

Jerry: Hello, David. It's great to have you on the show.

David Sax: Good to be here, Jerry.

Jerry: Oh. Why don't you take a moment and introduce yourself.

David Sax: My name is David Sax. I'm a writer and journalist and speaker. I'm based in Toronto, Canada. Although now I'm currently based in a closet in my mother-in-law's weekend house, which you can see ...

Jerry: (laughs).

David Sax: ... the dimensions of the closet are quite generous to walk in. Now, it's been converted into a small interview and podcast studio.

Jerry: That's right.

David Sax: Um, I'm surrounded by blankets (laughing) uh, which is a comforting, very comforting feeling. And, uh, you know, I, I, this is, uh, the fourth book I've written, *The Soul of an Entrepreneur*. Um, the other books, uh, focused on different subjects: food, Jewish delis, um, the, the revenge of analog was the last one. So the return of non digital, uh, goods and ideas, bookstores, records, um, uh, but all of them are focused on entrepreneurs. And I've always been interested in writing about, in talking to and telling the stories of entrepreneurs. Uh, since I started working as a journalist.

Jerry: So, uh, I'm excited, uh, to have you on. I mean, we first I guess met, uh, virtually two years ago through a mutual friend and we had, um, just some great conversation about *The Soul of an Entrepreneur*. And, um, I was really excited when you finished the book and we reconnected, and I got a chance to read the book. And I remember finishing it, um, uh, as part of my nightstand and, uh, emailing you right away, just saying I loved it. And so I want to say that again, um ...

David Sax: Thank you.

Jerry: I love this book, yeah. Uh, you know, well, uh, I'm excited about getting into the topics, um, and really talking about it, um, with some doubt. But one of the things that I loved about it, uh, I love about the book is that, um, you actually used the word soul you actually connected the word soul and entrepreneur, those words together, which, um, for those who've listened to this show over the years, they know that that's actually an area I'm really interested in. But the second thing that I'm super, um, interested in is your subtitle, which is *Work and Life Beyond the Startup Myth*. And, uh, you know, in some ways I think we're like kindred spirits because I've been trying to explode the startup myth for years. So I'm gonna ask you to go first on this question. What is the startup myth?

David Sax: I think the startup myth is a narrative. Um, a fairytale, like any myth, right? Uh, and like all good myths, the fairytale has a hero and it has a set of challenges. But it has a

beginning, middle, and an end. Right? Uh, the Prince sets off on his journey and conquers the dragon and gets the princess and you know, storms the castle and happily ever after, I think I might actually be Super Mario. Um, and the startup myth is the particular narrative of heroic entrepreneurship that comes out of Silicon Valley and has really been sort of derived down into a very prescriptive formula. And it reduces entrepreneurship down to that narrative. You are the hero. You're a bright, young, brilliant, but somewhat of a misfit genius. You're Zuckerberg, you're Musk, you're Jobs who doesn't go to college or drops out of college or just barely graduates because they're so brilliant.

They have to get their ideas out there and you're a bit of a jerk. You're an antihero in a way. Um, but that's okay 'cause you're so brilliant, you mean to disrupt. And the steps along your journey are like a board game. Very much linear, right? Stage one, you know, write your business plan make your pitch deck, go up to join an incubator, join an accelerator. Get up there on the stage for demo day, and change out [inaudible] how you're gonna do the world. Secure your angel round, secure your series A, secure your series B. Here's the growth metrics you have to hit. Da, da, da, da, da, da, da, da. Until you get to the triumphant end, right? Your IPO, your acquisition or a graceful failure, um, which you get to rise again from the ashes.

And that myth has been taught in universities and business schools for much of the past decade as they've hooked on to entrepreneurship and grown entrepreneurship studies from one of the outliers of sort of business studies in universities in the 1980s to sort of the center of it for most business schools now. Um, it's promoted in media and magazine articles and you know, profiles of the latest hot startup.

