

The Modern Space Race

[Take Our Compatibility Survey](#)

The Space Race that ignited during the mid-20th century was not merely a competition for national prestige; it was a catalyst for innovation. The successful launch of Sputnik 1 by the Soviet Union in 1957 marked the dawn of the space age and triggered an unprecedented surge in scientific and engineering advancements. This tiny sphere orbiting the Earth demonstrated human technological prowess. It served as a wake-up call for the United States, prompting a wave of investment into space and space-adjacent research and development.

The rivalry between the United States and the Soviet Union spanned nearly two decades and *officially* ended on July 17th, 1975. However, as American playwright Eugene O'Neill once said, "There is no present or future – only the past, happening over and over again – now."

In recent years, space innovation has mainly been funded by billionaires like Jeff Bezos, Richard Branson, and Elon Musk. However, the federal government has also played a critical role in awarding contracts and grants, leading to rapid technological innovation reminiscent of the original Space Race.

Recently, we had the opportunity to spend several days with a three-star general and member of the Space Force. Below are three surprising takeaways about why the race for space is as much about what's happening on Earth as it is about what's happening far, far away.

1. Satellite operators have ambitions to disrupt the telecommunications industry.

Terrestrial networks (e.g., cellular and WiFi) have been more widely commercialized than satellite networks due to their lower costs, higher bandwidth, and lower latency. However, companies like SpaceX's Starlink, OneWeb, and Amazon's Project Kuiper are leading the charge in deploying large constellations of low-Earth orbit (LEO) satellites to create a web of connectivity that can reach the most remote corners of the globe.

This technology promises to revolutionize internet access for new populations and challenges traditional telecom giants. While satellite network technology isn't on par with the advantages of terrestrial networks yet, as these satellite constellations continue to expand, they are reshaping the telecommunications landscape and setting the stage for a new era of global connectivity. It's conceivable that the future of wired and wireless connectivity could see a host of new players that challenge incumbent telecom operators over the next several decades.

2. Dual use between commercial and government sectors is fueling rapid public and private advancements in space technology

The convergence of commercial and government interests in space technology has unprecedentedly accelerated innovation. Historically, space exploration has been dominated by government agencies like NASA, which focused primarily on scientific discovery and national defense.

Today, private companies are actively collaborating with governments to develop cutting-edge technologies with dual-use applications. For instance, SpaceX collaborates closely with NASA for crewed missions to the International Space Station (ISS) while launching commercial satellites and providing global internet coverage.

Similarly, partnerships between defense contractors and space startups are leveraging expertise in aerospace engineering to advance military satellite communications, reconnaissance, and missile defense capabilities. The synergy between public and private sectors is simultaneously fostering technological breakthroughs, enhancing national security, and creating new commercial opportunities on a global scale.

3. Conflict between Chinese and United States superpowers is fueling new investment into space.

Geopolitical tensions between the United States and China have extended into space, prompting both nations to bolster their space capabilities as part of broader military strategies. China's rapid advancements in space technology, including its successful moon landing and plans for a Mars rover, have intensified competition with the United States and its allies.

This rivalry extends beyond symbolic achievements to include both military and commercial applications. In response, the United States has reinforced its commitment to space dominance through initiatives like the Space Force and increased defense spending on satellite protection and space situational awareness. The escalating competition between these superpowers underscores the strategic importance of space as a contested domain. It highlights the critical role of maintaining the upper hand in a relatively new theater through technological innovation.

In conclusion, the legacy of the Space Race continues to reverberate in the 21st century through a new era of space innovation. Space has evolved into a dynamic arena where technological innovation intersects with strategic interests. Satellite operators are revolutionizing global communications, while dual-use technologies are blurring the lines between commercial enterprise and national security. Meanwhile, the intensifying competition between major powers like the United States and China underscores the pivotal role of space in shaping international relations and military strategy.

As we navigate this new space age, the collaborative efforts between governments, private enterprises, and visionary entrepreneurs is reshaping our understanding of space and its importance in today's modern world.

[Explore Our Private Wealth Page](#)

DISCLOSURE: Securities highlighted or discussed in this communication are mentioned for illustrative purposes only and are not a recommendation for these securities. Evergreen actively manages client portfolios and securities discussed in this communication may or may not be held in such portfolios at any given time. This material has been prepared or is distributed solely for informational purposes only and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Any opinions, recommendations, and assumptions included in this presentation are based upon current market conditions, reflect our judgment as of the date of this presentation, and are subject to change. Past performance is no guarantee of future results. All investments involve risk including the loss of principal. All material presented is compiled from sources believed to be reliable, but accuracy cannot be guaranteed and Evergreen makes no representation as to its accuracy or completeness.