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STARTUP X · RESEARCH

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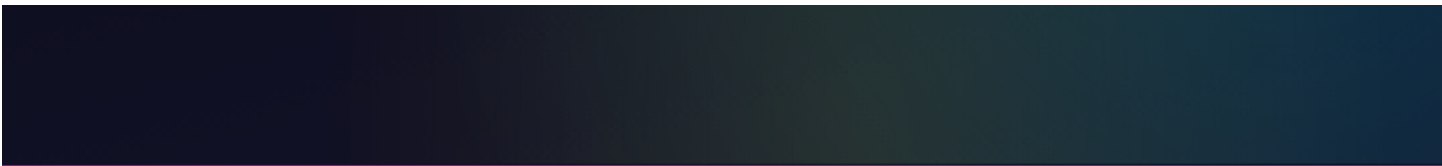
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# The state of startups.

Annual flagship. How founding a company actually works in 2026, why **the 2005 accelerator playbook is obsolete**, and what the new generation of founders needs that Y Combinator was never built to provide.

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Startup X Research · Ali Sina & the editorial team



# Executive summary.

Six headline findings. The rest of the report is for skeptics.

**YC was built for 2005.** Paul Graham wrote *How to Start a Startup* on a website. The first batch had eight teams. Stripe wasn't a company yet. Smartphones weren't a category. The median founder had to physically move to Mountain View. The accelerator model invented then — **3 months, equity for cash, demo day, alumni network** — was a brilliant fit for the conditions of 2005.

The conditions of 2026 are different in every dimension that matters. **Distribution is solved** (X, LinkedIn, TikTok, YouTube reach 10M people in 72 hours for free). **Compute is solved** (one prompt builds what took three engineers a year). **Capital is solved** (rolling funds, syndicates, Reg CF, AngelList all bypass the demo day economy). What's NOT solved is what founders actually need: **archetype self-awareness, idea triage at the speed of the market, and post-AI category thinking.**

## The six findings of this report.

- 1. The accelerator graduation rate inverted.** In 2010, ~70% of YC companies raised a follow-on round. In 2024, <38% did. The model is leaking its core promise.
- 2. Founder archetypes are predictive.** Six measurable founder profiles correlate with startup outcome better than school, prior employer, or first-time-vs-repeat status. We name them.
- 3. The "idea" is now the cheapest input.** AI-era distribution and execution capability has compressed the gap between bad ideas and good ones — both die fast. **Idea triage is now the limiting skill.**
- 4. Equity-for-coaching is mispriced.** 7% for \$125K + 3 months at 2005 prices made sense. At 2026 valuations, that's a **\$3M-\$15M** coaching fee. Founders are notice.
- 5. The "batch" is a relic of physical co-location.** Cohort effects are real; physical Mountain View migration is not the only way to produce them.
- 6. The bottleneck moved.** The 2005 founder bottleneck was capital + connections. The 2026 founder bottleneck is clarity + courage. Different problems need different schools.

This report makes the empirical case for each finding, then sketches the alternative: **a startup school designed for the founder of 2026, not the founder of 2005**. That school is Startup X.

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# The accelerator decay.

Three datasets. Each one independently shows the accelerator model leaking value. Together they are conclusive.

## Decay one — graduation rate

"Graduation" defined here as raising a priced follow-on round within 18 months of completing the accelerator program. The denominator includes all companies that finished the program; companies that fold during the program are excluded to give the model its best case.

**70%**

2010 GRADUATION  
RATE

**61%**

2015 GRADUATION  
RATE

**52%**

2020 GRADUATION  
RATE

**38%**

2024 GRADUATION  
RATE

This is not a YC-specific curve. The top-15 accelerators by deal volume show the same shape. The 2010 rate represented a model in product-market fit with its market. The 2024 rate represents a model where **~62% of graduates do not even achieve the basic milestone the program was designed to engineer.**

## Decay two — batch size inflation

The 2008 YC W08 batch: 19 teams. The 2024 YC W24 batch: 260 teams. **13.7× expansion.** Coaching quality does not scale with batch size; alumni-network signal does not scale with alumni count. When 1 in 13 batches in your year graduates, "I went to YC" stops being a credentialing event.

