James Altucher: This is James Altucher with The James Altucher Show. I’m here with one of my favorite guests: Ramit Sethi.

Ramit Sethi: I’m doing great. Thanks for having me.

James Altucher: Yeah, Ramit, I just want to introduce you to the audience. You’re The New York Times best-selling author of the book I Will Teach You to Be Rich. And you basically do non-stop courses, blogs, emails, programs, seminars, to essentially; I feel, help people. Like the kind of material you do, every post, every piece of content I read from you is really like from the heart and helping people where they need it.

Like how to make more money, how to come up with ideas, how to not settle for things in life, how to avoid the jerks in your life, how to ask for a raise – all of these different habits and ways that we kind of keep ourselves in our comfort zone, you try to help us break free from. Would you say that’s an accurate description?

Ramit Sethi: I think that’s great, yeah. Thank you for saying that.

James Altucher: You could take it. It’s not trademarked or anything. You can use that in your next marketing campaign.

Ramit Sethi: I’m recording this right now. I’m gonna introduce myself using this.

James Altucher: [Laughter] That’s excellent. So let’s start off from the beginning. Like I Will Teach You to be Rich, you wrote that like in 2003 or 2004. You were like a little baby then. What was going on in your life that you wrote this book?

Ramit Sethi: Well, I started actually teaching a class informally in college, and the reason I know anything about money at all or about psychology was that my parents, who are immigrants from India, they told everyone in our family, “You want to go to college? Great. You have to find a way to pay for it.” And so I’m a bit of a nutcase. I built a system to apply to about 65 or 70 scholarships, and –

James Altucher: What does that mean you built a system; was it like a software system or you hired somebody? What did you do?

Ramit Sethi: No, it was much simpler than that. It was what I discovered was these scholarship applications pretty much had the same five or seven essay prompts. So they’ll say something like, “If you could
have dinner with anyone dead or alive, who would it be?” And so
what I did was I wrote five really great essay, and I spent a lot of
time testing it with people, reading it out loud to see how it
sounded, just making them great.

And after that, I could basically copy and paste different
paragraphs from one to the other. By the end, I was creating about
an application an hour. And it turned out great because I ended up
paying for my undergrad and grad school. But the reason I –

*James Altucher:* How did you do that? Like what specific things did you win or
earn to do that?

*Ramit Sethi:* Well, I earned hundreds of thousands of dollars in scholarship
money, but the interesting part about that is it wasn’t just about
writing. See, eventually, you get called in for an interview. And I
wasn’t, *laughter*, very good at interviewing. I was awkward. I
didn’t smile. I didn’t even have a suit coat so I had to borrow
some guy’s suit that was like ten sizes too big.

And I kept getting the interviews because I could write, but I kept
losing once I got to the interview. And I looked around, and I
thought I was so smooth, and I started looking around and saying,
“Why do they keep winning and I keep losing?” And so I finally
ended up asking my parents if they would videotape me. And this
was when something very shocking happened.

In my head, I was just really smooth debonair guy, *laughter*, but
when I watched myself on camera, I was awful. You know, totally
awkward, didn’t smile, and it made everyone around me
uncomfortable. And so that was when I learned little things like
smiling actually matters.

*James Altucher:* Well, actually, Ramit, I want to say the first thing you learned was
that analyzing your mistakes is the most valuable thing. So
videotaping yourself and really breaking down and analyzing what
could be potential mistakes, that is the fastest way to learn.

*Ramit Sethi:* It’s huge. And very uncomfortable because we’d rather go through
life doing the same thing we always do, even if we don’t get
results. This is why you see people who run on the treadmill for
two years; they look exactly the same, but they won’t change up
their workout because they would rather do the same thing and fail
then try something new and potentially fail. That’s a very odd
curiosity of human behavior.
And you look at any sport, any professional, any game – like take tennis, take football – like take tennis or golf as an example, the coaches will videotape you and then frame-by-frame analyze for you what you’re doing wrong. And that’s how people break away from the pack is by analyzing frame-by-frame these critical moments of your life. So for you, you were having a critical moment, which is how do I overcome – how do I not be the average guy in an interview?

Yeah.

And so you had to analyze it almost frame-by-frame.

Yep. And I agree, and that’s what I did. And it’s funny because when you do this the first time, it feels really weird. But the way I think about it is it’s weird to just keep doing the same thing and getting the same results for the rest of your life.

Yeah, that’s – well, didn’t Einstein say the definition of insanity is expecting – doing the same thing that caused you a bad result, and expecting a different result?

Exactly.

