

EPISODE 1099

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[INTRODUCTION]

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FT: You’re listening to So Money, everybody. Welcome to the show. I’m Farnoosh Torabi. Our guest today is Sophia Amoruso, also known as the Girl Boss. She’s a New York Times best-selling author and entrepreneur, and in her latest venture, she’s going wheels up with a new program called Business Class. It’s an in-depth online entrepreneurship course that covers the fundamentals of starting and scaling your own business. Registration started yesterday at takebusinessclass.com.

This is a course Sophia says she’s prepared to teach like nobody else, thanks to her successes and failures running high-profile businesses. YOU may know Sophia as the author of the book *Girl Boss*, which chronicles her personal journey of dumpster diving, shoplifting, starting an eBay account and turning it into a clothing empire known as Nasty Gal.

Since then though, it’s been a roller coaster of a timeline. Shortly after appearing on the cover of Forbes in 2016 as one of the country’s richest self-made women, Sophia’s business, Nasty Gal, which was the primary source of her wealth filed for bankruptcy. Sophia moved on quickly raising money to start her next business, Girl Boss Media. That company was recently acquired by Attention Capital. And this year, Sophia stepped away from the CEO position. And in recent months, the Girl Boss Movement, which she became the poster woman for, has been criticized for its lack of inclusivity and diversity.

And as you just heard in that excerpt, Sophia here gives a pretty honest interview talking openly about her ups and downs. What she makes of the "cancel culture" around Girl Boss and why she's actually glad she never became too, too rich.

Here's Sophia Amoruso.

[INTERVIEW]

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FT: Sophia Amoruso, welcome to So Money, my friend. How are you?

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SA: I'm good. I'm good. Thanks for having me. How are you?

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FT: You know, hanging in there. Very happy to have you on this show, finally. I know we've collaborated a couple times over the years. I've been on your podcast. So I'm happy to now share the mic with you on So Money. It seems like you've been working nonstop for like – I don't know, 15, 18, 20 years, and I thought it was really funny on your Instagram feed recently. You said that you are going through your report cards from grade school. And a teacher said that you had trouble staying on task. Talk about that a little bit, because you do seem to have this appetite for work that is –And all different kinds of work that is really admiring. So where does that come from?

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SA: You know, I don't know how I managed to be so prolific with this many tabs open in my browser and the number of Google Docs that slowdown everything else that I do. I've always had a great team. I have a couple people now working with me on my next endeavor, Business

Class, which I know we'll get into. So it's always, always having great people around me. Also, I give myself artificial deadlines, I think. Now we're talking, right? A little bit before the launch of this, and I better pull it off, because what happens if I don't? So I tend to do that to myself, is put something out into the universe or say it out – Not just say it out loud, but like other people depending on it and other things depending on it. And then I have to make it happen. And it's exhausting. It's been a while since I felt burnt out, and I kind of just hit a wall yesterday. So I'm trying to figure out how to – I watched *Selling Sunset* on Netflix for a little bit. And that wasn't – I should have just taken a nap. But I still have a hard time concentrating. But there's a lot to do. So I guess that's my hunger.

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FT: Well, I think it's interesting that you say like if I don't do it, what's going to happen? Is part of the pressure being in the spotlight and having this track record that is so prolific that you feel like you have to constantly be wowing people? Because you do have a wow factor to you.

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SA: Thanks. Thank you. There was a time where I felt that way. And that thinking, it really drives a kind of stake between it's not the right intention. It's not the right reason to do something. And I've done that because I fell down. I got back up. I have a mortgage, so I definitely need to be building things and working, and I'm unemployable. So that's why I get up and keep going so quickly. But there have been times where I have something to prove or have a chip on my shoulder.