Um, the how-to five ways to start a company, and 10 to grow it, and so on, listicles, things you see online, uh, and the hero is mythologized you know, the biopic. I mean how many, there's like five biopics of Steve Jobs (laughs) um, and one of Gandhi. Uh, uh, you know, the, the hero of the, the, the myth is, is elevated, um, to this sort of godlike status. I mean, you see that with Elon Musk. Anytime someone criticizes him for, say, promising to donate ventilators and not actually donating ventilators. There are legions of fans that, that ...

Jerry: Mm-hmm (affirmative).

David Sax: ... glob onto that because this man is, is their hero. He is their, their God. You know, people are running, "Oh, save us. What can you do? How can Elon solve this problem?" Um, but that myth is such a narrow slice of entrepreneurship, and like all myths, it doesn't ring true for the vast majority of people that go out to become entrepreneurs in any business, in any field, including ...

Jerry: Mm-hmm (affirmative).

David Sax: ... technology business. Um, the myth rings hollow for a lot of them. It's incredibly problematic. And, uh, and yet that's the thing that we've used to define entrepreneurship for most of the past 15, 20 years.

Jerry: I, I, I couldn't agree more with the identification of the myth. And I know that one of the things that are really, that really resonated with me about the book and, um, it was the notion that what you're, what you're, what you're really doing is unpacking the reality of entrepreneurship, um, in that quest for defining what the soul of entrepreneurship is. I want to put that to the side for just a moment. We can come back to that. I'm really curious 'cause I have my own theories about this, but I'm curious to hear yours. What's the cost of that?

David Sax: I think the cost of that myth is the set of expectations. And, and to go back to the mythologizing, you know, complex, um, the fairytale complex, right? Uh, if you set a set of expectations of what a myth is supposed to be like and what a hero's supposed to look like, first of all, anyone who isn't that hero and doesn't fit into that archetype already feels excluded in the children's myth in the, the s- the, the fable, you know, I'm, I'm up at this house and there's a lot of classic fairytales and storybooks that my father-in-law used to collect. He was a bit of a, a hoarder when it came to that stuff.

And so I've been reading it to my kids every night and a lot of them are really problematic. It's, you know, Prince wins and the, the fair maiden, you know, shuts up and looks beautiful and busty and blonde and, uh, you know, at the end of the day when it's like, uh, every Disney movie pre 1995 or -98 probably. Um, and so if you're a girl and you feel strong and you want to be the hero of the myth, well, you know, that doesn't really count. You don't get in that. In the Silicon Valley startup myth, um, where 97.2% of venture capital funding goes to men or companies started by man ...

Jerry: White men.

David Sax: Yeah, white men, um, uh, you know, if you're a woman, if you're a person of color, if you're, uh, from an indigenous community, if you want to build a company outside of very specific parameters, you, you don't see yourself reflected in that myth. You don't see stories of anyone reflects to that myth. And already you feel excluded from that. I think for those who you know, push ahead and, and buy into that, um, the problem, the myth, and this is what you and I spoke about ...

Jerry: Mm-hmm (affirmative).

David Sax: ... is that it, it sets up a standard of expectations, right? It says that, "Okay, y- you want to be an entrepreneur? This is what it looks like. You're gonna do X and Y and, and here's what the glory is gonna look like. Here's how much money you're gonna make." And so if you start a company and suddenly you're not a billionaire by the time you're 26, you're not getting showered with, um, venture capital investments worth hundreds of millions of dollars, you're not on the cover of Fast Company, you're not, um, standing on some stage with a you know, wireless headset and mic telling everybody how you're gonna change the world, you see no other alternative. You, you, you start to think that you failed.

In the same way that right now I have a book that came out and you know, I don't see that book on the New York Times bestseller list and odds are, I probably won't. That's

just straight up math, right? Stephen King's, you know, Malcolm Gladwell on the nonfiction list, got to occupy at least four of those spots. Um, and I, and Bill O'Reilly is always occupying like two of them with his weird history books (laughs). So the odds of me landing on that pretty, pretty low in the best of times, let alone this, um, hellscape we're living through.

