Securing Experience: Trends in Partner and MD Hiring Across US Private Equity Funds

Russell Reynolds Associates

Having moved to New York a year ago, Heather and I often reflect on the differences between the American and European markets. The US market may not be "too big to map," but its scale is striking, particularly when factoring in the number of investment firms deploying sub-$1 billion funds. With US AUM more than three times that of Europe, and the number of investment partners at least threefold higher, one might assume this translates into significantly more partner and senior MD hiring.

The reality is definitely more nuanced. While one of our clients recently celebrated tripling the size of their partner/MD cohort over three years as they scaled AUM and moved into new asset classes, this level of expansion is far from typical. Larger US funds benefit from deeper talent benches, built through consistently hiring large associate classes and replenishing talent after business school. Yet in the large-cap fund, senior partner hires have focused less on adding headcount and more on bringing in sharper sector or domain expertise, particularly in healthcare and technology. In the mid-cap market, firms have expanded partner ranks in step with fund growth to ensure they can source effectively and lead deals at scale.

Senior hiring remains slow and costly, with extended notice periods, restrictive non-competes, and carried interest buyouts (and the perceived value) often prolonging searches. New hires also require time to establish themselves before making a meaningful impact.

To better understand these dynamics, Russell Reynolds Associates analyzed partner and senior managing director (MD) moves across leading US funds, studying over 1,300 senior investors within the 140 US PE firms with funds of $2 billion or more. Our analysis covers three periods: 2018-2019, before the pandemic; the growth years of 2020-2022; and 2023 to date (July 2025).