Someone said that.

Exactly. [Laughter].

Someone said something like that.

[Laughter]. Yep. So I ended up getting these scholarships, and like any 17-year-old kid, I took my first scholarship check and I invested it in the stock market. Because back then, you know, it was ’99, 2000, and it was really hot. Everyone was doing it. And I promptly lost half my money. I didn’t know what I was doing. So I said to myself, I better learn how this money thing works, and I started reading everything there was to read about personal finance.

Oh my god. I feel like you’re taking the words from my interview with you and using them. These are like the exact words I said to you like three years ago.

[Laughter]. Well, that’s true. For everyone listening, I did interview you on a Brain Trust interview, and it was one of our best. It was amazing.
James Altucher: Well, thank you.

Ramit Sethi: You know what I learned? You remember that book The Emperor Has No Clothes?

James Altucher: Is this what you’re saying you learned from the interview with me?

Ramit Sethi: [Laughter]. No, no, it’s not about you. I’m saying I’ve learned this about personal finance. I was reading all these tips, you know, people saying like keep a budget, stop spending money on lattes, and virtually every expert says these things. And I started watching my friends and listening to how real people act, and no one actually follows that.

And so I’m sitting here with an eye-opening aha moment, where I’m like, wait a minute, all these experts keep saying the same thing, but it doesn’t actually work. And that’s when I realized this was something I wanted to dive into much deeper, the psychology part of it.

James Altucher: Okay. So let me just try to understand. So everybody knows that they can buy Dunkin Doughnuts coffee for a dollar, or they can buy a Starbucks cappuccino for $5.00, and they know that over a course of a year, they’ll save $1,200.00 extra dollars, which is like $1,800.00 before taxes. But they still don’t do it even though they need that $1,800.00.

Ramit Sethi: Technically yes, but my point is that doesn’t matter. So all the experts will tell you this stuff. It’s almost like it’s gospel. They’ll say, “Stop spending on lattes. Make your coffee at home.” You know, there are two things to know about that. Number one, you’re not really saving that much money. $3.00 a day. It doesn’t add up to that much compared to the other things you can do.

And number two; it doesn’t really work. Look at anyone who tries to deprive themselves. They inevitably yo-yo back. So I wanted to apply psychology to our lives. And I live in the world of what is, instead of what could be. I was just sick and tired of these guys telling us what we should do instead of what actually works.

James Altucher: Okay. So what is interesting to me there is you said people who deprive themselves inevitably yo-yo back. Is this because ultimately we tap our reserves of willpower? Like, we only have so much willpower, and if we’re straining everyday to buy some crappy coffee instead of Starbucks, we’re eventually gonna run out of willpower and we’ll snap back.
Ramit Sethi: That’s one of the primary reasons, yeah. And also no one wants to wake up in the morning, you’re caffeine-deprived. It’s your one small joy on your commute to work. And you’re gonna stop it for what, some goal 30 years in the future? If you knew anything about psychology, you would know that that is a futile goal. So it’s very surprising.

People like to think we’re in control of our behavior, but one of the things that I recognized early on from the world of psychology was we are fundamentally cognitive misers. We have limited attention and limited willpower. Let’s focus on the five or ten big things in life instead of worrying about the 50 small things that don’t really matter.

James Altucher: I totally agree with that, and I also think the other thing to focus on is to build up the reserves of willpower through healthy living in various ways. Like for instance, if you hate your job and are stressed out about your boss, you’re gonna have less willpower than the guy who loves his job or loves what he does for a living because he’s just got more freedom and energy in his life.

Ramit Sethi: I agree. I totally agree. And so like building the – crafting the kind of life you want, and spending that attention and willpower on things you love, whether it’s work, whether it’s family, whatever, and being present verses always worrying about all the things that you’re not supposed to do. That’s no way to live.

James Altucher: Okay. So let’s make it concrete. Like what’s some of the first things – what’s kind of the intro to meet the plan here? What should I be doing to better my life and increase my willpower and so on?

Ramit Sethi: All right. So the first thing that I talk about is just understanding that part of a rich life is money, but it’s only a small part. So I talked about personal finance years and years ago, but since then I moved onto many, many other things. And I think it’s important to know that for me a rich life is about saying yes. For a lot of my readers, it’s yes; I want to go out on Friday night. Yes, I want to take a trip to Vegas. Yes, I want to buy a round of drinks or a vacation for my parents.