Uh, so if I judge myself against that myth, right? The myth of a writer of like, you work and you slave away and your thing comes out and then you'll be a success and you'll be the next Stephen King and your money's made and, and so on, um, you've already set yourself up for failure. And I think a lot of entrepreneurs do that. I remember speaking to someone who's a neighbor of mine and he had a project and he was getting ready to launch it on Kickstarter. And I said, "Well, what's your plan?" He goes, "Well, my plan is this is gonna be the biggest, most successful Kickstarter of all time, right? You know, the, the exploding kittens or Oculus rays, I don't know, hundreds of millions of dollars. Like I'm gonna raise double that."

I was like, "Okay, well odds are that's not gonna happen. That's really lofty to aim high, but like, what are, what is the, what's the backup?" "There is no backup. This is it. It has to be it." And that's a really dangerous message to send because it sets someone up for disappointment, um, and dejection when that doesn't happen. But I think the other thing is it already limits their range of possible ideas and imagination of what success could look like, of what the journey could look like. And entrepreneurship is something that can take a thousand different paths from the same beginning. And I think people have to be more open to that, especially entrepreneurs because nothing is certain in what they do other than the fact that they're embarking on that journey. They have the freedom to act upon it at any point and they bear the risk that comes along with that.

Um, but if we only tell the story of one path of that journey, and that's the one we mythologize, and that's the one we teach, and that's the one we glorify. Then we are limiting the possibilities of what people are willing to do, of what people are willing to fund, of the businesses that might be built and the lives that might be changed and impacted because of that. And I think that's wrong in a lot of ways, um, morally as an economic opportunity, you know, financially. Um, and I think for entrepreneurs it is already limiting the. In our choice of a lifestyle and career that that should be limitless in a lot of ways.

Jerry: I want to build on what you're saying by noting that, you know, as a coach, as someone who's really dedicated his life to working with people, part of the costs for those who are attempting to, to live into the architect that you just described is, uh, when their experience meets the reality that, uh, that their journey is not going to be by that playbook. They, uh, and they've, they've married their sense of self to living into that architect as has been portrayed, um, um, and, and as they've experienced...

Then they start to experience a profound dissonance and depression and anxiety. Um, and, uh, uh, they, you know, my infamous line is, uh, just because you feel like shit doesn't mean you are shit. And, and what happens is the experience, they're measuring themselves against an ideal that was never true in the first place. It was always a myth. And so that's a cost. But one of the things that I'm fascinated by, and, and I think we got

into this a little bit even, um, on Twitter, you and I, you wrote a, a piece for the times a few weeks ago about other entrepreneurs.

Jerry: And there was this third party who sort of popped in on the Twitter exchange that we had about how just sort of pushing back on that word entrepreneur. And I remember saying, "Well, we have to actually take that word back." And, and I remember one of the first conversations we had, I talked about my, my grandfather Dominic [inaudible] of the iceman in Brooklyn. And they described him as an entrepreneur, um, because he was. And you do a wonderful job in the book of really unpacking that word, entrepreneurial. Where does it come from? I just want to note that all those ...

Right, when you use the alternative word that we tend to use, small business owners who make up the vast majority of economic activity also pay a cost because they're not lionized, they're not celebrated. And when we look at, you know, times like we're living in right now where, where, uh, every day we're seeing massive failures in businesses and we're seeing economic disruption, the likes of which humanity has never really seen, the, the very, uh, pieces of our economy that, that could help take us out of the troubles that we're in, those small business owners, far from being celebrated, they're still being ignored.

Because the numbers don't match up. If I save 30 jobs at a restaurant in, outside of Toronto versus what I perceived to be a thousand jobs at, you know, uh, this other company or 10,000 jobs in the airline, what we're not seeing is the connected web that, that entrepreneur kind of, uh, uh, taps into. So my point is just this, I think that those entrepreneurs, my grandfather, many of the people you profile in the book are also hurt by the startup myth.

David Sax: Absolutely. One of the things that I saw as a bigger trend, um, and that got me really interested in, in when I started writing this book was, you know, there was a cultural divide. There was the, the, the entrepreneurs, the founders who we lionize the myth of, of the, the, the, the startup and the, the, the rags to ultra riches that are created and the benefits for all of us.

