Why companies are staying private longer, and what it means for investors



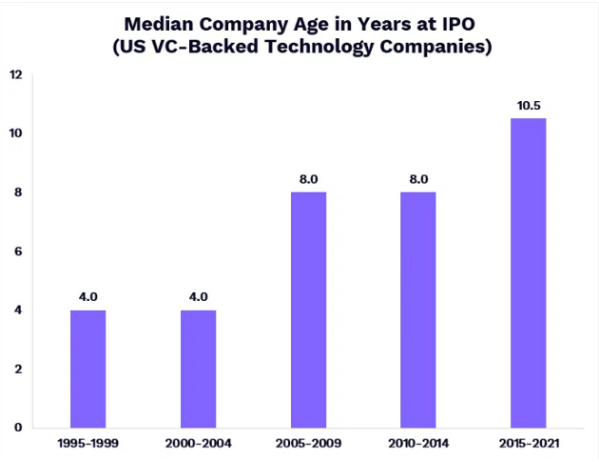
On 11 June 2026, SpaceX priced the largest IPO on record, raising $75bn at a valuation of $1.77tn after more than two decades as a private company, Reuters reported. When Amazon listed in May 1997, less than three years after it was incorporated, its $18 offer price was valued at around $430mn, based on its IPO prospectus. Anthropic, valued at $965bn in a private funding round in May, made its own IPO filing public in late October. This gap shows a fundamental change in the relationship between private and public markets

Investors who bought Amazon at its IPO captured most of its rise. Those buying today's giants arrive after years of growth that only private investors could reach. That shift has contributed to turning private markets into a central source of capital and opened them to a far wider range of investors. As companies stay private for longer, what does this shift mean for investors, and will the next generation of Amazon-like growth stories still unfold in public markets, or will we see more of that value creation take place while companies are still private?

Morgan Stanley counts more than 17,200 US private businesses with revenue above $100mn, against fewer than 4,060 listed companies of that size. That being said, not every private company is a future IPO candidate. In fact, most private businesses, from family-owned manufacturers and private banks to local shops, have no plans to list. On top of that, many private companies that may have the intention of going public face difficulties along the way and fail. The giants in the headlines are a small, unusual slice of that universe.

A longer road to the stock market

Companies now take far longer to list. The median US venture-backed technology company that went public between 1995 and 1999 was four years old, according to ARK Investment Management. For those listing between 2015 and 2021, the median had risen to 10.5 years, and in 2025 the median technology IPO was 12 years old, according to Jay Ritter. Meanwhile, the public market has shrunk. The number of domestic companies listed on major US exchanges fell from about 7,500 in 1997 to just over 3,650 in 2025, CFA Institute notes. The listed market has also become more concentrated: the ten largest companies now make up about 41% of the S&P 500, roughly double their share in 2015, according to RBC Wealth Management. Part of the explanation is that many young companies never reach the stock market at all. In 2025, 995 US venture-backed companies were acquired, against 62 that listed, according to PitchBook.



Source: ARK Investment Management

Why is this shift happening now? The first reason is that private markets can now supply capital on a scale once available only to listed companies. PitchBook data also stated Anthropic's May round alone raised $65bn, and rounds of $100mn or more accounted for 87.5% of US venture funding in the first half of the year. Sovereign wealth funds, private equity firms, corporates and crossover funds, which invest in both private and listed companies, now compete to fund the leading names.

The rules have also changed. Before 2012, a US company with 500 shareholders of record was in effect required to start reporting publicly, a rule that helped push both Google and Facebook to list. The JOBS Act raised that threshold to 2,000 and excluded shares held through employee compensation plans, removing one of the main forces that once made an IPO unavoidable.

Staying private also spares companies the costs and constraints of public life. Underwriting fees alone average 4% to 7% of IPO proceeds, before the recurring costs of audits, compliance and investor relations. Listed companies must publish detailed quarterly results, exposing their strategy and margins to competitors while putting pressure on management to deliver short-term results.