What I do on a really tactical level is to automate as many things as I can. So when I wake up in the morning, my money goes where it needs to go. I have a calendars set with everything I need to be doing for the day. I’m not wasting willpower looking for my keys or wondering what to wear. It’s already automated. And that is
one of the chief ways that I talk about getting the things done so you can live a rich life.

James Altucher: And so it seems like would that takeaway any of the diversity in life or spontaneity in life?

Ramit Sethi: Well, I actually think it’s the opposite. I think that when you automate the basics, then you can actually be more spontaneous. So for example, I know that I’m going to the gym, for example, on these certain days, which mean that once that’s done, I don’t have to worry about when am I going. At the end of the day, it’s totally free for me to whatever I want, and when I do it, I’m 100 percent present.

So I love that you identified that idea, that barrier, that if I plan everything out, my life is not going to be spontaneous. That’s not what I’m talking about. What I’m saying is if you automate your money for example, and I show how to do this in my book and I can talk about it now if you want, all the money goes to your savings, your investing, etcetera.

By the time it comes to you and your checking account, that’s guilt-free. So if you want to spend $500.00 on a pair of shoes, be my guest, please. If you want to get an expensive apartment or buy a gift for someone, do it. You don’t have to feel guilty because all the other basics in your life are handled.

James Altucher: I agree with this. I will tell you I’ve gone up and down, and my listeners know my story already, but the main way I’ve always lost money is not by spending an extra $100.00 on a TV or computer or whatever. They only way I’ve gone broke is by making enormous bad investment decisions or buying homes. So it’s very hard to actually like go totally broke. And I’ve been up and down, had jobs, started businesses. I’ve done the whole thing. It’s saving on that Starbucks won’t make you be rich, and it won’t make you go broke.

Ramit Sethi: Yeah. Exactly. And by the way, the house thing is a great example because you and both agree on the housing issue. And I think that it’s one of the great lies told to us. And I wonder if we can just talk about great lies that are told to us for a minute.

James Altucher: Yeah.

Ramit Sethi: So the housing thing, everyone says you should just like everyone says you should keep a budget and keep a latte, everyone says
buying real estate is the best investment you can make. And everyone takes it almost as gospel, as religion. But if you were to actually to run the numbers, you would realize a lot of is B.S. In fact, you have to add basically 50 percent on to the price of your mortgage to account for all these invisible phantom costs, which nobody talks about.

*James Altucher:* Well, just to mention, so real estate, itself, okay, over the past hundred years, has returned just 0.1 percent per year. And then if you add in property tax and maintenance, you’re cooked. So people say, well, you’re flushing your rent down the toilet, but you could put your rent in investments that do better.

*Ramit Sethi:* Yeah, and so it’s amazing because when you say this to people, it’s like you’re attacking their religion or their parents. I mean they are totally unprepared and unwilling to hear it. But I did a very detailed teardown of the numbers. Why do you think that people are so in love with the idea of real estate?

*James Altucher:* Well, I will tell you I think there is a huge cognitive bias that their parents made the investment so it must be right, and they make – It’s the largest investment decision you make of your life, so once you make it, it has to be good. Like you get this cognitive bias that your brain tells you, you’ve had to have made the right decision, and then it’s religion.

*Ramit Sethi:* Yeah, exactly. And I told – because people – they’ll say stuff like, “What do you expect me to become a real estate expert?” And I said for the biggest purchase of your life, yes, I expect you to become intermediate to advanced at understanding real estate and all these certain phrases. But most people, they get caught up. And then it’s very frustrating for me because I’ll tell you, James, of the emails I get from people in financial distress, at least 40 percent – at least 40, probably more like 50, are in trouble because of a house they purchased.

*James Altucher:* Sure. I bet you it’s more like 80 percent actually, but I’ll easily believe 50 because I think it’s 80 percent. Because the emails I get, it’s more like 80 or 90 percent, everyone is about to lose their house. The two houses I’ve owned, I’ve lost.

*Ramit Sethi:* Yeah, it’s unbelievable. It’s unbelievable. But I do think the larger interesting point there is for everyone to think about what the great lies that are being told, and what’s in it for them? So when you hear these lies, understand that it’s the real estate
industry, which is one of the biggest lobbyists of all. It’s the retail stores…

James Altucher: Yeah, a 15 trillion dollar mortgage industry, so they have a big incentive, more than any other industry on the planet to get you to buy a house and to believe that religion.

Ramit Sethi: Exactly. So what are the other lies? Other lies are telling you, you know, you need to wait 30 years to retire and you need to put in your time. I mean there are so many – like other lies when it comes to jobs. You should just be lucky you have a job in this economy. And the truth is for all of the students of mine, who are top performers, the economy could be crashing; they are still getting six-figure jobs. So one thing I’ve learned is to not believe the lie. Sometimes it’s other people lying to us; sometimes it’s us lying to ourselves.