Um, and then the economic reality of entrepreneurship out there. So the myth said "there's never been a better time to be an entrepreneur. It's a golden age for entrepreneurs in America and around the world. Look at all the startups happening." But when you actually look at the economic statistics outside of Silicon Valley and the small Silicon Valley hubs, Boulder, Colorado, where you are, Toronto where I'm in, Berlin, London, whatever, large cities, large cities around the world, right? Pretty much, except for the guys who invented Angry Birds.

Um, uh, you know, you see that entrepreneurship in the West as a, as a unit of economic activity measured pretty much in any way...people starting their own businesses, people going into work for themselves, people starting companies, people starting companies that employ people, the growth of those companies, the size of those companies. It's been declining over several decades, pretty much the 40 years since I've been alive. And, and it's kind of at a low point. And that really struck me

because on one hand, how are we talking about entrepreneurs more, venerating them more, romanticizing entrepreneurship in a bigger way than we ever had before.

But all around us, entrepreneurs in our communities, in every sector, pretty much, were declining or finding it harder to start businesses, harder to grow those businesses. Um, that was a real fundamental disconnect. And now we're seeing that accelerated, right? The businesses that are going under the businesses that are finding it harder, impossible to get government loans and backing through the PPE disaster program or, or any other, even just getting bank financing are those everyday small and medium-sized businesses.

Um, and as we walk around or drive around our neighborhoods or look at our neighborhoods, do some video cam 'cause we can't walk around, we are actually feeling viscerally the effect of that, right? It's one thing to say, "Ah, the bookstore is gonna close. But who cares? We have Amazon." And it's another thing to see all the stores on your main street boarded up and wondering whether any of them are gonna open up again. Um, it's one thing to say, "Oh well, disruption is good," and it's another to see every business disrupted.

But there was a line of thinking that went through policy circles, the financial sector that said, "Look, the only thing that matters is job creation, GDP growth, um, innovation and, uh, efficiency. And you know, the statistics show that that is best achieved through high growth, larger companies. We, we need more Amazons. We need more Boeings, we need more Microsofts, we need more X and Y." And you know, the little guy are inefficient, the more we can do away with them, the faster things will grow and so on. But that might work from a large macroeconomic GDP perspective, but it doesn't work for our lives and our communities. You know, we don't want to live in a world where there's five companies that control everything. And, and that's what we're seeing and we're seeing that accelerated in this crisis.

Jerry: There are two stories that you tell in the book, two entrepreneur's stories that you tell that I found really quite moving. There are many including your own and your own family's experiences, but the Syrian bakers in, in Toronto, what was the name of it? Crown bakery ...

David Sax: Crown Pastries.

Jerry: Crown Pastries.

David Sax: Um, delicious. So delicious. I would kill for that now in this closet.

Jerry: Well, I was just gonna say ... I mean that's, that's kinda my point. There's a homogeneity that sets in when there's concentration and, um, w- and what we've come to understand that that is not good in our food supply, right? Heirloom tomatoes are important to preserve. Um, the, the lack of, of, uh, diversity in our entrepreneurial ecosystem I think is just as deadly for our industrial experience, for economic experience. Because if the only place in which one can buy your book or my book is Amazon, and Amazon is shut down, we're in trouble.

David Sax: And not only have Amazon shut down, but all of a sudden Amazon controls what happens and you have no say over it. My book, for some reason, in the United States doesn't have a buy button on Amazon. You have to go through another button and look at 20 different options of resellers and, and it's hidden in there. And I was like, what is with this? Why is this to the publisher? And they're like, "It's their algorithm. We don't know. You know, we, we have no control over it." Right?

There's, there's tremendous danger to that. I mean, you, you alluded to the food system. We've seen talk of food shortages. Why? 'Cause, you know, Cargill and JBS, these massive multinational conglomerates control 95% of the slaughter houses that are you know, have, have, have moved the entire meat supply chain into them. And now because of the way those work and because of their drive for efficiency, they're perfect incubators for spreading this disease.

