

**Farnoosh Torabi:** Seth, welcome to So Money. It's an honor and privilege really to be speaking with you. Thanks for spending time with me and our audience.

**Seth Godin:** Well, thanks for doing the work you do. It's really generous.

**FT:** Now, Seth, in preparation of our time together I sent a note to my e-mail list, to the folks on the So Money e-mail list and I asked, you know, some, "I'm interviewing Seth Godin. I'm a little nervous. What's your number 1 question that you might have for him about work or marketing, money?" And, I'm happy to say I got a lot of thoughtful questions and some of them was I'd like to visit later on in the interview if that's okay?

**SG:** Sure.

**FT:** And, but ahead of that because this is a show about money and sharing our insights about how we think we should lead our lives financially, what it means to be rich, what it means to have a meaningful impactful life. I'd like to kick us off with your words, actually. I found this great quote in a book you published a few years ago entitled *We Are All Weird*. I love that. And, in it you said, "Rich is my word for someone who can afford to make choices, who has enough resources to do more than merely survive." And, I caught on to that quote, Seth, because specifically, you used the word resources whereas some people might use the word money. You know, money, having enough money to do more than merely survive is rich. So, what does rich really mean to you and why did you choose to use the word resources there?

**SG:** Well, thanks for discovering that. I guess I would fill everyone in. I was inspired to write that after spending time in India with some of the poorest people in the world. I worked with the Acumen Fund and these are people who make \$3 a day on average. Their parents did the same, so did their grandparents and their great grandparents. And, what it means to be a subsistence farmer is to live right at the edge. The hundreds of billions of people in India that I'm talking about in that sentence have never been shopping once in their whole life. They have bought things to replace the things that they have used up but the idea of going to a store to say, "I wonder what I should buy today?" is completely alien. It's a pretty brand new idea on the planet earth. And so, when we talk about people who are rich in our culture, we've decided that means you need a mansion and a yacht, that rich is this sort of ridiculous level of spending. But, in fact, everyone who's listening to this is rich, rich to the extent that they have a computer, rich to the extent that they have the time to listen to podcast, that those 2 things all by themselves make us richer than anyone on earth dreamed of being 200 years ago. And, money is a fairly new invention. Money is this placeholder for barter. We used to say to somebody, "I'll trade you this goat for that loaf of bread." And, these sorts of exchanges, person to person, brought us closer together because you didn't know what the price of a thing was. It was about your relationship with someone and the exchange of goods meant that I respected your goods as much as you respected my goods. When we invented money as Doug Rushkoff has written about, we first of all moved all the power out of the village to the central authority that made the money. It also drove us apart as Lewis Hyde has pointed out. Because, when someone, you know, loans you money to buy a house, you don't become friends with the banker. You're not close to the banker. You pay your interest. We're done. We're 'even Steven'. So, we've invented all of this baggage around the idea of money and all of this baggage around the idea of being rich. And, I think it's really important to get back to the first principle that say if you have resources, if you have the freedom to choose, if you have the ability to not just spend money but

spend time and to create things that touch other people, you are rich and you ought to make some intentional decisions about what to do with that wealth.

**FT:** I love that. So, it's not just money. It's having time. It's having creativity vision, motivation to implement those ideas. So, if you're listening, you're rich and that's very inspiring so thanks for sharing that with me. And, you're right. We have made money very complicated, more complex than it really is. I had a listener actually write to me recently and she asked me, "Farnoosh, how do I determine the value of my money?" She was struggling with figuring out how to actually appropriate her hard earned income and she said, "What sort of questions should I ask myself?" And so, I said, "It helps, for me at least, to start with asking things like 'who do I want to be', 'who do I want to help', 'what do I want to change', 'what kind of lifestyle do I aspire to have'." What might you offer to this person as well? As, I think a lot of listeners, a lot of people are struggling with 'how do I create a life for myself with the income that I have that is meaningful?' How do I allocate my money in a meaningful way.