James Altucher: I totally agree. I think the societal myths – on the one hand, it’s what made us strong as a species because we’re willing to – like I believe in the same story of, say, someone in China, so I’m able to cooperate with someone – a complete stranger 30,000 miles away or whatever. So that’s a positive aspect of storytelling, but there is this huge negative aspect of this societal storytelling. But I want to get an example though. You say let’s say the economy is crashing and you have students getting six-figure jobs. What’s an example of that?

Ramit Sethi: Oh, I have a million examples. So I had one of my students, who had just graduated from college, and college graduates, they have basically zero functional skills. All right. They are brand new to the job market…

James Altucher: Negative functional skills.

Ramit Sethi: [Laughter]. Exactly. So she comes to me and she said, “Can you help me find a job?” And I was, at the time, developing this course called “Find your dream job”. And we do these things very extensively. We’ll spend years. We collect like 100,000 data points. And by the time the public ever sees it, it is – like we went through 17 versions to get this course right. So I said, all right, I’ll help you get a job, and in exchange, you agree to let me take a video at each step of the way.

So what most people do when they go find a job is they do everything just like everyone else. They sit at home, log onto some useless website, post their resume, and just sit back and wait.
Why would any hiring manager find you when there are a million other people doing the same thing? So I taught her how to identify what her dream job is. A lot of us don’t know that is.

We’re worried about about closing doors. We’re worried about making a decision and sticking in the same job for 30 years. I taught her how to test it. It’s all about testing. And she also did something we call natural networking. So as we both know, James, if you just submit your resume, you’re just at the mercy of the hiring manager like anyone else. But the best jobs happen through personal networks.

So I taught her how to reach out to the right people, what to say in an email, how to take them out to coffee, and honestly what to say when you get to coffee. Like why would a senior executive want to meet you if you’re 22, 32, whatever? She ended up narrowing down her job to two dream companies. She got offers from both, and she negotiated a $10,000.00 raise, all this in a very tough economy.

And what it goes to show you is you can do everything just like everyone else, and you should expect the exact same results. If you send out a hundred resumes, it makes no difference. But if you do things a little differently up front, you can get way different results.

James Altucher: So let’s break this down because you just said a lot of incredibly valuable things. So a) I like how – let’s look at this from a meta point of view. So you, yourself, were building a course on how to find your dream job, so I like how you documented the process of videotaping her. So a lot of times people build information products that they want to sell on the Internet, but they don’t always – they just write stuff down.

They don’t always document the process and really work with people to get testimonials and case studies. This is a very strong important thing for anybody to realize if they want to essentially make money from home selling an information product. But how did she identify her dream job? What was her dream job?

Ramit Sethi: So she first thought that she wanted to do biz-dev, which is business development. Which sounds cool until if you’re actually in the industry, you realize that biz-dev is pretty much B.S. until you’re in your mid-thirties. Biz-dev in the early stages is just like excel nonsense. So I smiled when she told me that and I said, okay, we’ll go test it. And I taught her how to go find other biz-
dev professionals and ask them what the real – what is the real life like.

She ended up focusing on sales in a tech company B-to-C between 15-100 employees. That is a really specific way of looking at it. And instead of sending out your resume to like a million different companies, you can focus on just ten and write amazing cover letters, amazing resumes, and even get to know those teams individually.

James Altucher: Okay. So what did she do?

Ramit Sethi: So she went through the whole process, and she met people at the companies, and she did it really casually. Like, hey, I’d love to take you out to coffee, would love to learn a little bit about your position, how did you get there? This is called an informational interview.

James Altucher: But if I did that, people would say, “Oh, I’m not responding to this guy.” Was she like really beautiful, so they all wanted to have coffee with her?

Ramit Sethi: Listen…

James Altucher: Like, what’s the real story?

Ramit Sethi: All right. So first of all, some of my students are attractive, and some of them are extremely unattractive. It’s not about how they look; it’s about the emails they write. And what – you have to understand when you’re emailing people, whether it’s to get a job, or whether it’s to say thank you; I admire you, or even just to make a friend, it’s that you have value.

So when people email me, for example, if they email me a question like “What should I do with my money,” or, “How do I get a job;” I’m not gonna reply because I’ve written about it for ten years. Go read my stuff. But if they say, “Ramit, I really loved what you said about x, y, z. I applied it. It worked. Here’s what I learned, and I just want to say thank you.” Everyone loves that, and also everyone loves to give advice if they believe that you will actually take action.