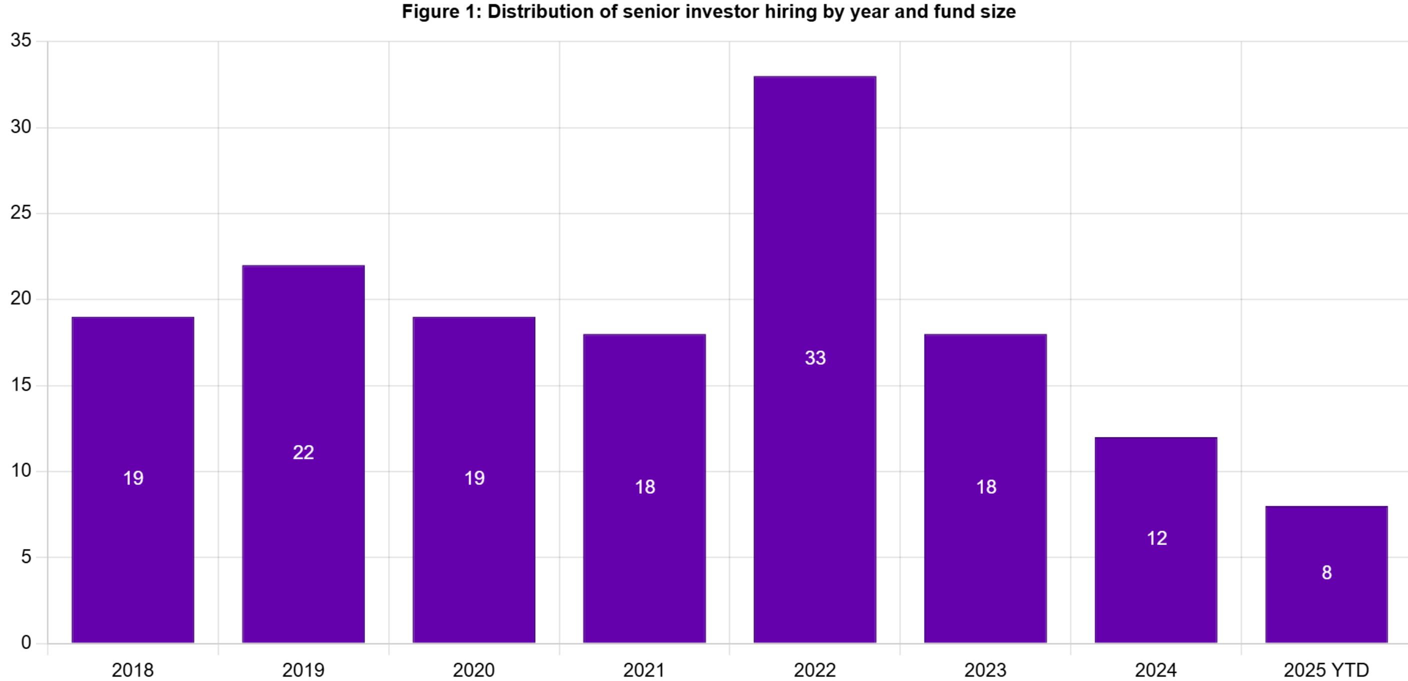
Movement timing and destinations

Senior hiring has fluctuated meaningfully year by year. Of the 149 partner and MD transitions since 2018, representing 11% of today's senior cohort, activity was relatively steady from 2018 through 2021, averaging around 20 moves annually. The clear peak came in 2022, with 33 transitions in a single year, accounting for nearly a quarter of the total moves. Hiring then slowed sharply, with only 18 moves in 2023, 12 in 2024, and fewer than 10 year-to-date in 2025 (Figure 1). Despite these shifts, the experience level of hires has remained consistent, with a median of 14 years in investing across all years.

This trend mirrors industry dynamics. In 2021 and 2022, there were record funds being raised and deal activity was high. Since 2023, deal activity has slowed and fundraising has become more difficult, with a number of funds taking longer to raise capital and many settling for flat or smaller fund sizes.

Smaller funds, those of $2 billion to $5 billion, have been the most active, accounting for half of all senior hires in our analysis. Many of these hires followed successful larger fundraises. Only 23% of the moves occurred in funds of $5 billion to $10 billion, and 27% in funds over $10 billion. Larger firms, with bigger VP intakes and deeper talent benches, typically rely less on external senior hiring, doing so mainly when building out new sector teams or pursuing new strategies, namely smaller funds.