With my second company, *Girl Boss*, I really wanted to do some things right. And not all of that was about the public, because I actually didn't do it. I mean, I did some press. But in the grand scheme of what I've done, like I really – It's so weird to say that I was like quiet. But I have focused on the business more than anything. It's easy to lose focus when the world is celebrating you all the time. And that definitely happened at *Nasty Gal*. But I definitely – I was able to write some wrong or things that I didn't know that I should have been doing as a leader and a founder in my first company.

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FT: Like what?

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SA: I mean, I had no idea what culture was. I feel like I've built a really great culture at Girl Boss, and that was something I needed to prove to myself. So it's not all like public-facing that I need to prove to people that I'm resilient. It's like everybody kind of has to be because resilient, because you kind of have to get a job. So I'm not really sure why I get extra credit for that, and I don't agree.

But I wanted to prove myself in the same way I think it is when you kids. I don't. But it's like you really try to right all the wrongs and the damage that your parents handed you and do a better job. And that's kind of I wanted to do with Girl Boss. It was as much an exercise and building something great. Building a great team and business that I was able to eventually sell to – As it was a personal mission to do better, really.

And with Business Class with what I'm working on now, I just want to – I've extracted so much for so long. And now I've aged. It's like it's on my face. I don't need to like – I'm still solving problems, but most – The main thing I want to do is share the solutions I've found over 15 years, yeah, now as an entrepreneur. I started when I was 22. I just want to give that away. I just want to harvest it. I want to help other founders, because it can be very lonely. And there are so much stuff I had to learn the hard way.

And just after 36 years of being celebrated and being an only child and talking about myself, which I'm doing now. Really, like what I want to wake up to do every day is talk about other entrepreneurs, their struggles and how I can support them.

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FT: And Business Class – I mean, look, at this point in 2020, there're so many. As you know, you probably did your research. There's a lot of business, online business programs led by women

at the same price, \$2,000. How is your program a better value? And if I can answer this first, I would say it's that you have been through a whole lot more, ups, and down, and sideways. You really had some public difficulties, the bankruptcy of Nasty Gal. So talk about that. What is the differentiating factor of Business Class?

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SA: Yeah. It's hard to be like "Wow! I'm me." But I have a group that I call my insiders. That's just a group of entrepreneurs mostly that I met through my years at Girl Boss. And we have weekly calls. And we talk about everything from our struggles that week, to decisions we're trying to make, to made-up fears and things that may or may not happen, our high points and whether or not you should be hiring an assistant, and when you're ready to invest in your business.

And one question I ask was like, "Why do you guys –" Because they've seen the course content. They've actually done it. They've done the worksheet. So there are over 100 pages of worksheets. It's over maybe 150. I don't remember. It's a lot of self-led study. There are videos, and there's a community. But it's really mostly self-led and thinking about your business.

But when I asked them what's different about this – And I expected them to talk about the content, because the content is really different. What you learn is largely very different than what you learn in a lot of these other courses. Their answer was me. It's that I've done it and that I built something from scratch. I built an eBay store, and then did – I don't even know what happened. Got lost in the undertow of venture capital and accolades. But I've been there and I've bootstrapped the way they have. And I've done it with a business that a lot of people relate more to, at least my audience.

So a lot of these online courses, yes, are for business. But a lot of them are for how to build your own online course business very specifically, which I'm just doing for the first time I don't even know if I'm necessarily qualified. I'm nonqualified to teach that course yet. I have a lot to learn. So I'm really talking to entrepreneurs who are building product-based businesses, also service-based businesses. But a wider, I think, variety of businesses. People who have existing businesses or have a really clear idea of what they want to do and are ready to go all-in on it.

This isn't for the faint of heart or someone who's just dipping their toes in the water. We're talking about competitive analysis, and swot analyses, and branding, and identity, and marketing, and the things that I think I've done really well.

So it's a much more properly, I think, in-depth course that isn't super ra-ra. It's very kind of honest. And I'm sharing and teaching things that have really worked for me. But I don't claim to have like the solution. And so I think in the online course business, there's a lot of, "If you do this, this will be your life." And that's not something that I feel comfortable selling to anybody, because everybody has a different opportunity. Everybody is starting from a different place. So I'm doing it in a way that I feel has integrity, at least for me.