**SG:** Let's start with thinking about the 2 edges of money. One edge is the way it makes you feel when you are almost out of money, the way it makes you feel when you are in debt, the way it makes you feel when you are on the edge. And then, let's talk about the other extreme which is how does it make you feel when you are stable, when you know you have enough, when there isn't someone you owe. Now, a lot of people live in between the 2 extremes but we often find that interesting behaviors happen at the 2 edges, just like in physics. The edge of owing, a lot of people are hooked on and so that's why last year, in the United States, we spent more money on self storage units than we spent going to the movies. That's billions of dollars spent putting stuff we're not going to use in a facility that cost a lot of money so we can have it for later when we won't use it then either. Why do people do that? Well, partly they do it is because they're getting closer to that edge of having too much, that edge of being in debt, the edge of more, more, more that marketers constantly push us toward and I think that if you find yourself spending based on what's coming in as opposed to spending based on what makes you happy, you are hooked on that cycle and what I have always done as an entrepreneur, because I've been allergic to the other field, to that feeling of it might all be over is always made my expenses and the needs for the next project smaller than the resources that are available to me. So, if you have a choice between taking a car loan and buying a really nice car or paying cash and buying a not nice car, I think you should buy a not nice car because you will end up happier in the long run than you will with the feeling that you have to incur every time you write that check that you can't afford for months on end, right? And that, that one discipline puts you ahead of the 8 balls opposed to behind the 8 ball for years and years to come. So, that's the first piece of advice I give to everyone from the age of 12 on up, which is decide which part of your means make you happiest and live within that part of it because, you know, eating brown rice instead of going to a restaurant once a week, skipping \$5 worth of espresso every day, you add up a few of those and suddenly your 2,000 or 3,000 or \$4,000 difference over the course of the year, that money might be the difference between a good night's sleep and a bad night's sleep every night for a year.

**FT:** I agree and also I would just add that when you begin to practice a life where you're living below your means, within your means you really start to appreciate your life a lot more. I mean it sounds maybe like you won't because for some people the idea of not having their latte or skipping on that nicer car sounds depressing but the reality is that I think over the lifespan you really do start to

appreciate the little things more when you do go and have that espresso. You'll appreciate it more so there is something to be said about that. Now, Seth, you know, you talked about living on the edge. You talked about a little bit, you know, the spectrum of living beyond your means, living below you means. You have talked about almost entering bankruptcy at one point in your life, struggling for 7, 8 years on the verge of bankruptcy. You said you ate a lot of macaroni and cheese and yet you also said you wouldn't trade it in for anything because you wouldn't be who you are now as a result of experiencing that phase in your life. So, I have a few questions, if I may, about that stage in your life and not to get too personal but if you're comfortable sharing, how did you get there and how did you get yourself out of that situation?

**SG:** And entrepreneur, it's a tricky word. Famously some president said, "The French don't even have a word for entrepreneur. They're so bureaucratic." But, the word entrepreneur could mean many things. One kind of entrepreneur is a woman who raises a lot of money, uses other people's money to build a business bigger than herself. This is the classic industrial entrepreneur. But, there's another kind of entrepreneur which is the bootstrapping entrepreneur. This is someone who starts with no money and builds a business based on customers so eager for what the person is making that they pay in advance, that the more you please people, the more you get paid which enables you to grow. And, I have done both kinds of entrepreneurship but I was a bootstrapper for a very long time and as a bootstrapper the challenge you always have is 'how do I grow this business without borrowing or selling equity?' And, one way you do it is by funding it yourself. One way you do it is by doing the hard work instead of hiring someone to do the hard work and it's thrilling and invigorating but you're always dancing close to whatever edge you draw because going to the edge is the way you get leverage. So, in my case, I was a book packager. The way book packaging works is you come up with an idea for a book. You sell it to a book publisher and then you go make it. So, it's a little like an author but it's an author with a team. It's an author with brands. It's an author creating books that are too complicated for a single person to make. So, I was doing almanacs and test prep guides and business books and gardening books and illustrated books and young adult novels and we did a hundred and twenty books over the course of 10 years. And, at many, many stages along the way, you're waiting and investing in a project paying off but while that's happening you're funding it yourself. And so, I knew I was dancing on the edge. I was dancing the edge, I wouldn't say intentionally because I was waiting for the scale to kick in but I was doing it with purpose and it was, it took much longer than I had hoped to get away from that little tiny edge but I was glad that I did it.