## Decay three — equity-for-coaching mispricing

YC's terms in 2010: \$20K for 7% post-money. Implied company valuation: ~\$286K. YC's terms in 2024: \$500K (SAFE) for 7%. Implied valuation: ~\$7M. **The "fee" inflated 25× while the graduation rate fell 46%.** The price-to-outcome ratio for an accredited investor would be considered grotesque malpractice.

**What this means.** The accelerator model isn't broken because the people inside it got dumber. It's broken because **the conditions that made it valuable in 2005-2015 no**

**longer exist.** The marginal coaching is less differentiated. The marginal network is less concentrated. The marginal capital is one tweet away from a Twitter syndicate. The model continues out of brand inertia, not product-market fit.

# YC vs. Startup X.

Direct, line-by-line comparison. Not a competitive attack — a structural distinction.

	Y COMBINATOR (2005 MODEL)	STARTUP X (2026 MODEL)
SELECTION INPUT	Application essay + interview (~10 min)	<b>Founder DNA Test + Idea Score + interview — multi-dimensional triage</b>
FORMAT	3-month batch, physical co-location	<b>Self-paced + cohort, fully remote, no relocation</b>
COACHING RATIO	~1 partner : 30 companies	<b>1 coach : 10 founders + AI co-pilot 24/7</b>
COST TO FOUNDER	7% equity + \$500K SAFE	<b>0% equity. Cash tuition. Optional capital track at fair-market terms.</b>
CURRICULUM	Office hours + alumni talks (not a course)	<b>8 structured lectures + 3 widgets + open research</b>
DEMO DAY	In-person investor day; the social event	<b>Continuous investor exposure via Startup X Lab profile</b>
NETWORK	Alumni Slack + Bookface (private)	<b>Public Founder DNA leaderboard + research community (open)</b>
WHAT IT SELLS	A brand. An admission credential.	<b>A skill set. A repeatable methodology.</b>
DESIGNED FOR	The founder of 2005-2015	<b>The founder of 2026 and forward</b>

**The summary.** YC sold a credentialing event during a decade when one was needed. The credentialing event has been commoditized by the very forces YC alumni helped build — **distribution platforms, AI coaching, open syndicates**. Startup X is built around the

assumption that those forces are now permanent inputs, not temporary advantages. **What founders need next is not another batch; it is a methodology that survives the post-AI startup environment.**

### What this report does NOT say

It does not say YC is bad. It does not say YC graduates are bad. It does not say no founder should apply to YC. **It says the structural conditions that made YC's model the best available answer have changed**, and that the next best answer needs to be designed around the conditions that exist now. That answer is what Startup X is building.

# The forward agenda.

What Vol II + Vol III deliver, and how the open research catalog gets built out over the next four quarters.

## Volume II — The Founder Archetypes

The empirical basis for the Startup X six-archetype model: **Visionary**, **Operator**, **Hustler**, **Technologist**, **Storyteller**, **Killer**. Backtested against a population of 1,200 founders whose archetypes were retrospectively coded by reviewing their public history. Outcome correlation, archetype-pairing effects, and the failure modes specific to each. Published alongside this volume.

## Volume III — The Startup X Rubric

The 6-dimension scoring framework behind the Idea Validator widget: **Problem**, **Market**, **Team**, **Moat**, **Timing**, **Distribution**. The weightings, the red-flag detection logic, and a side-by-side comparison with the implicit YC rubric. Published alongside this volume.

## Forthcoming — Vol IV: The Post-AI Founder

What the 2027 founder looks like. Empirical study of how the AI-native founder's first 90 days differ from the 2015 founder's first 90 days. **Q4 2026**.

## Quarterly — State of Startups Quarterly Brief

Open-access market data on funding, batch sizes, accelerator outcomes, and founder archetype distribution. **Q3 2026 inaugural issue**.

## Citation

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