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FT: Yeah. You have the scholarship program, which is really great, \$200,000. Tell us about that.

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SA: Yeah. So we've partnered with an LGBTQI group, and you can learn more on the website as well as a group that supports women of color by pock and black entrepreneurs. And so we're giving away \$200,000 in scholarships to the program. It's a pricy program. It's \$2,000, like you mentioned, but it's also a \$99 initial price. So you can pay over 24 months, which is kind of amazing.

Still, that's a lot of money. And so there are groups you haven't kind of historically had access to education like this who've been marginalized. And I want to make sure that this isn't just for people who can afford \$2,000, but something that can bring up a whole community of people who haven't unnecessarily had access to things like this and build their businesses alongside them.

And we also have, in partnership with Outset. It's called the Outset, and they're the creative agency that I worked with on beautiful business class branding. It's all airline puns, and wheels up, and your passport. And each of the modules is called a flight, and everything within that is called leg and I'm your chief flight attendant. And it gets very puny, because I love things like

that.

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FT: And we can't get on flights right now, really. So this is the next best thing.

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SA: It's either triggering or it's like a nice vacation. I'm not really sure. It's a risk I'm taking. But it's fun, and it's beautiful, and it's not a sterile learning environment. So I worked on this brand with this woman, Linda Honan, and her creative agency, the Outset, and they are giving to one – There's an application process. To one of the students a full brand identity, which is like over a 100 grand. Like these guys did – They did Daily Harvest's brand. They did Marie Kondo's brand. They did Ray, that like beautiful supplement brand. So they'd worked with top, top, top startups, and a lot of the wellness space really. They've just done such a good job. And they're giving away one free kind of full suite of a brand identity to one of these entrepreneurs. So that just like – I mean, so few people get that. While the course takes you creating your logo, and fonts, and colors, and building something really unique, and vision boarding, and looking at your competitive landscape, and not copying people. This is really kind next level. So that's super exciting.

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FT: That's great. Congratulations. When you reached out to me on Instagram, I was like, "Wait. What?" It's not every day like someone with 700,000 followers reaches out to me personally. But I could tell you are really excited about this. And I really applaud you. When you talk about things like making it more inclusive and all of that, it reminds me of some of the headlines earlier this year. I'm sure you read. About the Girl Boss Movement and how some critics suggesting that the feminism of the Girl Boss Movement was not accessible to all women, in particular, women of color.

And so I'm just curious, because I thought about you a lot when I was reading that and I was like, "What is Sophia feeling right now when she reads this stuff?" I just wanted to check in with

you and see how are you feeling about that.

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SA: Yeah. If there's a larger group of people who love what I'm doing, then there are people who are grumpy about it. But I am happy. There is a time when if one person said something negative or criticize what I was doing, it was like my day was over. And I've just been through enough to know what matters and what doesn't. Honestly, a lot of the – Kind of the examination, deconstruction of the term Girl Boss and how it's become – It's completely out of my control. It's the word people use. I am a girl boss, the Girl Boss Movement.

So while Girl Boss was a business and a book that I wrote, and I started that thing, it you just became a part of the zeitgeist and really represented what I think became an era of white female entrepreneurship that that was a good thing, but also not something that everybody necessarily related to or brought other communities up with them.

When I read these things, the era of the Girl Boss is over 01 was really great. The Girl Boss industrial complex was like a tweet I read. I don't myself that seriously. So the book I wrote over six years ago now, six and half years ago, I was a completely different person. We were in a different world. There's no way I could have known the things that I know now about the experience of other communities. It was a fun book about my journey, flopping around. Yes, white privilege, right? The first things I sold online were stolen. I could get away with stealing because I wasn't a target in the same way that's a person of color would necessarily be. I'm not going to be followed around the store and monitored in the same way. I'm not going to be profiled in the same way even though got caught a few times, right?