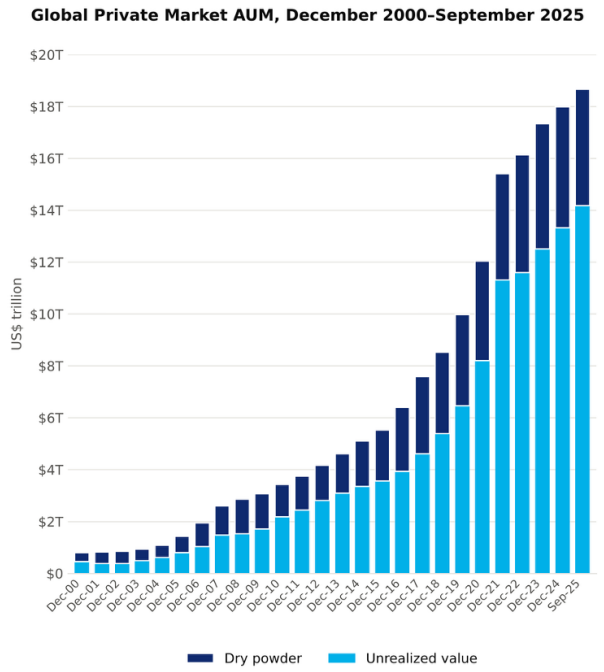
Private ownership allows founders to keep control and invest for the long term away from daily market scrutiny, an advantage for capital-intensive businesses such as AI. These companies require heavy upfront investment, making the flexibility to prioritise long-term growth over short-term earnings particularly valuable.

Finally, a listing is no longer the only route to liquidity. Through tender offers, which allow employees and early investors to sell shares before an IPO, 16,538 employees sold equity in 2025, the highest annual total in Carta's records.

For investors, the consequences are clear. Part of the high-growth phase that public shareholders once captured after an IPO now happens before it.

Private markets come of age

Capital has followed the companies. Private market assets exceeded $18tn by September 2025, according to CFA Institute. Preqin now forecasts more than $34tn by 2031. Between 2003 and 2024, private market assets grew 18-fold, against roughly 3.7 times for public market assets.

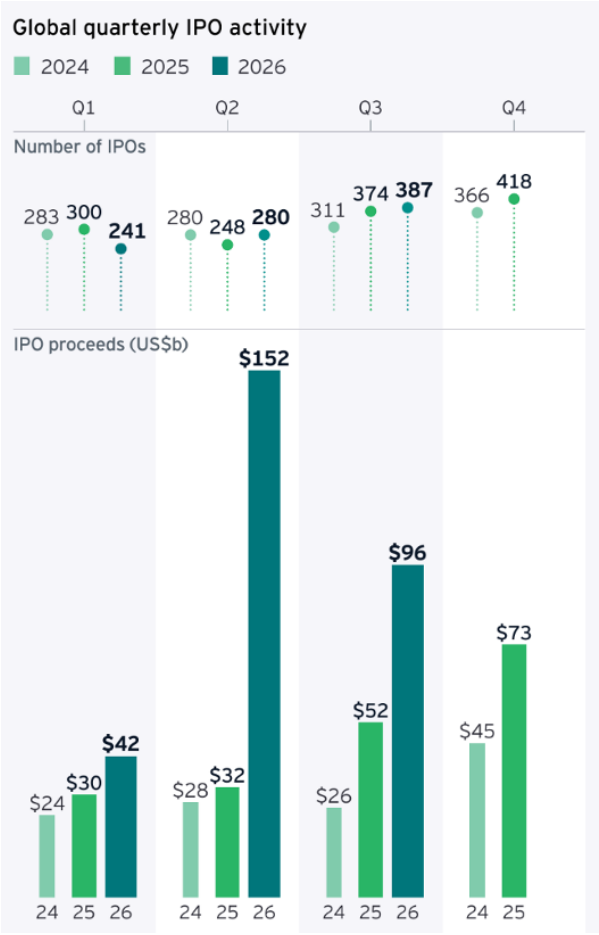


Source: CFA Institute, Preqin.

The growth reaches well beyond start-ups. Of the $5.74tn raised by the 100 largest private markets managers between 2021 and 2025, private equity accounted for 37.7% and infrastructure for 15.2%, according to PEI Group. As the market has grown, so has the market for exchanging existing stakes. Secondary deals in investors' holdings in private funds reached a record $240bn in 2025 and a further $118bn in the first half of 2026, according to Jefferies.

What this year's listings reveal

IPO proceeds have surged, but the recovery has been concentrated in a handful of exceptionally large deals. Global IPOs raised $290bn in the first nine months of 2026, more than double the $114bn a year earlier, despite a slight decline in the number of transactions, according to EY. For comparison, global IPO proceeds reached around $190bn in the full year 2000, at the height of the dot-com boom. The difference is that today's fundraising is driven by far fewer, much larger offerings. In the US, SpaceX's $75bn IPO and the $26.5bn raised by already-listed Korean chipmaker SK hynix through its US share sale accounted for more than two-thirds of the $147.5bn raised through September.

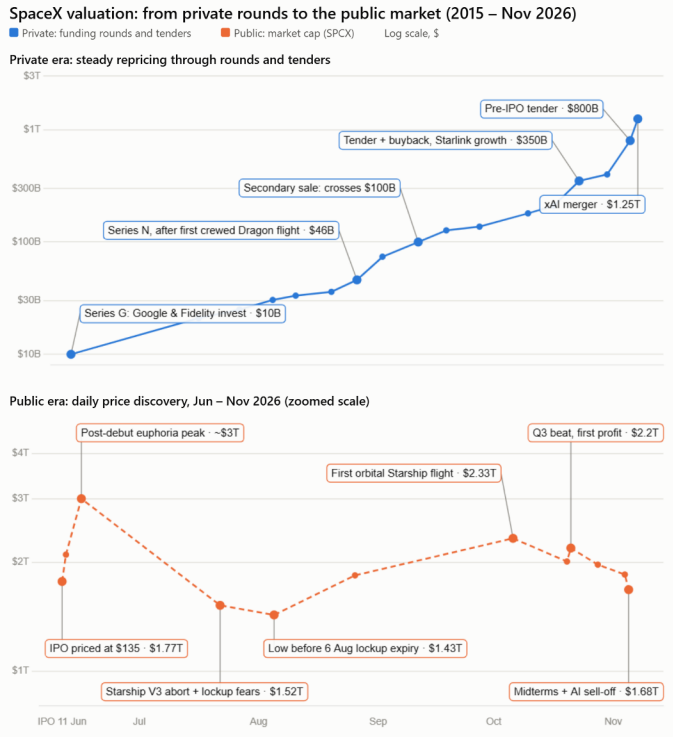


Source: EY

Public investors have also tested the prices set in private markets. SpaceX closed its first day 19.2% above its $135 offer price, and has since traded between $104.83 and $225.64, closing at $139.75 on 11 November. More broadly, an analysis of the 40 largest US IPOs since January 2025 by Uniqus, an IPO advisory firm, found a median return from offer price of minus 12.5% by 16 October, with 31 of the 40 trailing the S&P 500.

For private investors, one finding from the same analysis stands out: companies that listed below their last private valuation have held up better than those that listed above it. Secondary market data point the same way.

SpaceX illustrates the changing balance between private and public markets. Its valuation rose from roughly $10bn in 2015 to $1.77tn at its IPO, allowing private shareholders to capture much of that growth before listing. Its subsequent market capitalisation swings, from nearly $3tn to around $1.37tn, also reveals the volatility that private valuations can conceal. Alongside Anthropic, SpaceX has accounted for a significant share of recent private-market value creation, demonstrating the potential rewards of early access while underscoring the importance of diversification: opportunities of this magnitude are rare and difficult to identify in advance.



Source: KeepTrack, Axios, WSJ, Stocktwits, INDmoney, Finbold, PitchBook, getquin

The next test is days away. On 10 November, Anthropic set a share price range of $70–78, implying a fully diluted valuation of up to $1.4tn, below the $2tn or more some backers had expected. The gap comes amid a technology sell-off that has weighed on appetite for high AI valuations. Public trading is expected to begin on 19 November.

Understanding the trade-offs

Private markets are not replacing public markets, but they are becoming an increasingly important part of the investment landscape. The case for them rests on access to earlier growth and to strategies such as private credit and infrastructure, and long-term performance has supported it, with buyout funds outperforming comparable public markets on average over the 25 years to September 2025, according to MSCI. That access, however, comes on different terms.

The most important is time. The average holding period of venture capital investments has risen from about two years in 2000 to nearly six, according to MSCI.



Source: MSCI Private Capital Universe

Investing in a private company pre-IPO is typically a long-term commitment. Following an IPO, pre-IPO shareholders may remain subject to lock-up restrictions, with their duration and release terms outlined in the company's S-1 filing. That patience is part of what investors are paid for, but it needs to match their own horizon. Costs are also higher and vary by platform and jurisdiction, with transaction fees on pre-IPO shares typically ranging from 2% to 4% on regulated US platforms, according to Forge. Lastly, because private holdings are valued periodically and are marked-to-model in certain structures rather than priced every day based on the market, their valuations can lag reality, as this year's listings have shown. Deeper secondary trading along with other innovative solutions, such as Hyperliquid perpetual futures, are improving price discovery, but choosing the right manager and company remains as important as gaining access.

Conclusion

The longer road to listing has not made public markets less relevant, but it has changed what they offer. Listed shares still provide daily liquidity, transparent prices and audited reporting. Private markets offer access to the years when companies grow fastest, in exchange for time, cost and less frequent pricing. For long-term investors, the question is less which to choose than how to combine them, and how much illiquidity a portfolio can carry. Anthropic's debut, SpaceX's final lock-up release and the performance of the newer structures opening private markets to individual investors will offer a clearer test. As access to private markets expands, investors may have new opportunities to capture growth.

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