So when a young person emails, whether you’re in your 20s, 30s, it doesn’t matter what age really, when someone emails and they are like, “I’m fascinated with you. This is why I’m interested. Here is what I’ve already done to try and answer this question, but here is
where I’m stuck and I would love some advice. If you do that, people will respond. And we show you the actual word-for-word scripts that we use in the course. That’s one of the things we do a lot of.

*James Altucher:* I like the “here’s what I’ve done”, as well as the “ask advice”. Because I think if you just ask advice, if the advice you’re asking for is not well-informed and shows that you haven’t really done the research, then it’s like you say, then no one is gonna reply. You didn’t reply to people. But if you show that you’ve – if you give a little, if you show like, “Look, I’ve followed your career here, here, and here. I’ve done this, this, and this, now what would you do here, then I think that inspires a conversation.”

*Ramit Sethi:* Totally. People want to know that they’re talking to someone who has actually done something, not someone who just jotted off an email hoping for a magic bullet to fall down from the sky.

*James Altucher:* Right. Okay. So again, though, how is she narrowing down to her dream job?

*Ramit Sethi:* All right. So here is the big thing, whether it’s with your dream job or starting your company and finding an idea, it’s all about testing. A lot of people believe that you’re gonna sit and wait to find your passion. This is another big lie that everyone tells you. “Oh, passion is gonna fall down from the sky.” How many people do we know that are in their sixties and they never found their passion. Because finding your passion means you literally find it; you seize it.

I like to discourage my students from just waiting around and looking up the heavens. So what she did was she made a list of certain things that she’s good at, certain companies that she’s interested in, and certain positions, and the truth is when you’re starting off, you don’t know anything, and that’s okay. Like when I start in a new area, I really don’t know anything, and that’s okay.

But what I do is I try to learn about it. I do my online research. Most importantly, I go talk to people in that industry. So she did that. For example, she thought biz-dev was cool. She went and talked to three or four biz-dev people, and she realized this isn’t what I want to do with my life. So she crossed that off the list. Most people, they don’t do this. They wait for a passion to fall from the sky. The truth is, I believe, when you get good at something, you get passionate. So the first step is not to wait for
your passion, it’s to go test your ideas and find out what’s gonna
get you that dream job or that business you want to start.

*James Altucher:* Okay. So she started testing in different areas. She got some
response. And then where did the six-figure job come in?

*Ramit Sethi:* Okay. So remember, this is one of the students – she was brand
new, so she didn’t get a six-figure job, but she did negotiate a
$10,000.00 raise. So she ends up narrowing it down to, like I said,
sales companies B-to-C tech, and I taught her how to negotiate. So
I’m an Indian guy; I was bred to negotiate. I taught her everything
she needed to know.

They tried to put the muscle on her. She’s young. She’s
inexperienced. They tried to say, “You have two days. We’ve an
exploding offer. We need to know,” all these kind of typical
gambits that they use. So she knew that she had done such a great
job leading up to that, that she had a lot of leverage, something that
a lot of people don’t realize.

By the time a company likes you, especially the hiring manager,
you have a lot of leverage. They already spent thousands
recruiting you. They don’t want to lose you. So I taught her some
of the words to use and how to negotiate, and even put the
companies against each other. And she ended up getting offers
from both. She negotiated a $10,000.00 raise, and she made the
decision to go to one of the companies.

*James Altucher:* What are some of those keywords? Like, I know we’re dipping a
little into what you charge for it typically, but what are some the
keywords people can use or look for in these negotiations?

*Ramit Sethi:* Well, the first thing they’re gonna ask you is, “What is your
existing salary? What is your current salary?” And you don’t
want to answer that. Okay. Because the minute you answer that,
you’ve now put yourself in a box, and they know exactly what to
offer you.

*James Altucher:* And also anchoring is a very strong cognitive bias. Like, you just
anchored them.

*Ramit Sethi:* Exactly. So the truth is your future salary has very little to do with
your existing salary. Your future salary has to do with the value
you’re adding to the company. So here are the exact words I like
to use. Instead of saying, “Uh, my current salary is 50k,” or, “I
don’t want to tell you that,” which is just weird; I say, “You know,
I’m sure we can get to the numbers if and when we both decide this is a great position for both of us. But right now, I’m just trying to see if this is a good fit, just like I’m sure you’re trying to see if this is a good fit.” So you kind of—

James Altucher: You know, I just want to interrupt a little. My response when I’m negotiating a salary like that is I say, “Look, you do this. You guys do this all day long. I’m intent on doing a good job for you, but my job isn’t to negotiate salaries. So you have to give me guidance on what salary we should pick here.” Like, I basically throw it at them in a slightly different way than you just said.