Figure 1: Distribution of senior investor hiring by year and fund size

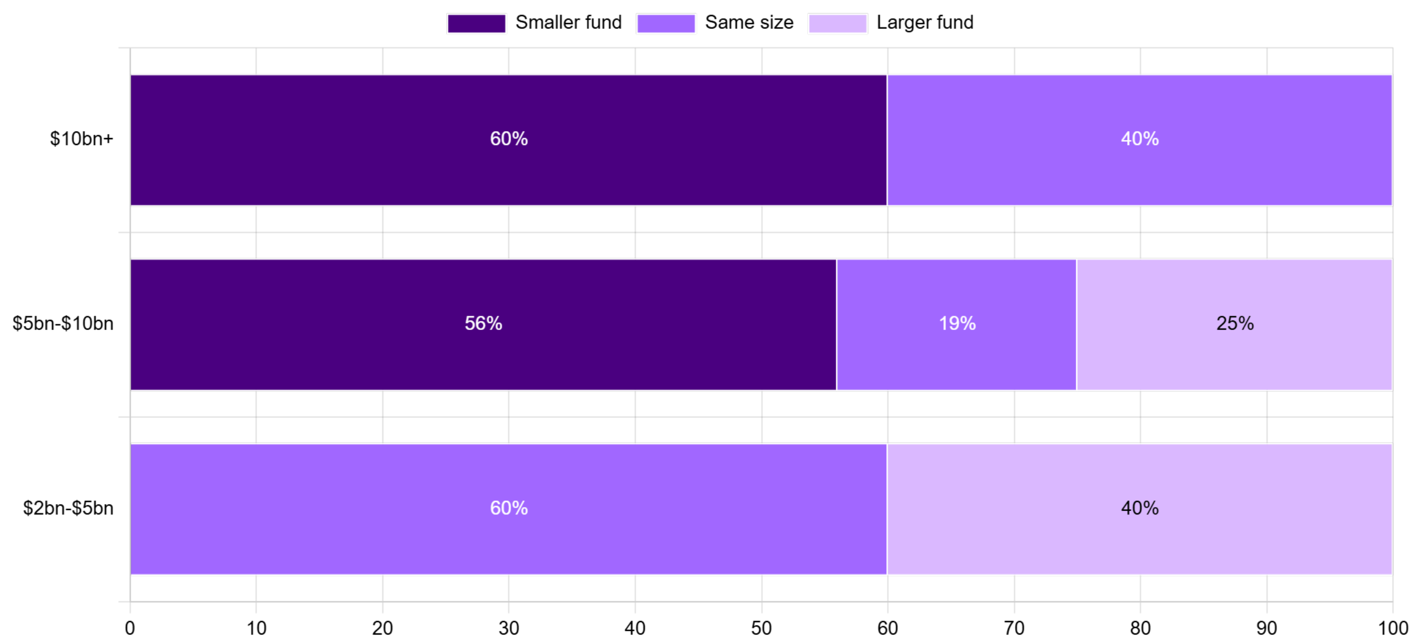


Source: Russell Reynolds Associates analysis, N = 149 investors across 140 funds

The majority of the 149 transitions (87%) came from within private markets, including venture capital and sovereign wealth funds. Only 13% were external hires from other industries, most commonly investment banking. As the market has matured, skepticism has grown over whether people from outside the industry can pivot and become successful investors.

Overall, more investors moved to smaller funds than larger ones. The small-cap group tended to move between funds of a similar size (Figure 2). Investors in the $5 billion to $10 billion range moved both up and down in fund size, while direct moves between large-cap funds occurs less frequently.

Figure 2: Direction of senior investor moves by fund size



Source: Russell Reynolds Associates analysis, N = 114 investors moving between funds of $2bn or more

Despite fundraising challenges, we continue to see strong appetite among senior investors with strong track records to establish their own funds, often motivated by a desire to return to a more entrepreneurial environment and have greater ownership of outcomes. Since 2018, almost 2,000 new buyout firms have been registered in the US, with more than 70 raising funds of over $200 million in the last five years.1 These platforms typically have a minimum of two partners, many of whom have exited larger firms to build something on their own terms. Certain large-cap firms have become particularly fertile incubators for new funds, while others see partner departures more commonly tied to retirement. This dynamic raises a number of interesting questions for further exploration.

