directly and indirectly, with one job created for every \$12,309 of venture capital investment. In contrast to employment at established firms, which largely hire unskilled labor to perform specific tasks, venture-funded companies recruit both low and highly-skilled workers capable of fulfilling a variety of roles. Consequently, cash compensation provided by venture-backed firms, which averages \$70,000-\$80,000, is nearly double the average national salary of \$32,281. Salaries provided by specific startup firms are dependant on several factors: stability of the firm, potential for rapid career growth, and equity compensation.

Government programs attempt to artificially inflate the job opportunities in specific geographic regions through taxpayer-funded subsidies. The success of these programs has a large degree of variation, with little public data regarding the types of jobs created or the duration of the created jobs. The only public data available suggests that these programs typically create very low paying jobs, with the majority of job recipients remaining near the poverty level. In contrast, venture capital provides startup companies the means to commercialize a new idea or technology, which has the added benefit of creating numerous, long-term opportunities for employment in high-growth startup companies.

One qualitative factor not measured in this report is the amount of satisfaction provided to employees of these young firms. While corporate bureaucracy often hinders innovation at large established companies, employees at startup firms are encouraged to implement creative solutions. Consequently, these workers are able to utilize their unique talents to make substantial contributions to society, resulting in a high degree of productivity and satisfaction.

## Employment Generated by Venture Investments

---

This document is co-authored by Rick Brimacombe, General Partner, and Bryce Bowman, Analyst. For any questions pertaining to this paper or any other matter concerning Sherpa Partners LLC, they can be reached by phone, mail, or email via the contact information provided below:

Rick Brimacombe  
General Partner  
(P) 952-942-1074  
(F) 952-942-1071

[rick@sherpapartners.com](mailto:rick@sherpapartners.com)

Bryce Bowman  
Analyst  
(P) 952-942-1080  
(F) 952-942-1071

[justin@sherppartners.com](mailto:justin@sherppartners.com)

Sherpa Partners, LLC  
5050 Lincoln Drive  
Suite 490  
Minneapolis, MN 55436

This publication is intended for limited distribution to clients and associates of Sherpa Partners, LLC. Use or distribution by any other person is prohibited. Copying any part of this publication without written consent of the authors is strictly prohibited. The information and opinions contained in this document have been compiled or arrived at based upon internal research. All information and opinions provided herein are subject to change without notice and are for information purposes only.