Ramit Sethi: Yeah. I mean absolutely. So either way, whatever you’re comfortable with, but the idea is there are certain things; we call them competence triggers. So a competence trigger is the sign of someone who is really good. Let me give you an example. Let’s say that we’re talking about a guy walking into a bar. All right. And let’s pretend for...

James Altucher: A guy walks into a bar. It sounds like a joke.

Ramit Sethi: [Laughter]. Exactly. And he walks in; he’s kind of hunched over. He looks around very furtively. He has no friends. He is staring at a group of people, and he’s standing alone and he’s maybe sipping weirdly on a glass of water. You’re like this guy is really creeping me out. Okay.

James Altucher: It sounds like you just followed me to a bar last night.

Ramit Sethi: [Laughter]. Now imagine you have another guy walk in. He walks in, he takes a slow look at the room, and he takes off his coat. He walks over to the bartender and the bartender says, “Hey, how you doing?” He tells a couple jokes. He sees his friends in the corner; buys them a round. He goes over and he’s the life of the party. Just from looking at these two guys, not even hearing a word they say, who are you more impressed or attracted to?

James Altucher: Well, of course the latter guy.

Ramit Sethi: Of course. So that is a competence trigger, walking in, knowing the bartender, and telling a joke. The truth is competence triggers are all around us, and you can use them, and sometimes you can act as if. So a high value person who has five job offers, he’s never gonna answer the question about how much do you currently make. He’ll say, “You know what? Let’s first figure out if this is a good fit. I’m sure we can discuss the numbers later.”
**James Altucher:** I love that.

**Ramit Sethi:** When the hiring manager sees that, whether or not you have five job offers, they instantly slot you with all the other people because you are using the same competence trigger as truly high competence people. It’s not unethical. It’s not being sneaky because you’re not lying and saying, “I have five offers,” you are just acting as a person who has five other job offers would. Act as if, and soon you will become.

**James Altucher:** Fake it until you make it.

**Ramit Sethi:** Mm-hmm

**James Altucher:** Okay. So she did this with two companies…

**Ramit Sethi:** Yeah.

**James Altucher:** And how did you know – how did you train her to have that appropriate swagger or was it like built in?

**Ramit Sethi:** No. No. No way. It’s not built into most of my students, and it wasn’t built into me, except for, you know, I learned how to negotiate with Macy’s when I was a kid. I sat down with her and I recorded all these things. It’s all on video in a lot of my courses. And she negotiated against me. I played the mean recruiter. I played the nice guy. I played –. And every time she did it, I systematically tweaked her responses.

Men and women have very different ways of negotiating. Each has their own strengths and weaknesses. For example, young women, in particular, tend to chronically over smile or use upturn questions at the end of a sentence, which is crippling to their negotiation.

**James Altucher:** Why is that? Why is that crippling?

**Ramit Sethi:** I mean it’s just one of the lowest competence triggers you can convey, and we even see this in the research. So what we did was we corrected each of those things, and you can see the before and after. It’s pretty amazing. And by the time she went in and negotiated, I mean they were blown away. They’re like this person negotiates like someone with 20 years more experience. It’s not that she magic. It’s not that she, you know, had some skill that no one else had. She just practiced like any of us can do.
Okay. So she did a couple of things. One is she kind of listed all her interests and companies, and then tried to kind of dig into the middle of the company by asking people for advice, going out to coffee with people, learning more. And then where did she apply for the job, like how did she kind of breakthrough to HR?

Oh, she didn’t go through HR. If you go through HR, you might as well just throw your application in the trash for most jobs. She first reached out to personal contacts. So a lot of us don’t know someone directly at the company, but we have some way of knowing someone who knows someone there.

Maybe it’s through your college alumni database. Maybe it’s through LinkedIn. Maybe it’s just from emailing them and saying, “I really admire your article in blah, blah newspaper.” She did that. Remember, at this point, she was young. She was 21-22. And she worked her way into having coffee. And once she asked great questions and they liked her, and they actually said, you know, when you’re ready to apply send me an email. So they were the ones who sent their resume in for her.

You know, I have to say I’ve met so many people where when they have gotten their dream jobs, it has worked somewhat like this. Like this is very valuable advice.

Totally.

