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## Elon Musk Biography



Elon Musk  
AP/Wide World Photos.

### (1971 • South Africa

#### Entrepreneur, philanthropist

Elon Musk was a multi-millionaire by the time he reached the age of thirty-one thanks to his creation of the company that became PayPal, the popular money-transfer service for Web consumers. Musk has become one of a new breed of what the *New York Times* called "thrillionaires," or a class of former high-tech entrepreneurs who are using their newfound wealth to help turn science-fiction dreams into reality. Musk is the founder of Space Exploration Technologies, or SpaceX, a company based in El Segundo, California. In 2005 SpaceX was busy building the Falcon rocket, which he hoped could some day make both space tourism and a colony on the planet Mars realistic goals for humankind.

#### Sells homemade video game

Musk is a native of South Africa, born in 1971 to parents who later divorced. His father was an engineer and his mother—originally from Canada—was a nutritionist. Musk was fascinated by science fiction and computers in his adolescent years. When he was twelve, he wrote the code for his own video game and actually sold it to a company. In his late teens, he immigrated to Canada in order to avoid the required military service for white males in South Africa. It was still the era of apartheid, the South African legal system that denied political and economic rights to the country's majority-black native population. Musk was uninterested in serving in the army, which was engaged at the time in a battle to stamp out a black nationalist movement. Thanks to his mother's Canadian ties, he was able to enroll at Queen's University in Kingston, one of Ontario's top schools.

Musk had planned on a career in business, and he worked at a Canadian bank one summer as a college intern. This was his only real job before he became an Internet entrepreneur. Midway through his undergraduate education, he transferred to the University of Pennsylvania, where he earned a bachelor's degree in economics and a second bachelor's in physics a year later. From there, he won admission to the prestigious doctoral program at Stanford University in California, where he planned to concentrate on a Ph.D. in energy physics. He moved to California just as the Internet boom was starting in 1995, and he decided he wanted to be in on it, too. He dropped out of Stanford after just two days in order to start his first company, Zip2 Corporation. This was an online city guide aimed at the newspaper publishing business, and Musk was able to land contracts with both the *New York Times* and the *Chicago Tribune* to provide content for their new online sites.

Musk was just twenty-four when he started the company, and he devoted all of his energies to see it succeed. At one point,

"Failure is an option here. If things are not failing, you are not innovating enough."

he lived in the same rented office that served as his company's headquarters, sleeping on a futon couch and showering at the local YMCA, which "was cheaper than renting an apartment," he explained in an interview with Roger Eglin of the *Sunday Times* of London. Still, the company struggled to fulfill its contracts and meet the payroll and other costs, and he looked for outside financing. Eventually a group of venture capitalists, investors who provide start-up money to new businesses, financed Zip2 with \$3.6 million, but he gave up majority control of the company in exchange.

## Starts online bank

In the end, Musk's decision was a smart one. In February 1999 Compaq Computer Corporation bought Zip2 for \$307 million in cash, which was one of the largest cash deals in the Internet business sector at the time. Out of that amount, Musk was paid \$22 million for his 7 percent share, which made him a millionaire at twenty-eight. In 1999, he used \$10 million of it to start another company, which he called X.com. This was an online bank with grand plans to become a full-range provider of financial services to consumers. The company's one major innovation was figuring out how to securely transfer money using a recipient's e-mail address.

Musk's proven track record from Zip2 helped it gain serious attention and generous investors right away. Two important executives signed on with him: investment banker John Story and Bill Harris, the former chief executive officer of Intuit Corporation, the maker of the best-selling Quicken accounting software as well as TurboTax, a tax-preparation program. Harris was appointed president and chief executive officer of X.com, with Musk serving as company chair. The company received a generous infusion of \$25 million in start-up capital from Sequoia Capital, a leading venture-capital firm in California.

X.com went online in December 1999 with a bold offer for new customers: those who opened an online checking account with X.com received a \$20 cash card that they could use at an automatic-teller machine (ATM). If they referred a friend, they received a \$10 card for each new member who signed up. Within two months, X.com had one hundred thousand customers, which was close to the number reached by its major competitor, Etrade Telebank. But consumer skepticism about the security of online banking was X.com's biggest obstacle to success, and there was a setback when Musk and the other executives had to admit that computer hackers had been able to perform some illegal transfers from

traditional bank accounts into X.com accounts. They immediately started a new policy that required customers to submit a canceled check in order to withdraw money, but there were tensions in the office about the future of the company.