Um, and, and we're seeing that across the food sector. The monopolization for food is a place where everybody just eats at the same five restaurants. I mean, if you drive into most small towns in America that the main street was hollowed out in the 1990s by the sort of power centers on the fringes, the diner is gone, the small family restaurant is gone but you can go, you can eat at a Cracker Barrel. There, they'll have a, um, you know, a TGIFridays or, or some sort of interstate food and it's all the same. Um, we don't want that. And, and this is again, part of the non-economic benefits of a broad based and strong movement of entrepreneurs in a society. Right? You know, we talked about the, the Alsalha Brothers, uh, Rasoul and Ishmael who came from Aleppo right before the civil war, but fled ...

Jerry: This is, uh, the Crown Pastry kid.

David Sax: Yeah. Fred vile- Fled violence. They had, uh, you know, Rasoul had worked in his grandfather's pastry shops since he was in high school. Um, he had just opened his own one and had to leave out of a threat of violence. Um, the, he arrives in Toronto with literally \$5 in his pocket, works at a Lebanese bakery, but the baklava isn't the same. It's not what, it's not Syrian proper baklava. He opens up this place a couple years ago and it, and it starts growing and he does it with sweat and hard work. I mean, if you've ever folded phyllo dough, it's a hell of a process. He has huge beefy arms.

His brother Ishmael joins him. The two of them, you know, max out every cent of their credit cards, take whatever money they scrimped and saved and they build and build and build this business. They're able to open a second location. They're able to bring their wives over from refugee camps, air the fiances from refugee camps in, in Turkey. Uh, they have babies on the same day, 12 hours apart. Um, uh, that is a dream. Are they gonna be multimillionaires? Is this gonna be a, a national chain of baklava shops across Canada or North America? Probably not.

Um, but it allowed these people to build and renew their lives, to start their lives over, to establish themselves as pillars of a growing community, to give that community a place to gather, a taste of home. Uh, it introduced the city to a new type of food and built connections to broader community of Canadians or Torontonians. Um, these are all the things that entrepreneurship can offer, but it's not the things that we ever talk

about and it's not the thing we valorize because we just look at how much money it can make for shareholders or for investors or as, you know a tax base or, you know, how many people can it employ. Right? Um, but it, it's so much more than that. It is a transformational process and it's a very you know, it's economic freedom and it's utmost.

Jerry: I was thinking about the freedom and, and you often speak about freedom and, and, and the relationship between the wish to be an entrepreneur and that, and that desire for freedom. And I, and I'm thinking of the other story that really struck me, in which is the woman who opened the bakeshop in the Rockaways. Can you talk a little bit about that?

David Sax: Yeah. Tracy Obolsky is what you would call a lifestyle entrepreneur. Um, which I realize is a four-letter word in the world of venture capital. Uh, but here's a woman who, you know, worked really hard her whole life, uh, was a pastry chef in New York City, won a ton of awards, got great accolades for the work she did in restaurants. But she was sick of working for someone else. She was sick of male chefs getting paid more than her and her having to sit there and take it. Sick of being called into work on a, a Sunday when she had a day off because, you know, the restaurant demanded it and having to commute in, uh, from the city. And, and she got into surfing in Rockaway beach and she just wanted to live by the beach. That was why she moved out there. But she was grinding in away in basement Manhattan kitchens without windows.

David Sax: So she did what every entrepreneur does, right? And like got up there and quit her job and she said it was the happiest day of her life. And it was a struggle. I mean, she started out making baked goods in a old snack shack in a fisherman's marina and digging through toxic waste and, you know, making a few bucks a day, but she was free. That freedom was, in many ways, the benefit.

And she works her butt off. I mean she works six days a week. She gets one holiday a year. Now she's struggling just to keep her business open. It's takeout only, but she's doing okay. But every morning, she gets to wake up, go for a surf, ride her bike along the boardwalk to the bakery that she owns and she designed and no one tells her what to make, no one tells her what music to play, no one tells her what to wear. She sometimes closes early 'cause she wants to go surfing. Um, she has gained these benefits of being an entrepreneur that have nothing to do with profits, that have nothing to do with her growth trajectory.