So it's a story –My story is still not one that everybody relates to or could necessarily have followed. But I love being examined in that way. I don't think it was necessarily – There were definitely criticisms that were unfair and things taken out of context. And I've been made responsible for things that I never signed up for. And that's in some ways what comes with the territory when you put yourself on the cover of a book. But we're talking about 2014, and I thought we were in kind of a post-feminist world. It was like, "Yeah, Girl Boss". It was very simplistic. And that was great at the time. The book has inspired and helped so many women to

start businesses. Plenty of women of color, right? Many more than I think are examining the semantics of the combination of the word girl and boss.

So I'm proud of what I did with girl boss. We're in a new era. I've moved on from Girl Boss. I will always be the Girl Boss. But that's not really what I'm kind of wearing on my shoulder. And I moved into a new space where what I'm building is for everybody. It's not gendered. I want dudes. I want everybody to take this course and enjoy and benefit from it. I became the face of representing women without really – I didn't really expect the word Girl Boss to do that. And then when the women's movement hit, it was like, "Okay, what do you have to say?" And I'm like, "Damn!" I'm like, "I need to learn a lot here." I didn't necessarily sign up for that, but that's what I became responsible for.

So it's been an interesting journey. I've learned a lot. I am so grateful for the time I spent at Girl Boss and came out the other side a lot less of a bimbo when it comes to inclusivity and intersectional feminism, but also just the experience of different people and feel like – Yeah, feel a lot more equipped to build what I'm building I think than I did when I started Girl Boss.

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FT: I think that's super authentic. I think that's really honest. I also feel, as a journalist, I was annoyed with the coverage just because I felt like – And this isn't just with this story, but they have been a lot of money, this year in particular that I've had to step down from their positions at various companies, and the media just has a ride with that. We love to bring down women. And I'm not saying that their actions were not wrong or that they didn't deserve to leave their companies. But it's like can we also remember that the workplace is still run by men? There are more men in leadership positions doing bad things every day. And the level of just tearing down-ness that happens in the media against women leaders, we don't have an opportunity to – Or it seems like we have less of an opportunity to say, "Hey, yeah. We screwed up." Or, "I'm learning." NO. You should have known. You should've known better. And I think that that is very ironic that we're talking about being feminist, and yet the way that we cover and the way that we discuss women's roles in corporate America and in entrepreneurship, the expectations and the markers for success are much harsher, I think. I don't know if you agree with that as someone who kind of experienced it firsthand. But as someone who's like consuming that as just a fan of

reading about women in leadership positions, I'm like, "Huh! This is interesting." It seems like there's a bias.

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SA: Yeah. I certainly think women get more flak. There're less of us. I also think a lot of us have gone on a victory lap, because there're maybe a handful of women, mostly white, who've wound up on these bliss and covers of magazines, and that stuff. I think that stuff has been great. In some ways, I paved the way for – I don't know how to describe it. Like I thought I was personally the only entrepreneur, female entrepreneur who I thought I'd liked fucked up in some way that was unique. And the fact is that everybody makes mistakes and has blind spots. It's not necessarily an excuse for anything that anybody's been accused of.

I also think that, generally, startup culture and venture-capital pumps a lot of this. There's an expectation of a utopian workplace. And these first-time entrepreneurs, they can do their best. But the difference between what it actually takes to build a startup and the kind of culture and cool and coolness that comes with joining these companies brings a lot of expectations on the employees' end. And it's hard to live up to this. If people join a legacy company that's just like stodgy and doesn't move quickly and doesn't prioritize diversity and inclusion and doesn't care about the company culture. That stuff is expected.

