



## ***A complete guide to how Elon Musk has raised, and then spent, billions of dollars.***

 animation showing Elon Musk throwing dollar bills into flames of Boring Company flamethrowers

*The company that Elon Musk built to usher in the electric-car future might not have enough cash to make it through the calendar year.*

*The anxieties that lurk beneath the tremendous ambition of Tesla Inc. moved into the forefront in recent weeks. The company again **fell far short** of its own production targets for the mass-market Model 3 sedan, another person **died in a crash** involving its assisted-driving feature and Musk entered into **a public dispute** with federal safety regulators. Tesla's once high-flying stock, buffeted by a downgrade from credit analysts, has dropped 24 percent from its peak in September.*

*There's a good reason to worry: No one has raised or spent money the way Elon Musk has. Nor has any other chief executive officer of a public company made a **bankruptcy joke** on Twitter at a time when so much seemed to be unraveling.*

*Tesla is going through money so fast that, without additional financing, there is now a genuine risk that the 15-year-old company could run out of cash in 2018. The company burns through more than \$6,500 every minute, according to **data compiled by Bloomberg**. Free cash flow—the amount of cash a company generates after accounting for capital expenditures—has been negative for five consecutive quarters. That will be a key figure to watch when Tesla reports earnings May 2.*

**Read the full story here:**

**<https://www.bloomberg.com/graphics/2018-tesla-burns-cash/>**

In years to come, we will all look back and wonder how so many people were taken in by this shyster, who makes Enron look honest.

A lot of Musk's money has been extracted from suckers, who think he is God's gift, as Bloomberg report:

*One of Tesla's greatest strengths is its ability to monetize the patience and goodwill of its customers and loyal fans. The company is sitting on a staggering \$854 million in customer deposits as of the end of 2017.*

*Since Tesla sells its products direct to consumers, without relying on a dealer network, customer deposits are cash payments that essentially serve as interest-free loans—and these loans can stretch on for years. If Tesla were to go bankrupt, those deposit holders would likely be wiped out.*

*Tesla is holding customer deposits for two vehicles that aren't even in production yet: an electric Tesla Semi (\$20,000 deposit) and a next-generation Roadster (either \$50,000 down or the \$250,000 retail price paid up front to reserve a limited edition). Even customers interested in installing an array of solar roof panels or the company's Powerwall home battery must hand over \$1,000 to place an order.*

*Tesla doesn't break out deposit numbers by car, but the vast majority comes from \$1,000 reservations for the Model 3. When Musk first introduced the lower-priced sedan in March 2016, fans stood in long lines at Tesla stores. Two years later, the **slower-than-expected pace of production** means that most of the more than 400,000 reservation holders are still waiting. And new people appear to be joining the queue: As of April, the company reported "net Model 3 reservations remained stable."*

*There's an additional source of free money from loyal believers: An unknown number of customers have paid up for vehicle features—*

*\$3,000 for “Full Self Driving” capability, for example—that Tesla thus far hasn’t figured out or released to anyone.*

*The consumer psychology that sees hundreds of thousands of people essentially extending an interest-free loan to a public company is unusual, to say the least. Consider the devotion of Bruce Sidlinger, a 60-year-old aerospace engineer who lives in Flagstaff, Arizona:*

*“The morning after the Roadster was announced, I put a deposit down. Putting down \$50,000 for a Roadster that won’t be out for a few years is kind of like buying a bond that returns zero. Elon Musk is one of our planet’s great hopes. I would offer a kidney to him if he needed it.”*

*Keep in mind that Sidlinger already owns both a Model S and a Model X. He drove across the country to Florida earlier this year in a car made by one Musk company so he could watch a rocket made by another Musk company take flight for the first time.*

I think the phrase “more money than sense” rather sums it up