She has ambition, she wants to open an ice cream shop one day and she has all sorts of ideas for products and stuff. But, you know, the reason she became an entrepreneur was to gain that lifestyle. And that's not a negative thing. I mean, the majority of entrepreneurs are lifestyle businesses. You know, lifestyle business is defined as a business that allows the owner of it to fund their living expenses and lifestyle, right? That defines 99% of businesses but we've seen that as a negative because it doesn't take into it the idea that, um, every year must have, you know, an exponential curve of growth and the goal of selling the business essentially at the end of the day.

Jerry: Mm-hmm (affirmative). I wanna build upon that by reading to you from your own book. "When you work for yourself, the work becomes you. Your ownership isn't just over your business assets and intellectual property, but your reputation, your achievements, your failures and all that you learn from that along the way. As a writer who's always worked for himself, that is a benefit I rarely acknowledge openly, but it is probably what keeps me writing books. A process fraught with economic precariousness where the chances of bestseller success are imperceptibly slim. The financial rewards are modest and the work itself can be torturous. But at the end of the day, it's all mine, the shit and the gravy. And more than any other, more than any money or the thrill I get from seeing my name on another dead tree, this is the benefit I derive from the work." Tell me about that.

David Sax: I think we, we measure success as entrepreneurs. We, we measure the value of entrepreneurs often in dollar figures, right? In growth metrics and quantitative measures. But when you speak to any entrepreneur, and you speak to entrepreneurs every day, and I do as well, whether I'm writing for this book or interviewing for other articles. So few of them, I mean, I could say that, that the, a, a, a real outlying percentage talk about the reason they started their business and the reason they continue doing what they do, whether they work for themselves, whether they started a large company with partners that has grown and grown, whether they're in a family business, none of them say, "Oh, I do it for the money. It's all about the money. You know, I'm, I'm making more money this year than I, than I made last year. Like it's all about the money. It's a good living."

It's the, there's a, a deeper reason why people are entrepreneurs and what entrepreneurship means to them. That's, that's sort of what I was trying to get at with *The Soul of an Entrepreneur*. Right? What is that deeper meaning behind it? Um, and for me, it, it is that, that freedom and independence to own that work and have my ideas and, and present them to the world in a way that I see fit, that I would never be able to do if I was employed somewhere. Um, I think for others it varies, right? For other entrepreneurs, it's about building something that's maybe for their community or it's a way for them to establish a new identity around their values.

You know, I think you and I talked about how you got into coaching and how you started Reboot and you told me that it came out of your experience working in venture capital and getting burnt out and wanting to deliver the service and assistance to other entrepreneurs and other individuals that you needed and probably could have benefited from, you know, at that time. So that deeper meaning is something that we've lost touch with. Um, and I think, yeah, you get, you get a smattering of, "Oh, we really wanted to help people and here's how, ou know, that's why we started this startup shoe company or whatever."

Um, uh, often a lot of that just comes across as sort of marketing copy. But I think, you know, that the deeper thing that drives entrepreneurs is, is very personal. And, again, getting back to the title of the book, I mean, that is, that's the essence of it, right? We treat it as an economic phenomenon. We treat it as a measure of input, as part of the larger thing, like labor and capital and investment and resources and so on. But entrepreneurship is such a fundamentally human phenomenon and so much of that is

just purely emotional and personal. Um, and, and for each entrepreneur, the reason why they do it, the reason for existing in a way is driven by something that's, you know, intimately personal to them.

Jerry: We've talked about my grandfather as a model for me. My, uh, the, the iceman who climbed, um, in Brooklyn. We called him stoops from the old Dutch word. The long staircase up and down, um, Brooklyn town homes carrying blocks of ice on his shoulders. And the result was the sense that he had enough money in his life. Um, at least to my boyish eyes.

And as I've shared in other venues, um, another seminal event in my life that, that I think, caused my connection to entrepreneurship was being 10 and watching my father lose his job, or more specifically lose a solid job. The kind of jobs that dominated the American economy post World War II, where it was the kind of the old view of a social contract for life. You got a job, you stayed with it, you hand it over your hours and you retired and that was it.