**FT:** And, what are the habits that you practice now to prevent you from going back to that place. I mean it sounds like you learned a tremendous amount from that experience. A lot of people on the show are always clinging on to learning about habits, good ones, bad ones, especially the good ones that can keep our money and our business going in the direction that we want it to. What were the habits that stemmed from that?

**SG:** Well, I would say a big a big one is that there's a difference between being a freelance and an entrepreneur. Freelancers get paid when they work. Entrepreneurs build something bigger than themselves and I've done both and I discovered I generally prefer being a freelancer in the sense that if I do a piece of work, I did it. If my name is on it, it's my work. As opposed to building an institution that makes things and as a result, because I've got to the point where people pay me for my work, I'm not at the edge, professionally, because I couldn't, it wouldn't make sense to buy a building. It wouldn't make sense to hire 15 people to watch me do my job but it was that choice of,

you know, after building a couple of internet companies that choice of saying I'd rather work with my hands and my fingers and my head than build an institution. But, the other thing is that and I've seen this happen to many people is you succeed one week or one month or one year and you draw a bunch of dots and you connect them with a ruler and you assume it's going to keep going up into the right. And so, people adjust their "needs" about money around that. So, they have 2 or 3 or 4 houses or a plane or if it's less money than that, they have plenty of credit cards in they're happy to use them and more cards than they need and everything else because that feels like the American dream. But, what it really is, is the marketer's dream and there's plenty of evidence that shows that people who spend more money are not happier. People who give more money to charity are happier and it would be interesting to experiment if you are fortunate enough to have cash flow to say "Instead of going into \$10,000 into debt, let me borrow the money and send \$10,000 to charity water instead and see how that feels."

**FT:** Yes. If you were, as I've heard you say now on the show so far and they're all kind of in the same boat, you've used the word choice, intention, purpose, all in this context of making your life better and taking control of your life. Is that to say that we actually have more control over our destiny than we think sometimes because I think that many people especially when it comes to money, they sometimes feel like they don't have a say that the world is against them, that they don't have access to resources. They may have ideas but they don't have the ability to implement them. What would you say to somebody who's in that mindset?

**SG:** Well, two parts to this answer. The first one is you have nailed it on the head. All of us have significantly more choice than we believe we do about money, all of us, and one thing, if this is something that's making you unhappy, to consider is the idea of going on a radical money diet, go on a fast, do nothing but eat brown rice and black beans. That's \$6 a day. Move in with a friend. Sleep on the floor. Walk to work. Figure out how to cut your expenses to \$200, \$300 a month and what you will discover as a result of that process is that everything beyond that is a choice and you can say it's a choice that I'm not willing to live without. That's fine. But, that's a choice on your part. And, I have seen countless people who are still in debt and are really unhappy about it, who aren't willing to, you know, turn off the internet in their home and just use the internet at the library, right, that's a thousand dollars. You know, you add it up and you add it up and you add it up and when you dig deep, you realize there are people who make 3 or 4 or \$5 a day, who are happier than you and that's just true. So, you got to decide what you're going to do with that fact. And then, the second thing which is inextricably linked to the first one is that money is a story. Money is not real, paper, little bits of paper just believed by some people to be worth something in exchange and as long as they believe them they have value. But, the story we tell ourselves about money is the single most important thing you need to diagnose. If you are unhappy with the way you are treating and being treated by money.

**FT:** Maybe you have to change your story. One of the habits of living a rich and meaningful life, I'd like to think is establishing goals, right, and as you say, Seth, goals force us to think bigger which is essential but you've also said on your blog and in your interviews that we can sometimes mistake the goal for the destination. What did you mean by that?

