

The New York Times

Spending Well

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WORK AND SUCCESS

Talking Points

Have Friends, Live Longer

Having friends is good for your physical health, and the benefits appear to start early in life, according to a new study. Researchers used data from health surveys of more than 14,000 Americans from adolescence to old age. They measured social connections — in romantic relationships, with family and friends, and by participation in religious and social organizations. A lower score was associated with higher levels of C-reactive protein, a measure of general inflammation, higher blood pressure, higher body mass index and larger waist circumference.

Venture Capitalists Retreat

Venture capitalists pulled back from making new bets at the end of last year. In the fourth quarter of 2015, the amount of money funding private companies fell 30 percent from the previous quarter, to \$27.3 billion, according to a report from the research firm CB Insights. Deal-making dropped 13 percent over the same time period to 1,743 transactions. In 2015, venture funding peaked in the third quarter at \$38.7 billion. In total, funding for all of 2015 hit \$128.7 billion, nearly as much money as was deployed in 2013 and 2014 combined, the data showed.



Funny Ads for Super Bowl

For this year's Super Bowl, marketers want to have fun again. After last year's somber ads — particularly a Nationwide Insurance commercial that featured a child who turned out to be dead and elicited criticism online — some advertisers have already said they plan to rely on humor and heartwarming stories during the game on Feb. 7. On its "Crash the Super Bowl" website, Doritos is asking people to pick their favorite consumer-generated ad from among three spots and the winner will air during the game.

Newspapers Go Nonprofit

H.F. Lenfest, the owner of The Philadelphia Inquirer, The Philadelphia Daily News and Philly.com, announced on Jan. 12 that he had donated the publications to a newly formed nonprofit journalism institute, The Institute for Journalism in New Media. The publications will run independently. "My goal is to ensure that the journalism traditionally provided by the printed newspapers is given a new life and prolonged, while new media formats for its distribution are being developed," Mr. Lenfest said.

MATT ROURKE/
ASSOCIATED PRESS

STUART GOLDENBERG

An I.P.O. Can Power a Start-Up

TECHNOLOGY
FARHAD MANJOO

By going public, unicorns can gain credibility and focus on their business.

In early 2014, when the cloud storage company Box filed for an initial public offering, many on Wall Street looked at its numbers and laughed. Box's revenues were soaring, but its losses were growing, it had less than a year of cash remaining, and executives did not anticipate making a profit for years.

When Box eventually went public last January — after raising another round of private funds to delay its I.P.O. — its stock price briefly surged but has since lost about 40 percent since. The company reported that in the third fiscal quarter, it again increased sales, and it projected slightly higher sales in 2016 than it had previously expected.

Now, with a market valuation of about \$1.7 billion, Box is technically a "unicorn" — private companies valued at more than a billion dollars — but compared with some of those highflying start-ups, it could be mistaken for a pony. Dropbox, a cloud storage competitor that remains private, was valued at about \$10 billion in its last fund-raising round.

To many, Box's inauspicious debut on the stock market serves as a cautionary tale. While floating an I.P.O. was once seen as a rite of passage in Silicon Valley, in the last few years it has become a much bemoaned annoyance. Companies are waiting longer to go public, and thanks to a surge of money from hedge funds and mutual funds, young compa-



VICTOR J. BLUE FOR THE NEW YORK TIMES

PERFECT TIMING? An Etsy pop up shop in Times Square on April 16, the day e-commerce website went public. I.P.O.s offer a steady source of funding.

nies have been given resources to stay private for years on end. Go out to the public markets before you're bulletproof, the thinking goes, and you'll get crushed. No one wants to be the next Etsy, Hortonworks or Box, all of which now trade below their I.P.O. price.

But what if Box gets the last laugh? Despite the company's languishing stock price, it's possible that a few years from now many may look back on Box's I.P.O. as a masterly timed bit of corporate strategy — an initially painful move that ultimately rewarded investors, improved employees' financial stability, provided executives with independence from unpredictable private investors and pushed the company to adopt a more structured path toward profitability.

We may also wonder why other unicorns didn't go public sooner. To understand why, it helps to look at the market for private tech fund-

ing and how it is affected by public valuations. Several unicorns have discovered that taking money from mutual funds and other large investors brings public scrutiny.