## Buys PayPal

In March 2000, X.com bought a company called Confinity, which had started an Internet money-transfer presence called PayPal. PayPal was originally set up to let users of handheld personal digital assistants, or PDAs, transfer money. It had only been in business a few months when X.com acquired it, and Musk believed that its online-transfer technology, which was known as "P2P" for "person-to-person," had a promising future. He and Harris did not agree, and Harris resigned from X.com in May 2000. Five months later, Musk announced that X.com would abandon its original online bank and instead concentrate on turning itself into the leading global payment transfer provider. The X.com name was dropped in favor of PayPal.

PayPal grew enormously through 2001, thanks in part to its presence on eBay, the online auction Web site where person-to-person sales were happening in the hundreds of thousands. When PayPal became a publicly traded company with an initial public offering (IPO) of stock in February 2002, it had an impressive debut on the first day of Wall Street trading. Later that year, eBay bought the company outright for \$1.5 billion. At the time, Musk was PayPal's largest shareholder, holding an 11.5 percent stake, and he netted \$165 million in valuable eBay stock from the deal.

By then Musk had already moved on to his next venture. In June 2002 he founded SpaceX, or Space Exploration Technologies. He had long been fascinated by the possibility of life on Mars and was a member of the Mars Society, a nonprofit organization that encourages the exploration of the red planet. Filmmaker James Cameron (1954–) is one of several notable Mars Society members. Musk wanted to create a "Mars Oasis," sending an experimental greenhouse to the planet, which in favorable alignment of the planets is about 35 million miles distant from Earth. His oasis would contain a nutrient gel from which specific Mars-environment-friendly plant life could grow. His plan had a cost of \$20 million. But then he learned that to send something into space with the standard delivery method, a Delta rocket made by the Boeing Corporation, would add another \$50 million to the cost. Musk even tried to buy a rocket from Russia, but realized that dealing with the somewhat suspect international traders who dealt in such underground, or illegal, items was just too risky.

## Borrows *star Wars* >name

Musk thought that maybe he might be able to build his own rocket instead. He began contacting innovators and technicians in the American aerospace industry, and he managed to lure some experienced engineers and technical specialists away from companies like Boeing and TRW to come and work for him at SpaceX's headquarters in El Segundo, California. He had a much more difficult time attracting venture capital for this idea, however. "Space is pretty far out of the comfort zone of just about every VC on Earth," he admitted to Matt Marshall of the *San Jose Mercury News*. Instead, he was forced to put up his own money to build what would become the first reusable rocket in the private sector.

Musk and his new SpaceX team began to build two types of Falcon rockets. The name came from the "Millennium Falcon," the spacecraft in the *Star Wars* movies. The plan was to build a rocket by using existing technology and at the lowest possible cost. The Falcon I, for example, uses a pintle engine, which dates from the 1960s. It has one fuel injector, while standard rockets used by the U.S. National Aeronautics and Space Administration (NASA) generally use what is known as a "showerhead" design that features several fuel injectors. The company also needed a theodolite, which is used to align rockets, and instead of buying it new, they saved \$25,000 by finding one on eBay.

There are other, equally expensive costs associated with rocketry. Since Musk's design would be reusable, the company needed to get back the rocket's first stage, which the rocket sheds as it leaves the Earth's atmosphere. The part usually falls into the ocean, according to safety plans, but retrieval at sea is expensive.

## The New "Thrillionaires"

Microsoft co-founder Paul Allen (1953–) is ranked the seventh richest person in the world. Allen has used his wealth to finance *SpaceShipOne*. This private manned spacecraft, built by aircraft design pioneer Burt Rutan (1943–), was the first of its kind to reach suborbital space twice, which it did in 2004. For this two-time achievement, *SpaceShipOne* met the conditions of the \$10 million Ansari X prize, established by the X Prize Foundation to encourage private entrepreneurship in aerospace.

Doom video game co-creator **John Carmack** (1970–; see entry) founded a computer game development company called id Software in 1991. He is considered one of the most gifted programmers ever to work in the gaming industry. He was one of the creators of the successful *Doom* and *Quake* games, which sold millions in the 1990s and attracted legions of devoted fans. In 2000, Carmack funded a new venture, Armadillo Aerospace in Mesquite, Texas, with the goal of building a manned suborbital spacecraft. It lost its bid to win the Ansari X prize when its vehicles ran into technical problems and crashed in 2004 and 2005.