And when he lost the job that he'd held for 30, 35 years, and I watched him struggle for the rest of his life trying to find some ground beneath him, I know that my movement wasn't merely towards freedom, right? What music do I want to listen to today or how do I want to work. But it was actually a, a movement towards, "Well, God damn it, at least I can depend upon me." It's kind of a negative, a movement away from having the ground ripped out from under me because if I'm going to be unemployed, it's going to be a consequence of my failures, not somebody else's failure

David Sax: I was thinking about that a lot. I mean, I had a cousin who got laid off last week and she said, "Well, I'm, you know, I'm finally gonna be an entrepreneur." Uh, and I just thought to myself, you know, "Yeah, I'm losing a lot of money right now. Right? You know, my speaking income, let's just say is gonna be negative for the next year or so. Um, but I, nobody can fire me from what I'm doing. I can't be laid off from this. Jerry: Right.

David Sax: ... I have the ability within it to, you know, figure something else out and not waiting for someone."

Jerry: You know, when we look at the soul of an entrepreneur and we look at how the soul of that entrepreneur gets set and begins to unfold, I very much resonate with the notion of the wish for the positive freedom or, uh, the movement away from the startup myth. Even if I was attracted to it initially as, as a startup then. And I think it's important to understand our historical precedences. Um, you speak eloquently about your family and the dynamics in your family about entrepreneurs in the family.

The Syrian refugees that you talk about, you know, uh, they come from a long line of independent, uh, bakers and, and, and there is that belief system around that. And I think it's equally important to understand that there's a kind of, uh ... And, and it doesn't make the emotional experience easier to say, "It's all up to me." It makes it different than when I'm working for a big company. Um, but it, at least, uh, it gives me a marginal sense of autonomy and a marginal sense of agency in my own life.

David Sax: That is you know, you get back to the original definition of the word right, French word, sort of battling around in the middle ages. And around 1730, there's this French Irish economist, Richard Cantillon who writes a book of essays about the economy, dies, um, never gets it published, dies and like a year after his death, that gets published. And one of the chapters is about an entrepreneur. What is the entrepreneur? It's the first time it's really ever codified in, you know, economic theory anywhere. And Cantillon says, "The entrepreneur is anyone who works for unfixed wages. Whether it's the wealthy merchant launching ships or the landowner or the, you know, the beggar in the street. Um, and who bears the risk of that and has the freedom of that."

And that's, that's the truth for every entrepreneur. That's the, the two things we all have, is the freedom and the risk that comes as the cost of that. Right? And, and that's what makes it intoxicating, that freedom, and that's what makes it so difficult. I mean, that's the reason why you're in business (laughs) is, is the risk. And now, you know, we're in a time of extraordinary risks coming to, you know, the, the, uh, the, the reapers coming knocking on everyone's door pretty much. Um, uh, but that risk is the burden that every entrepreneur who signs up for the freedom has to, has to take with them. And it's not the fun part. It's not the sexy part. It's not the part that we really valorize a lot, but it's the part that all of us have to deal with. The truth.

Jerry: You know, I hear you and, and I think that part of the lessons of this pandemic economic collapse time is that perhaps the real myth is the myth of now and forever financial security for...

David Sax: Mm-hmm (affirmative).

Jerry: ... uh, anyone. And that maybe in some ways, part of what the gift of entrepreneurship is, is the realization, is it ... You know, by, by exposing herself daily to the risk of the precariousness of income and the precariousness of that experience, we're actually stepping into the reality of the world as it is. Because the reality of the world as it is, is that through, through no fault of our own, shit happens. And how are we prepared for that? Right? So I think back to my investor days, for example, and I see more clearly now that I would have sought out the personality type, like your Syrian refugees, because come hell or high water, they will find a way to survive because they did so as refugees and they're doing so now.

And I am imagining they may be surviving on takeout right now as well, but I'm imagining that when they come through this and they will, uh, they'll figure out a way to keep the lights on, to keep the, the phyllo dough folding, to keep the baklava coming out and feeding people. Because there's that what I often refer to as our kind of true grit, and it's, and, and, and because the, the bakery is not the end, the community, the relationship, the experience of the family expressing itself creatively is the purpose. And that gives them a sense of, of true grit and the ability to survive.