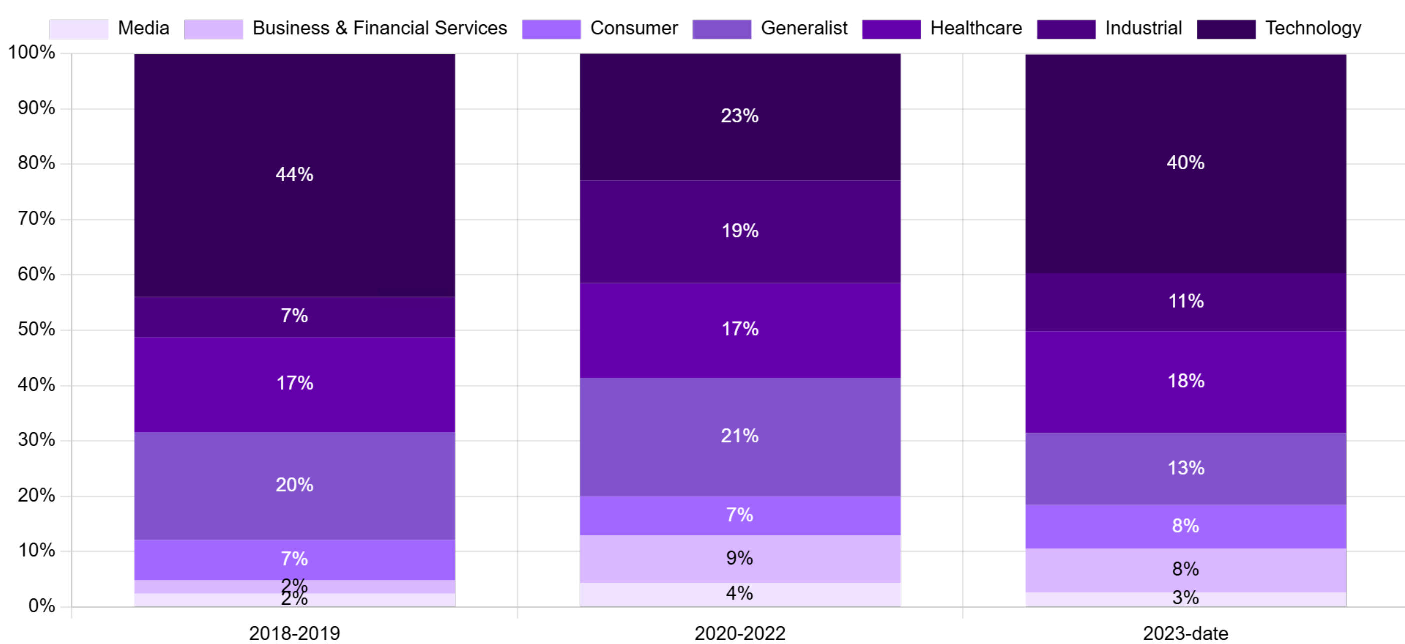
Sector-specific patterns

Unsurprisingly, the technology industry has made the most senior hires and is the only sector to dominate across all fund sizes and market cycles (Figure 3). During the pandemic, hiring for healthcare and industrials increased as firms pursued crisis-driven opportunities such as pharmaceuticals, therapeutics and supply chain, resilience. Post-pandemic, technology has reasserted its dominance, with healthcare in second position as a defensible growth engine. While overall interest in industrials has cooled, reflecting the sector's cyclical nature and lingering tariff uncertainties following "Liberation Day" in April 2025, hiring for aerospace & defense (A&D) and building products specialists has risen, supported by stronger deal flow and heightened investor interest.

Private equity hiring in the consumer, business services and financial services sectors accounts for just 18% of the 149 transitions. Within this group, consumer stands out in the $5 billion to $10 billion fund range, with nine moves, which is surprising given that many funds are pulling back or narrowing their focus within the sector. Although business services are estimated to account for over 40% of private equity deals, this is not fully reflected in senior hiring. Many funds classify business services under industrials or financial services, obscuring the true demand for leadership talent in this high-activity sector.

In our review, generalist hires - those recruited to work in more than one sector - accounted for 19% of senior moves since 2018. The most activity came in 2022, when record fundraising enabled general partners to expand leadership benches and pursue opportunities across industries. Since 2023, generalist hiring has slowed markedly in traditional private equity but has increased in all-weather strategies, particularly with hybrid funds.

Figure 3: Trend of senior investor moves by sector



Source: Russell Reynolds Associates analysis, N = 149 investors across 140 funds

What does this mean?

Hiring trends reflect market positioning, shaped by macroeconomic and fundraising cycles, and provides a forward-looking signal of where managers expect to create alpha. The key conclusions from our analysis:

- **Hiring mirrors cycles:** Senior appointments peak during industry booms, underscoring the cyclical nature of leadership expansio.
- **Talent signals strategy:** Shifts in senior hires offer early insight into general partners' sector focus and investment priorities.
- **Specialization dominates:** Firms increasingly seek sector expertise, while generalist hiring declines. Deep industry knowledge and networks offer decisive advantages in sourcing deals and driving value creation.s.

Partner and MD hiring in private equity has been a small but strategically significant part of industry moves since 2018, indicating where firms see growth opportunities and how they plan to compete. Emphasis is increasingly on track record, sector expertise and adaptability. High-performing leadership teams are best positioned to navigate evolving market dynamics and demonstrate clear execution capability to limited partners.