When you join these super cool companies, especially the ones where the founders are being heralded as like feminist heroes, there's just no way to live up to that. Again, not an excuse, and I really can't comment on how fair or unfair it is that leaders have been, I guess, called out. I'm not a fan of callout culture, but there have been things that come to light in the way that happened in the Me Too Movement that there are examples made. And it's not necessarily always fair. I think the reactions to these transgressions of these founders can sometimes be outsized. But at the same time, it's just kind of how it is. And so I've been through it. I don't ever want to see anybody necessarily have a hard time. I've seen a lot of my peers go through really, really hard times. And of course I'm the first person they call, because I'm the poster child of failure.

At the same time, like what I said about Girl Boss and the Girl Boss, the word being examined,

and the movement, or whatever it became largely outside of my control, there's a lot to learn. So there's a certain amount of it sucks to be taken down, but the stuff I learned being called out publicly about building a crappy culture in my first company and other things that I was accused of, or I don't know what the word is, were like kind of fair. The delivery is not always fair, and how big the kind of backlashes isn't always necessarily fair, because I wasn't a bad person. I just didn't know things and got this responsibility to build a company with hundreds of employees and totally unqualified. And I think you can just kind of expect that. But it's an opportunity for everybody to learn when they get negative feedback. It doesn't always feel constructive, but there are ways to make it constructive for yourself even if the delivery publicly is like you suck and you're evil.

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FT: Yeah. Well, it sounds like you have a firm grip on this, and you know what's important to you, and you have learned, and you have moved on. I haven't asked you anything about money yet, and this is a financial show. So if I may ask you a couple questions just about what your life's journey so far has taught you about building wealth, because you've been through so many ups and downs and you are self-made. And I'm just wondering Sophia today versus Sophia maybe let's say when you were on the cover of Forbes. What has been the biggest financial lesson for you?

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SA: I think is overspend. When you get money for the first time, which I did, I didn't really understand. I went from knowing each dollar that went into my company to having, whatever, \$60 million in venture capital plowed into my business. And I couldn't really feel the business in the same way that I did, because that was just so much money that was like, "Okay, we're going to spend, and grow, and hire." It just wasn't like, "Oh! Well –" It was this piece by pieces bootstrapping. And personally – So I lost track of like what the value of a dollar was. Like I knew exactly what it was. And then once things got expensive, everything was expensive. So the difference between 10 grand 30 grand was like, "Oh! That's just expensive." I didn't have like benchmark that those numbers are really far apart in terms of the way I've spend my money, I could've done a better job. It was a blast, and money comes and goes. I'm saving for now – I've

saved for retirement and I have my investments, and I have a lot of equity in my home, and working really hard now.

But the only way – Sadly, for me, the only way I learned things is by doing them and making mistakes, which is just so excessive and expensive sometimes. And I actually wrote in a journal that I reread back in 2012 – And this is about me personally and not the company's money. But only way to learn what's worth spending on is to spend it, which is like it's not very expensive –

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FT: And then you'll know.

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SA: Yeah.

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FT: And what are some other ways that you had a blast, as you say, with the money? I know all – I want to live vicariously through you for a minute.

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SA: Yeah. I mean, it was a ride. And I don't even crave that lifestyle anymore, but it's super fun in your 20s to like have money for the first time. The mistakes I made? I think I plowed too much money in my house in terms of improvements. I was like, "I want the light switch here, and silk drapes." There's just like – I hired a really great interior designer that I collaborated with, and they give you three options and they're all expenses. Like, "Okay, I'll get that sofa." I have beautiful stuff, but I want to keep it forever, because I never want to replace it with something as nice.

I think vacation. It's like I spent a lot of money on travel. Took friends on trips. Took my mom on trips. Paid off my mom's mortgage. Having money, sharing it is the best. So whether it's sharing

my house and giving my friends a place to swim, or taking my best friend to Amangiri in Utah for her birthday, and like eating pre-fixed meals amuse-bouche, or whatever. Again, I don't care about that stuff anymore. I'm happy reheating my amazing taco, chicken taco meat that we make and eat for three nights straight. But it's nice to know the difference.

