

Macro Roundup Article

Headline: Industries Without Investors

Article Link: <https://economistwritingeveryday.com/2024/01/11/industries-without-investors/>

Author(s)	James Bailey
Publication	Economist Writing Every Day
Publication Date	January 12, 2024

Tweet: VC firm Fifty Years takes a contrarian approach and highlights “massive markets with little startup investment and ripe conditions for disruption,” including the paper industry, home construction, plastics, and education. @1ArmedEconomist

Summary: Venture capital firm Fifty Years has done a nice job cataloging exactly which industries see the most, and least, investment relative to their size. Though unfortunately, they aren't very clear about their data source for it. They use this to create an “Opportunity Ratio”- current market size divided by current startup funding. They call the industries with the largest Opportunity Ratios the “Top Underfunded Opportunities.” I don't necessarily agree; some industries face shrinking demand, prohibitive regulation, or other fundamental issues making them bad candidates for investment. Conversely, investors haven't just focused on software randomly or through imitation; they see that it is where the growth is. Related: It's Mostly a Paper Moon: Alternative Investments Review and US Venture Capital Fundraising Hits A 6-Year Low and Mr. Toad's Wild Ride: The Impact Of Underperforming 2020 and 2021 US IPOs

Primary Topic: Investment

Topics: Financial Markets, GDP, Investment, Op-Ed/Blog Post, Productivity

Permalink: <https://www.edwardconard.com/macro-roundup/vc-firm-fifty-years-takes-a-contrarian-approach-and-highlights-massive-markets-with-little-startup-investment-and-ripe-conditions-for-disruption-including-the-paper-industry-home-c?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/01/Underfunded-Opportunities.png>