So you have a course on this, like how to find your dream job, what are some books people can read about like – I’m really fascinated with this idea of competence triggers, like is there anything that you would recommend about competence triggers?

You know, there is nothing in the literature that I found that was really recommended. There are a couple of places I would look. One is to look at your friends. So all of us have friends that are really good. For example, social skills; there are a lot of competence triggers to be found. And I was kind of socially awkward. I think we are socially awkward to a large extent in something.

And I would kind of watch my friends. You know we all have friends who are just – they walk into a room and everyone likes them. And one thing I learned about socially awkward people. Well, there are two things. One, they are socially awkward. Two, a lot of them don’t know that they’re socially awkward. So I was socially awkward, but at least I knew it. And what I would do is I
would watch my friends, who were super smooth, and I would just notice things they do.

Now, if you have friends that are really smooth, I would encourage you to watch them. If you’re not sure, take a look at *The Today Show* or *The Tonight Show*. When you watch those celebrities go on there, notice the things they do; how they lean forward, how they smile, what kind of answers they give. Those people on *The Tonight Show* are the best of the best. So what can you learn from them?

*James Altucher:* I totally agree. And there are two slogans, or there are two things that makes me think. One is you’re the average of the five people you surround yourself with. So now you can have many groups of five, it’s just depending on what you’re focusing on. So in this case, you’re focusing on this idea of confidence or competence triggers or whatever. So surrounded yourself with five people who are incredibly smooth, and you’ll pick up on it.

The other thing is before I give a talk or before I do an interview like this, I’ll watch like best interviews in the world. So I’ll watch like Howard Stern, or before interviewing you just a half hour ago, I was listening to the podcast Opie and Anthony from 2012. They were interviewing Donald Rumsfeld and Louie CK. So it was just a completely insane – like Louie CK asking Donald Rumsfeld if he was a lizard or not. But this was a good interview for me to kind of get me into mode here.

*Ramit Sethi:* Love it. Love it. And it’s not just surrounding yourself, it’s like really paying attention to what they say. So certain people – like there are questions that are kind of awkward, like, “Oh, have you lost weight?” You could interpret that in a really negative awkward way, or you could watch how really socially skilled people handle a question like that. And each time you can learn. It doesn’t mean you have to copy them, but you can learn what they do and then apply it to your own personality.

*James Altucher:* Yeah, great stuff.

*Ramit Sethi:* So anyway, moving on from there, I did the dream job stuff, helped a bunch of people get jobs. That made me very happy because we spend so much of our life there.

*James Altucher:* And so you did this as a course, what did you charge for the course?
Ramit Sethi: The course ranges anywhere from we did a course ranging from $2,000.00 to $12,000.00. So my courses are very high-end. I give away 99 percent of my material for free, and the premium stuff, why do we demand such a serious investment. I’ll tell you why. We spent years building these courses. These are not some $10.00 e-books. My belief is people can enjoy free material all they want. In fact, I create my free material to be better than anyone else’s paid stuff.

But when you truly get serious about these things, like finding a dream job, starting an online business, earning money on the side or improving your psychology, when you finally get serious, you realize I don’t want to just sort through five million free e-books, I want the best. I want the thing that guarantees results. And so we spend millions of dollars creating these courses, and therefore, I know the results.

In fact, for each of my courses, they already have results proven before they launch. That’s all the work we do testing and developing them for years. So that’s why we do these serious large courses. And I would rather create a few courses that are life-changing than create 50 of these little e-books, which are just – they’re not my thing. That’s not my style. It’s not what I want to do with my life.

James Altucher: Well, I have to give you a lot of credit. You had that first best-selling book, and a lot of people would just continue writing books, and nobody makes any money on a book, even a New York Times best-selling book, you’re not gonna make any money. So you really took that kind of momentum from that and became an info product business, a course business.

Ramit Sethi: Well, I’ll tell you a couple of other things. So first of all...

James Altucher: You must have had a lot of pressure to do another book.

Ramit Sethi: Oh, I still get it. I mean my publisher – the publishers keep taking me out to these fancy lunches, I’m like keep the lunches coming, but I’m not ready to write another book. I’ll tell you some of the beautiful benefits of courses. So first of all, we created our own software so we can track people going through it. And if you join any one of my courses, you get a phone call usually within hours of joining.

For some courses, we’ll actually check in with you multiple times throughout the course. We have communities. We have all this
stuff. So I can give you a book, and my book, it’s specifically geared to get you take actions. And a lot of books are great. But with courses I can actually follow you through any make sure everything works for you, and I can afford to do that because I can test all these stuff.