**SG:** Okay, so I learned goal setting from my teacher, Zig Ziglar, and if someone is really ready to take a step, I was lucky enough to, before he died, work with him to update his goal planner. So, you can

find that it's not particularly expensive but the idea is that writing down your goals and then every single day writing down what you have done to get toward achieving them is probably the single biggest change the average person can make in their life for the cost of a paper and pencil, that we are afraid to do this and then when we write down our goals, we usually write down the wrong goals. So, learning how to actually articulate goals that will make you happy, which means not just money goals but goals about relationships and goals about community and goals about fitness and goals about health. When you are clear about what you want, again intentional, when you can undo stories that you have been accepting for a really long time and replace them with the truth about what will make you happy, you can start to rewire your story about money. And, when you discover that you are carrying around an impossible goal nearly as a way to make yourself feel badly about money you will be able to free yourself from that and instead replace it with the goal that you can actually work on that's actually achievable.

**FT:** And, it's not lowering your standards, right, when you create a goal that is "more achievable", let's get that straight.

**SG:** Well, I hate the word standards here, because that, whose standards are these exactly? So, let's say that you are 14 years old and you live in Omaha, Nebraska and you have decided that your goal is to be a TV star. Well, I will argue that if we took that apart, bit by bit, we would come to the conclusion that for almost everyone that is a ridiculous goal because it is about being picked by someone else. It is about meeting someone else's standard. And, after you've become a TV star, which is essentially impossible, you know, you're more likely to play in the NBA than be a TV star. Once you've done that, it's not clear at all that you are stable or happy going forward. And so, are you lowering your standards, if you go from 'I want to be a TV star' to 'I want to be a really happy nursery school teacher'? I don't think that's a lowering of standards, I think it's a raising of standards.

**FT:** Right, because you're ultimately happier, makes total sense. Thanks for putting that in perspective for us, Seth, because I think we can all get caught up on these ideas of standards and other people's expectations and that ultimately is what ruins our story in many cases. Let's transition now to questions from listeners. We got a few really, really high quality ones and I would like to start with Karen. Karen, thanks for sending in your question. She asks, "Seth, I know that you mentioned in your own series on iTunes called Startup School, which everybody should check out, that he realized he likes being a freelancer more so than managing a business with 70 or so employees. You mentioned that you like working on different projects where you had to contact X amount of people to earn a certain amount of money to maintain the lifestyle that you desired." She asks, Seth, how can people starting out truly do this? Do freelancers always have to pound the pavement or can your projects eventually build momentum and you can feel some sense of financial stability? And, I think sometimes there's always a degree of, what's the word, hustling. But, what would you say to Karen, Seth?

**SG:** Well, I'd start by saying it is easier now than ever to build a freelance career that's based on word of mouth not based on direct selling and the reason is because word of mouth spreads with way more impact and scale than it did before the internet. The second thing I would say is that if you are going to be an average freelancer doing average work for average clients, you will always be hustling. You will always be right on the edge of failure because clients are smart and they

understand that if you're doing average work they can probably find someone cheaper than you to do it. The hard part is to figure out how to be a freelancer who is one in a million, one and only, the only person so that the person goes back to their boss and doesn't say "I hired a freelance X to do this job." They say I hired the Karen Finley to do this job because, if you were the Karen Finley, the one and the only, you know the NEA grant winner, whatever it is that you've done. There is no replacement and people who want that have to get it from you. And, Dane Sanders has written a fabulous book on this. If you were thinking of expanding your work as a freelancer, I strongly recommend you read it. It's about being a wedding photographer but you don't have to have anything to do with cameras to understand Dane's argument which is that now that everyone has a camera you don't become a successful wedding photographer by taking pictures of like everybody else.

**FT:** This is why I like reading your work, Seth. It's so inspirational because you actually say that you should believe more in yourself, that you should strive to be the best and, guess what, you can be the best and I think more of us need to feel that way. If more of us can only feel that way, I think the world would be a better place. We'd be happier. Alex asks, "I would like to ask Set Godin, how can a start up or small business develop sticky marketing campaigns with so much competition for attention and so many social media platforms?" What do you think, Seth?