The mutual fund company Fidelity and others must regularly report assessments of their private-company holdings, and lately they've calculated that start-ups like Snapchat and Dropbox are worth less than what the funds paid for them. Dropbox's valuation, in fact, may now be tied to Box's, since large investors look at comparable public companies to help determine the value of their private investments.

By going public first, Box has boxed in Dropbox's horizons — and if Dropbox ever goes public, it's going to have to explain why investors should pay a premium over its already public competitor. (Dropbox declined to comment.)

The same logic applies to employ-

ees. If you're an engineer looking to work at a cloud storage company, you could go to Dropbox, where you'll receive stock options at a lofty \$10 billion valuation that you'll have a hard time turning into actual money. Or you can go to Box, in which you'll get shares at a relatively reasonable valuation that can also be traded on the public market.

"It's great to be public," said Aaron Levie, Box's chief executive, citing the unpredictability of the private funding market.

While some tech founders are concerned that public companies have to report earnings every quarter, spurring short-term thinking, Mr. Levie said, "The three-month timeline allows you to create a strong internal rhythm of hitting your goals and accomplishing what you set out to do."

James Park, chief executive of the wearable device maker Fitbit, said his company's public offering last June was beneficial. "It's given us a lot more visibility and credibility and helped with recruiting," he said. "It gave us currency in terms of cash and stock to make acquisitions."

Bill Gurley, a partner at the venture capital firm Benchmark, argues that when businesses are hit with difficulties, public companies have more options for weathering the storm. The series of investments that make up a typical start-up's fund-raising structure don't do well in adversity, Mr. Gurley said.

In contrast, public companies can withstand long spells of skepticism. Amazon, Apple, Google, Netflix and others have gone through fallow periods in which the world doubted their long-term prospects. Those times were painful, but as public companies each managed to survive the downturn.

As Economy Recovers, Females Over 50 Are Left Behind

WORKING
PATRICIA COHEN

The signs of an improving economy were good enough to help persuade the Federal Reserve to raise interest rates. But the better job market is not good enough to land Chettie McAfee a job.

Laid off at the start of the recession from a diagnostic testing firm in Seattle, Ms. McAfee, 58, has not worked since 2007. "I've been applying and applying and applying," said Ms. McAfee. At interviews, she said, "They ask, 'Why has it been so long?'"

At 5 percent, the jobless rate may be close to what economists consider full employment, but that figure doesn't capture the millions of Americans who have yet to regain

their footing in the workplace.

Ms. McAfee is part of a group that has found the postrecession landscape particularly difficult to navigate: women over 50.

A new study on long-term unemployment from the Federal Reserve Bank of St. Louis found that the prospects for women over 50 darkened after the Great Recession. In 2006-7, less than a quarter of the unemployed in this group had been out of work for more than six months. By 2012-13, older jobless women accounted for half of the long-term unemployed.

"How long people take to find a new job has been much longer than in previous recessions," said Alexander Monge-Naranjo, an author of the St. Louis Fed study. "The natural question is, Why?"

When it comes to women over

50, one theory is that those who dropped out of the labor force to take care of children can't easily get back in.

That has been Lynn Colafrancesco's experience. Once a vice president at a reinsurance company, Ms. Colafrancesco, 59, started looking for a full-time job three years ago. As soon as she mentioned that she had taken off time to care for two children, she could see in the interviewer's face that she had been summarily dismissed. "Now I don't even mention about my kids," Ms. Colafrancesco said.

While older workers generally have lower unemployment rates than younger ones, those who find themselves jobless tend to find themselves stuck there for longer. And women 55 and older who lose a job have more trouble than men get-

ting another one, said Sara E. Rix, an analyst.

The type of occupations dominated by women may play a role.

"Public teacher employment is still below what it was in 2007," said Elise Gould, senior economist at the liberal Economic Policy Institute. "And that definitely disproportionately affects women."

While unskilled workers are at the greatest disadvantage when it comes to finding work, many older women with impressive educational credentials tell discouraging tales of being turned down for jobs.

As for Ms. McAfee, she now recognizes that it is all too easy for almost anybody to fall over the edge. "I did everything you're supposed to do," she said. "Now I'm on the other side of the rainbow, and it's not pretty over here."



RUTH FREMSON/THE NEW YORK TIMES

STILL LOOKING Chettie McAfee hasn't been able to find a job since 2007.

Ben Sprague, Courtney Brehaut, Cynthia Fogg and Nazrin Dixon

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