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## Is This Tech Boom Different?

Money is flooding into Internet and technology ventures. Who will pay if this is a bubble that bursts?

by Paul Saffo

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### A Game for Elites, Not Day Traders

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The bubble is back, but look closely and it is a very different bubble from the one that burst a decade ago. That bubble was inflated by naïve optimism over the Internet's short-term potential. In contrast, this bubble is being fueled by big money's grim search for returns in a parched investment landscape. Plenty of investors count themselves lucky to be in Facebook. But this time none of them are bragging about it at cocktail parties.

The biggest difference, however, lies in who gets to play this time around. In the 1990s, valuations generally didn't soar until after companies went public. This made it a public bubble, a bubble of the masses, of day traders, giddy housewives and middle-class optimists borrowing against their homes to get into the game.

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In contrast, this bubble is a private affair, open only to financial elites and the uber-rich. The last bubble played out on Main Street; this bubble is being played in the casino of the financial gods.

So the little guy doesn't get the chance to be as foolish as the financial wizards this time around. But we had all better hope that the current crop of frothy companies actually grow into their valuations and this bubble gently disappears.

Even though ordinary investors have been locked out of the game, should this bubble burst, the financial elites will most certainly find a way to shift the consequences of their folly onto the rest of us.

<http://www.nytimes.com/roomfordebate/2011/03/30/are-we-heading-for-another-tech-bubble/a-game-of-financial-elites-not-day-traders>