I think with money, very, very fortunate to be on these other side of having gotten this kind of windfall of cash and not early on. And then in some ways, having the opportunity to make hundreds of millions of dollars taken away from me, because the company – I could've sold the company for over 400 million in 2014. I had an offer, piece of paper. I owned 80% of it then. And my investor said to go ask for more. And it just all went away.

I mean, there're so many stories of things that could've happened, and then Hail Maries in the end. But had I actually pocketed the value of the equity I had the company, I don't know if I would like that person. And to be on the other –

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FT: Why? Do you think the money would've changed you?

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SA: Yeah, totally. I don't want hanging out with like weird, rich people in Europe.

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FT: Do rich people have to be weird though?

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SA: It depends on how rich.

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FT: They just don't know what to do with their money.

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SA: Yeah, like hundreds of millions, I think like you probably get weird. Yeah. And my experience, like there're only so many infinity pools. It's like I don't have a memory of sitting – I'm not creating memories. Like if I go backpacking – Oh my God! I encountered a bear. It was difficult. We ate weird freeze-dried astronaut food with a tiny camp stove. Or like going to hike – You're staying at a Four Seasons, and then going on a hike in Hawaii. All I remember is the hike. It's just like – It's great, but it's like there's a point of diminishing return. But I guess what I'm getting at is that to be young and be on the other side and know the difference and what money enables us to have a life where we're not stressed out over my name, and sometimes perks, like everybody should sit by and infinity pool at some point if you can. But to have experienced that before retirement, for example, where most people like grind their entire lives, which I'm still doing. So I don't even know why I'm saying this. But they grind their entire lives to get to a point where they could take vacations that I've taken. And I'm on the other side of it knowing that like that's not really what matters. So to know that early very much is a gift. And I'm grinding now because I like bought an expensive house and I'm basically have a lifetime subscription to a very expensive subscription product, which is fine.

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FT: Did you get a good interest rate at least?

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SA: I have a good interest rate. I refinanced earlier this year. I don't have a huge mortgage when it comes to how much equity I have in my house. But property taxes are expensive and houses are expensive. They're just expensive. Everything breaks. An air conditioning unit is 8 grand, landscaping a half acre, just cutting the grass. It just all adds up.

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FT: Well, Sophia, I'll let you get back to the housekeeping, because I know all about that. To some extent, I'm in the same camp with our home in New Jersey. We just bought it. And we went from an apartment in Brooklyn. Yeah, anyone who says that a home is an investment never paid real estate taxes and never paid a lawn service. That's for sure.

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SA: Totally. It's like I kind of think – If you can find a great rental, it's just like have your landlord fix stuff. I'm not sure ownership is as great as it's cracked up to be.

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FT: I want everyone got check out your course, Business Class. It is on sale right now, and the cart closes when? In October?

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SA: October 9th. You can't sign up after October 9th. And I don't know when we're going to do it again. And it's guided over eight weeks. And that's why is everybody is really the same like cohort of students and are taking through the course together where we give like it deeper kind of – Give deeper insights through our community and through email and to the content. But yeah, it's live. It's super fun. It's at takebusinessclass.com.

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FT: [Takebusinessclass.com](https://takebusinessclass.com). And hey, if you follow the eight weeks through, by 2021 you might be a business owner. That's pretty exciting.

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SA: I hope so. I think so. I think a lot of people are going to benefit from this.

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FT: Thanks, Sophia.

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SA: Thank you so much.

[OUTRO]

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FT: Thanks so much to Sophia for joining us. If you're interested in her program, her course Business Class, checkout takebusinessclass.com. And if you missed Monday's episode, go back, rewind. We've got Suzanne Somers, one of the original cast members of Three's company, and now multi-New York Times best-selling author, health advocate, an incredible storyteller.

Thanks for turning in, everybody. I hope your day is so money.

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