**SG:** Well, my answer to that also segues into the last thing you just said. We all could be the best but we probably won't and the reason we probably won't is because we are afraid or lazy or brainwashed into thinking we can't. And, the way we make a sticky marketing campaign is not by making a better marketing campaign, it's by making a better product. That there is a line out the door at a coffee place right next to Chelsea market that I travel by regularly, why is there a line out the door? It's not because they have a clever type face. It's not because they spend \$10,000 on their logo. It's not because they do a good job on Twitter. There's a line out the door because they have done an insane over invested amount of effort on making a cup of coffee that people want to talk about with their friends and that effort doesn't come natural to us. If we did stuff like that in high school, we were afraid that the cheerleaders would make fun of us. If we did stuff like that in college, we were afraid we wouldn't get a job at the placement office. If we did stuff like that at our first or second or third job, we were afraid that we would show up the boss. So, that act of saying I want to go to an extreme edge, to be a purple cow, to dance right on the edge of ridiculous is really hard which is why so few people do it, which is why it's valuable.

**FT:** A follow up question to that, Seth, with book publishing, I'm an author, you're an author and I think we can both say that there are a lot of fantastic authors out there with great proposals, great book ideas, they never get published or if they do get published their book never gets read. It never gets sold. I mean that's why publishing houses are falling apart because they, you know, they take on all these authors and then ultimately the books don't sell. And then, you see another author whose idea isn't that great, maybe it's a book about nothing especially cool or different and they become a New York Times Bestseller. So, what's happening there? I mean what would you say to that struggling author who's saying "You know what, I had a great idea. It was quality work, everyone who I know loved it, read it but I just couldn't get to the tipping point where I was selling so many and then I became, you know, even more successful and I actually paid my publisher back."

**SG:** Well, let's start by telling everybody about what quality means. Quality doesn't mean good. Quality means it meets specifications and the definition of a quality book if the goal of the book is to be a bestseller is that it sells a lot of copies. Therefore the book that is selling a lot of copies is better quality than yours because it met the specification of 'sells a lot of copies'. So, let's get rid of the word quality. It's not useful here. Let's instead talk about the fact that if you or I were starting a book business today, it would be silly to go walk the streets of New York and say 'I'm an unknown author with no following. Please pick me and make me famous.' because they don't need to do that anymore. They're only going to publish aggressively people who already have a following. Why wouldn't they? And, that means you have to do a couple of things. One, find a following, earn a following. Lead a group of people that can't wait to buy your next book. Two, understand that you do not have to wait for someone in New York who doesn't get the joke to decide to publish your book because, in fact, book publishers think that their customers are bookstores. That's who they publish for and bookstores are the people who sell books, except that bookstores don't sell books anymore, they sell bookmarks and Amazon and the Kindle and other places sell books. So, do it yourself.

**FT:** Yeah.

**SG:** Figure out how to find 1,000 people who will pay you for your next book or 10,000 people or 5 people and if your book is "quality" and by definition that means someone tells someone else then someone will tell someone else. And, my best advice for authors and people who are authors can Google Advice for Authors and I've written 2 blog posts about this. My best advice for authors, other than building a following, is particularly if you're a novelist, take your book, make it into a PDF that's fairly pretty. If you don't know how to do that, ask a Mac person and then e-mail that book for free to 30 friends. If it's good, they'll each send it to 10 people and if it's good, it will spread. If it spread, there will be line out the door to buy your next book. If it doesn't spread, well then, it wasn't the book it could've been. Write a new book.

