

Is Second Life's Economy Too Big To Fail?

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Image source: GameOgre.com

One of the more interesting developments in terms of technology is the virtual economy -- and how it translates into something that involves real money.

Indeed, according to [New Scientist](#), Americans will spend close to \$621 million in real dollars in virtual worlds like [Second Life](#) and World of Warcraft. In Asia, that figure is a whopping \$5 billion. Clearly, in spite of the fact that the "real" [economy](#) is still sluggish, in the [virtual world](#), things are hopping.

The largest of these virtual economies is Second Life, the creation of Linden Labs. Second Life has even surpassed several countries in terms of GDP:

With its users swapping virtual goods and services worth around \$600 million per year, Second Life has the largest economy of any virtual world - which exceeds the GDP of 19 countries, including Samoa.

It is clear that technology is providing escapism at its finest. You can head into this virtual world and be someone else. Someone who wears cool clothes and looks hot. And you can even spend money in this virtual world. Whether its buying character upgrades from World of Warcraft or buying oceanfront property in Second Life, it is clear that [consumer spending](#) is strong in the virtual world -- even if we remain reluctant to buy things in the real world.

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