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## Down Goes the Unicorn

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STAFF WRITER

The past couple of years in venture capital have taught us that a unicorn isn't just a mythical animal. There has been an influx of "unicorn" startups, especially in Silicon Valley. Venture capitalist Aileen Lee coined the term in 2013 to describe a private company with a valuation of more than one billion dollars. There are reportedly more than 400 unicorn companies around the world, according to CB Insights. Airbnb, DoorDash, WeWork, and Uber are a few American unicorns

have gone public. All three companies, post-IPO, have seen their market capitalization drop significantly from their IPO valuations, PC Mag reports. With the promise that these unicorns show, what could be the reasons for their post-IPO losses? A constant pattern with unicorns seems to be that they build up so much hype, and garner so much investment money, before they can even start scaling their products to the mass market. In addition, these companies are not able to accurately

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that have attracted investors with their disruptive natures. The buzz and excitement surrounding unicorns have led to something of an untouchable status for these companies. However, some unicorns do not live up to their expectations. WeWork's failed initial public offering (IPO) is a prime example of this. It convincingly sold its concept of the shared office space to investors such as SoftBank's Masayoshi Son, who quickly bit with a couple billion dollars of investment money. While unicorn startups wow at first sight with their innovation, the hype around them quickly dies out once they become larger.

Many prized unicorns seem to impress people with their ability to infuse technology into their core business product. This kind of technological prowess attracts the attention of investors who believe that tech companies are the companies of the future. Uber, Lyft, and Slack are some of the most recent unicorns to

project how their products will perform in the future, especially given the disruptive nature of technology. The promise that unicorns show in the beginning is not always sustained when they get larger and go public.

The current state of unicorn companies post-IPO leads to speculation about their futures. How can these promising startups sustain the momentum they had in previous funding rounds? Before we can even answer this question, we should think about the nature of companies such as Uber and DoorDash that simultaneously compete in two different markets. For example, Uber does not seem to have the market pricing power to pay drivers less or charge riders more, so it is difficult to achieve sustainable profitability. The business models of some of these companies could be what are hurting their profitability. This lack of profitability is difficult to explain, because the services of

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## Why He Won

By ERIC FISCHER  
EDITOR-IN-CHIEF

Ever since the 2016 election, pundits and others who follow politics have been trying to answer two basic questions: What happened? Why did he win? My personal attempt to answer these questions has been shaped by my time at a college where the student body and faculty lean left. What follows here is a collection of experiences I've had that make me think: "this is why he won." They are presented briefly, with minimal analysis. I don't believe they provide the whole picture of President Trump's 2016 victory, and I'm not even certain they are too significant. But they have seemed true enough to me.

On election night, I watched the returns in the basement common room of North Residence Hall with some friends. The reactions ranged from confidence in Secretary Clinton's victory to an uneasy feeling that a surprise might be in the making. One acquaintance left to scream and cry outside the building. I understand strong emotions, but this struck me as

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verging on the absurd. News coverage described a Clinton campaign that was hesitant to concede even in the face of apparently long odds. Clinton did not give her concession speech until late the following morning. Those reactions by the campaign and the candidate struck me as arrogant:

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Uber, DoorDash, and Slack are so

valuable to millions of people. Since they are valuable services, we can be sure that people will continue to

use them. But it might take a long time for these companies to become very profitable if profitable at all.

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an extreme disbelief that Clinton could have lost to Trump. They also highlighted what seemed like a complete inability to understand why anyone might find even a little redeeming value in Trump.

A friend later described Hamilton as a liberal blue dot “in a sea of red racism.” While he is probably right that Hamilton is more liberal than its general surroundings, I was put off by the broad brush stroke, calling the

foster agreement out of discord is not the way forward for a society. Like the previous comment, it gives people an out: don’t listen or find agreement, just remove the right to vote in the first place.

In a conversation about West Virginia, a friend was dismissive to the extreme. As he discussed the opioid epidemic ravaging the state and the rest of the Rust Belt, he was cool to the suffering and the lack of opportunity in these areas. He described people

it also wasn’t an attempt at humor. It played off of a preconceived notion (mostly northeasterners’) of the South. (A later show of hands showed that nobody thought of him- or herself as a southerner.) The answer displayed a sizable amount of elitism and a disdain for those hillbillies down there who vote Republican. Rather than a plausible argument against having states, it served as an argument for them, since it might be good that the attitudes behind such snide comments cannot be imposed on other states, including Alabama, as long as they exist--especially since the disconnect between so many of the people in the different parts of our country is extreme.

Each one of these vignettes can be discussed, perhaps for hours. I also completely understand that these stories are divorced from the context that might add more nuance. That, however, is less important than thinking about how each of them makes people feel. For if voters think the small experiences they encounter

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area racist so easily. No evidence was presented, not even a single anecdote which might be extrapolated to the population. Just “a sea of red racism.” Painting one’s political opposition as racist or sexist or homophobic, as so often happens, is an easy way to explain away more complicated factors. It reduces people’s opinions, emotions, and experiences to a single dirty word which can easily be dismissed. This story, like others, makes me think “this is why he won” because it displays an inability to delve into the roots of others’ political convictions.

I heard an argument that old people should not be allowed to vote because they won’t be around long enough to see the effects of their votes. I strongly disagree with this, but I didn’t think “this is why he won” until I heard, as an aside, that it was even more OK because older voters are Trump voters anyway. Silencing a group by disenfranchising them in the political process which is supposed to

living there as hicks and idiots, and questioned why they didn’t just learn to code, as if getting such a job was a magic wand which can fix all such ills. In a separate discussion, he exuded great compassion for illegal immigrants

and the challenges those communities face. I wondered why he was able to display such compassion for only one group of people and not another.

A professor asked a class for thoughtful, fact-based reasons why the United States should not have states. A number of well thought-out, rationally debatable answers followed. But one student responded simply, “Alabama.” It was humorous, sure, and I chuckled, but it was also a sign. That answer was neither thoughtful nor fact-based but

*. . . if voters think the small experiences they encounter in their daily lives should influence their votes, then those are part of what decides elections.*

in their daily lives should influence their votes, then those are part of what decides elections. I know I will keep on gathering these stories as we ramp up into the 2020 election cycle. Without trying to build a grand thesis about what happened in 2016 and why, I think it’s important for me and all of us to understand how the little situations and comments we experience in our lives may not only reflect, but also affect, the broader political environment.

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## CONTINUE THE CONVERSATION

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2. *Why He Won*  
#WhyHeWon