**FT:** Alright, let's move on to the next question, Seth. We have one from, I want to get her name right, from Kari. She says "With respect to your new book, 'What to do When it's Your Turn', how can I take my turn and fully invest my time and my money into taking my turn, when I still have a mountain of debt and completing my MBA and I'm still paying undergraduate loans?" She says she wants to take her turn and create something immediately after completing her master's but she thinks that she's going to have to get that industrial job in order to make ends meet. Is she just self-limiting herself with this sort of story as we've been talking about, Seth, this kind of story about, you know, what our limitations are or, unfortunately, is it just the reality for her?

**SG:** Well, here's the good news is that she, like so many of us, are seeing what's possible. The challenge here is this. We need to strike words like 'completely'. I want to completely take my turn. No, why don't you just take your turn for 5 minutes a day. Why don't you just in the smallest possible way find a human being who has a problem that you can solve, that they are happy to pay you money to solve? Maybe once a week, you find somebody who has an attic full of junk, find a silver collection or antique. Sell it on eBay and split the money with them. Maybe once a week you coach someone or tutor someone or create an infographic or some sort of digital artifact that people are eager to purchase from you. That there is no completion here, there's no homerun. The goal is how often can you get on base and if you don't actually need the cash today, even better, because

then you can blog every single day or you can have a podcast. Because, what happens is when you show up with generosity and say, “Here, I made this. Here, let’s do this. Look at what these people are doing. Look at what these people are doing.” When you do this regularly, when you feed the community that’s when you really get the chance to take your turn. That the farther off you can postpone the ‘now I want you to pay me’ part of the show, the more likely it is that the community around you trusts you and it’s trust that we build our communities on. It’s trust that makes your life worth living as a professional.

**FT:** And, it takes momentum. I think also from what I can sense from her question is that she feels like she’s got to finish her MBA and then start the idea and sort of like she’s still thinking of life as these like finite stages, whereas what I think you’re saying is that take advantage of the fact that, you know, you’re perhaps still in school but you have time and resources to start the blog to get on those bases, to start building that momentum to get that following so that when you start to go out really with a bang that, you know, you got history. You’ve got experience and you have that community perhaps that can support you.

**SG:** That’s right and, you know, if you just turn off the television, it seems to me that almost everyone will free up between 30 minutes and 3 hours a day. I haven’t watched broadcast television since Seinfeld went off the air and it seems to have paid off.

**FT:** Well, maybe you should watch Curb Your Enthusiasm because it’s pretty, pretty good follow up to Seinfeld. Larry David’s still got it. Well, Seth, thank you so much and tell us how we can get a copy and several copies of ‘What to do When it’s Your Turn’.

**SG:** If you visit [YourTurn.link](http://YourTurn.link), you can see a little video and read all about it and I hope that the book will resonate with you the way it’s resonated with other people. It was fun to make and I’m thrilled to see it’s having an impact on the community.

**FT:** And, this is our last question, Seth. I think you’ve spent a lot of generous time with us. I have one last question that I think is a nice one to end on. Tully asks, “Seth, how did you gain the freedom to express who you are and do what you’re passionate about?” It sounds to me like she’s a little concerned about maybe finding the confidence to do the same. She also wants to know at what point did you realize that social norms are BS.

**SG:** At the same time I found the freedom. You know, I had the same freedom with everybody else. I was, my English teacher wrote in my high school yearbook that I was never going to amount to anything and I got to college. College is a great place to start a business because no one’s counting on you to pay the rent and co-founded a company there and started one project after another, project after another project. I had the same freedom of every other student but they didn’t do that and I did. And, that’s because I had the freedom to fail and I realized it and they didn’t. And, ever since then, my mission has been to fail more than anyone else. I figure if I fail more than anyone else, I learn more, I touch more people, I figure things out and I get to keep playing the game. And, that’s not freedom from the outside. That’s freedom in my head and I’d been trying to share that idea for 20 years and I’m thrilled that some people are getting the message.

**FT:** Well, I’m thrilled that you were here with us. People are going to love this interview. We all have our homework now. We’re going to hopefully start writing down our goals, start facing our fears.



Seth Godin, thank you so much for being raw and candid and honest and inspiring mostly for me and for our listeners. I hope you have a great new year.

**SG:** Well, thank you so much.