With increased focus on the importance of value creation and the pressure on exits, it's clear that partners are expected to do more than just originate and execute deals.

Stay tuned for upcoming RRA research, which will analyze exits and track where investors are moving when leaving funds.

Authors

Emily Taylor co-leads Russell Reynolds Associates' Private Capital practice. She is based in New York and London.

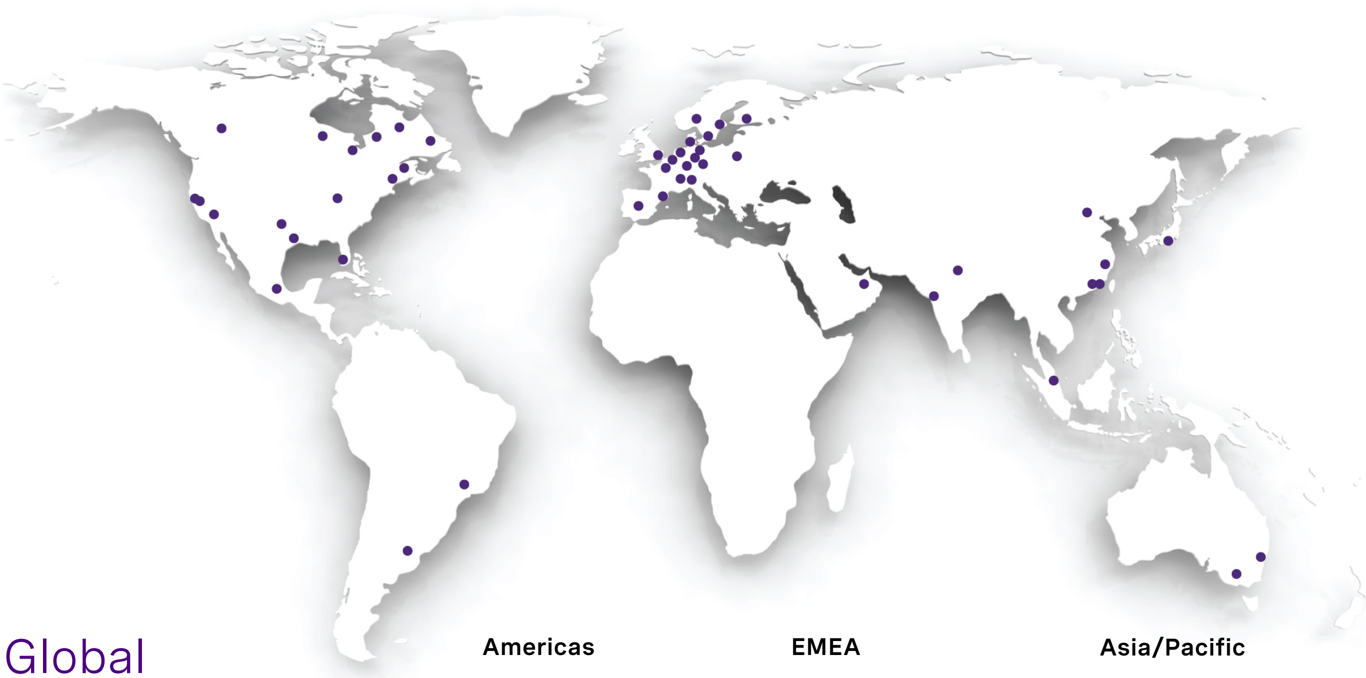
Heather Hammond co-leads Russell Reynolds Associates' Private Capital practice. She is based in New York.

Courtney Byrne is a member of Russell Reynolds Associates' Private Capital Commercial Strategy & Insights team. She is based in London.

About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

www.russellreynolds.com



Global offices

Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St.Paul
- Montreal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

EMEA

- Amsterdam
- Barcelona
- Berlin
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo