

# How startups create wealth

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4010 L07 pt1 - How Startups Create Wealth - <https://youtu.be/WLlgMrzGTPA>

4010 L07 pt2 - Risk in Startups - <https://youtu.be/6IS2IKkpVBE>

From Amazon S3 - for download (same as youtube videos)

4010 L07 pt1 - How Startups Create Wealth

4010 L07 pt2 - Risk in Startups

## Economics of Wealth in a Startup

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"Leverage" \* "Measure ability" = Wealth

1. How Startups Create Wealth
2. What is your time worth
  - \$102,204 (\$115,831 with MS in Computer Science) per year in 5 years
  - 2x - you work twice as hard ( 80+ hrs a week )
  - 3x - you are 3 times as productive because you "skip the BS"
  - 3x - you work on something important - an actual technology with productivity benefits
  - 18x as much This means 18 x 100,000 = 1.8 Mill a year = for a couple of years.
3. What are the risks
  - Bad product market fit
  - Can't raise capital
  - Wrong people
  - Business Fails
4. Leverage is Technology
  - Leverage is New financial instrument
  - Leverage is Other peoples money
  - Leverage is compounding of interest
5. Measure ability is Smallness
6. Fallacies
  - Fixed pie fleecy (I win you loose)
  - I can't sell
  - FOP / FOF / FOS
  - Security Blanket

- That you should “avoid” risk

## 7. Where is block chain in this

- Financial Instruments
- Productivity in Industry
- Supply Chain
- Financial Cleaning
- Shared Data

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