David Sax: And I think it's that you know, it's them as individuals, right? Um, you know, if that business fails, like so many hospitality businesses are, are failing, they're, they're really on the economic front lines of this. If that business fails, the person who ran it and had to declare bankruptcy or shut the doors, they're still an entrepreneur at heart. And so

they already have ideas about what they can do. They have experienced this and they know what is possible.

Um, I've been amazed over the past two months watching my friends who own businesses, who work for themselves, come up with ideas, come up with things, solutions, experiments, charitable works. Um, and just go out and try them and do what they can because they don't have to ask permission for anyone. 'Cause they, they already are paying the cost of the risk but they have that freedom to sort of go and you know, try something new, to do something different. And that is what makes them entrepreneurs. And those that will come out of this, whether their businesses make it through or whether they, uh, start a new business later on, um, they will bring the totality of this experience and the lessons learned with that, whether they're economic lessons or just emotional lessons, um, with them to the rest of their lives.

Uh, that's what makes them entrepreneurs. That's what they've always done. I wrote something, I don't know, last week. I think like we are, we're the best prepared and the least prepared for this, right? We are the least prepared because most entrepreneurs do not have vast stores of capital. We have, you know ... Uh, for, for a, a hospitality business restaurant, I mean, they have a couple weeks of cash flow to rely on. Um, you know, for, uh, some of us, it might be a couple months, maybe a year of savings to fall back on. Um, and it depends on the business.

And we don't have the ability to tap into outside capital. Most banks will not lend to us. I you know, I couldn't, I can't even get so like critical illness insurance a couple years ago. I can't get it, I'm self-employed, doesn't ... Literally, if I get hit by a bus, my family's screwed. Uh, unless I die, they're good. So aim for, go faster bus. Um, uh, but, you know, we're also the best prepared for this because we already wake up every day in our sweatpants (laughing) to go to work, at least I do. Um, we are, we already know how to face uncertainty. None of us are assured anything.

I've had great years and I've had bad years. And every year, my accountant says to me, "Okay, well, tax time's coming out. Like what do you think you'll make this year?" I still don't know. So much of it's unpredictable. And so that uncertainty is a time that entrepreneurs pay the cost of but they also can thrive in.

And I think there are as many people as are despondent right now about what's going on. There are hopefully an equal number of entrepreneurs that are seeing opportunity that's out there. My mother-in-law, Fran, God bless her you know, she, for years ... You know, she was the daughter of Holocaust survivors who owned a stationery store and a convenience store in Toronto.

And Fran was one of the first women in Canada to get an MBA. Uh, I don't know how. Um, and, and she spent her entire career and her entire working life as essentially an itinerant peddler. I mean, she sold rattan furniture she imported from the Philippines and macrame planters and plants from Mexico and she would sell it at flea markets with her husband. And, um, and our, my wife as a baby was in a basket underneath the table at a flea market often. Uh, she would then sell schmattas that she bought from various

places, scarves and accessories, uh, at folding card tables at hospitals and care homes all around the sort of Toronto area.

So last week, of course, like, or a few weeks ago, she's like, "Oh, I got an email from, from my supplier. You know, uh, Frank, he's this guy. You ..." Like, "I used to get stuff from him from China. He's selling mask, he's selling sanitizers. I should buy a bunch of the sanitizer. Like I could drive around here. I could sell it to the businesses." You know, she's like ... So she doesn't need it. She has, you know ...

Jerry: Yeah. And, and she doesn't stop.

David Sax: She doesn't stop. It's the thrill of the sale, the feeling of the cash under her fingers but she saw that opportunity. And, and like, she would probably love to do nothing more than go buy a couple hundred gallons of sanitizer and find a way to sell it to people.

David Sax: She's seen that opportunity. Other friends of mine are seeing opportunities in, in other ways and, and that's, that's, you know, talk about that entrepreneurial spirit. This is the stuff that entrepreneurship is made out of. It's in these times.

Jerry: Amen, brother.

David Sax: (laughs).

Jerry: Well, I want to thank you for coming on the show. You know, David's always a delight. I just want to shout out on the book again, I really enjoyed the book. Thank you for writing it.

David Sax: Thank you, Jerry.