In 1995, Jeff Bezos (1964–) launched Amazon.com, an online bookseller that became one of the most impressive successes in American business history. With an estimated personal fortune of over \$5 billion, Bezos began donating some of his wealth to various philanthropic causes, but he also



**Paul Allen.**

Mike Blake/Reuters/Landov.

established an aerospace company. His Blue Origin, like Allen and Carmack's ventures, is also committed to manned suborbital space flight. His project is to be propelled by a mixture of hydrogen peroxide and kerosene and is a vertical-takeoff and landing-vehicle.

Companies that contract with NASA charge \$250,000 to bring such parts back, but Musk found some ocean-salvage companies that knew how to handle sensitive material. He found one that agreed to do the job for just \$60,000. The Falcon does not have a specialty computer on board, which can cost \$1 million alone to install and maintain. Instead its computer is a basic one that uses the same technology as an automatic teller machine and costs just \$5,000.

## Envisions Hondas in space

By building a reliable rocket at an affordable cost, SpaceX hopes to be able to take small satellites into orbit for a fee of around \$6 million. This is half the standard rate in the aerospace business to take something into space. The company already had two customers—the U.S. Department of Defense and the government of Malaysia. "Many times we've been asked, 'If you reduce the cost, don't you reduce reliability?' This is completely ridiculous," Musk explained to *Fast Company* writer Jennifer Reingold. "A Ferrari is a very expensive car. It is not reliable. But I would bet you 1,000-to-1 that if you bought a Honda Civic that that sucker will not break down in the first year of operation. You can have a cheap car that's reliable, and the same applies to rockets."

Musk serves as the chief technology officer of SpaceX. All employees are shareholders, and the company's casual but committed atmosphere is reinforced by the workday presence of Musk's four dogs. He no longer sleeps at the office, however, for he has a home, a wife there, and in the garage a McLaren F1, a \$1.2 million car that is the fastest production, or non-customized race car, in the world. He has testified before members of the U.S. Congress on the possibility of commercial human space flight and has also established the Musk Foundation, which is committed to space exploration and the discovery of clean energy sources. The Foundation runs the Musk Mars Desert Observatory telescope in southern Utah, as well as a simulated Mars environment where visitors can experience what life on Mars might be like, including waste-burning toilets. "I think human exploration of space is very important," he told Reingold. "Certainly, from a survival standpoint, the probability of living longer is much greater if we're on more than one planet."

## For More Information

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## (User Contributions:

<sup>1</sup> **Brendon Poole** ([mailto:brendon \[at\] catdecorllc \[dot\] com](mailto:brendon[at]catdecorllc[dot]com)) Jun 13, 2012 @ 5:17 pm

Firstly the world keeps turning thanks to individuals with the power the see the world as having endless possibility, and only those with the ability to not fear, fear, but believe that all is possible. Ironically I went to school with Elon, but remember his face but never spoke to him. My mother dated his father apparently, after they were both divorced, and yet 20 yrs on Elon steers the planet. I'm sure we will never meet, but well done Elon as beyond you success, your story inspires millions to overcome fear, challenges and know that tomorrow can be the day were you are realised.

Regards  
Brendon

<sup>2</sup> **Amy Ambrose** Aug 6, 2012 @ 11:23 pm

I was wondering what Elon's views were regarding Jesus Christ and his perception of the world, is EARTH the entire world, or is the world the entire planets, space, galaxy?

<sup>3</sup> **Marieelaine Akleh** Feb 21, 2016 @ 10:10 am

Beautiful minds come up with beautiful things, as the saying goes. It is mesmerizing and exciting to see and enjoy the innovations of new products and services that resulted from brilliance and courage to pursue "untested" thoughts and dreams and despite the struggles these people went through I can only imagine from Eolon Musk, Paul Allen, Jeff Bezos, John Carmack and many more - their passion and determination are relentless to keep them going despite all odds. Stories told like this are unbelievable to almost incomprehensible I must say and most people would too - majority will fold and give up because of the varying challenges and adversities but not to the great and achieve people - they persisted. I have yet to keep on to make my own dreams a reality.


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## Tweets by @LechMazur

 **Lech Mazur**  
@LechMazur  
Replying to @LechMazur

And for the record, I'm against unjustified zoning restrictions that increase housing costs in cities. Then you get people asking for rent control, which makes matters worse.

  11m

 **Lech Mazur**  
@LechMazur

Doesn't Coronavirus put into question the widely held assumption that dense, walkable cities are better than the suburbs? I think it's fine to acknowledge that

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