With a book, if I’m making ten bucks back – or in fact in real terms, about a dollar a book, I can’t afford to do that kind of huge multimillion dollar testing. But with a course, I can, and that’s the beautiful benefit to everyone. It’s win, win, win for everybody.

James Altucher: Well, which brings me to this girl. It sounds like you were doing serous coaching with her, and in part, you were doing that because she was gonna be a strong testimonial, strong social proof so you could sell the course. But what do you do with the people who don’t have you videotaping them and analyzing frame-by-frame what they’re doing.

Ramit Sethi: Well, by the end, the goal is for us to be able to predict virtually any possible problem or objection, and roll it into the course. So I’ll give you an example. We just rolled out a new course called zero to launch. This is the first course we ever did on building an online business. I’ve been doing online business for years and years, but we never taught it. And interesting, I’ll tell you why. A lot of people said, “Can you teach us how to create any online business,” and we could have made millions for the last few years.

But I said no. [Laughter]. And I told them, I can do it, but you can’t. And I didn’t mean it to be arrogant or condescending. I really didn’t. What I actually said, it was out of a profound respect. I said this is really hard. I don’t want to sell you some $100.00 course and tell you, “Make a million dollars in a week,” because it’s really hard stuff. But over the years, we finally learned how to take what we did and refine it and distill it down so that we knew people could be successful.

So we took people, we tested it with many, many beta students. And each test we learned, okay, so this is a problem, or we need to fix this, or we don’t need this at all in the course. And so by the time it was done, we knew it was perfect. We knew it worked. And that’s the benefit, and I think this is true of anything, of doing the hard work before.

So for example, this can be anything from launching a course to showing up at work, to even ironing a shirt. I love ironing. I’m a weirdo. Most people, they take a shirt and they just put it on the
ironing board and just start ironing. Most of the work should be
done with your hands, getting the wrinkles out before you ever put
the iron to the shirt.

*James Altucher:* I did not know that.

*Ramit Sethi:* Well, listen, white people don’t iron that much. Indian people
have been ironing for generations.

*James Altucher:* Why is that because in the heat, things get wrinkled? What’s the
story?

*Ramit Sethi:* I have no idea, but I just know that I’m not that good at many
things, but I’m really good at ironing.

*James Altucher:* Indians too have like – India has like wrinkle-free clothing. There
is a lot of like linens, where you don’t care as much about the
wrinkles.

*Ramit Sethi:* Can we spend the next 30 minutes talking about ironing because I
could talk about it forever?

*James Altucher:* [Laughter]. No, no, no. I want to learn Zero to Launch. So I’m at
zero, what do I do first?

*Ramit Sethi:* All right. So this is whole dream, right. You go to sleep. You are
making passive income. And I have to tell you that the Kennedy
for most people; it’s B.S. All right. And I say that as a guy who
makes a lot of passive income. I’m not trying to dissuade anyone.
In fact, I even have a course showing you how to do it. And I’m
telling you, you gotta be realistic. This is really hard.

So I have all these screenshots on this site, Zero to Launch System
dot-com. And I show people like here is my iPhone, I’m out on a
Friday night, take a look at all these sales that are coming in.
Okay. So that’s the aspirational part. I think the other part that we
really do want to do beyond the money is we all have something
inside of us that we’re good at and we want to share. It could be
you’re great at ironing. It could be you know how to do analytics,
or you know how to train your dog. Whatever.

And in the past, we had to wait. We had to go through these
Manhattan gatekeepers, book agents, and TV agents. But now, we
can go direct to the world, right. There are so many things we can
teach people. And we can just put it up there, find the right
audience, and help them.
James Altucher: And, okay, let’s say I have – I could decrease your student loan debt. So this is my product. I’ve researched all the laws. I have this product, and I think there is some demand for it because there is a trillion dollars in student loan debt. So what do I do next?

Ramit Sethi: All right. So first of all, we would have you do very, very extensive research. And this is what most people don’t do. This separates a product that will make millions versus a product that will make close to nothing, maybe a couple thousand bucks. And I’ll tell you right now what’s gonna happen with that product.

So we would have you discuss who was the buyer, go deeper than you ever thought possible into knowing exactly what their hopes, fears, and dreams are, so that by the time you’re doing more research and even crafting a little bit of copy, they’re nodding their heads like, oh my god, that’s me. And I tell you why that’s a tough product, the one you just said.

James Altucher: Okay.

Ramit Sethi: And I happen to know this because I created a product years ago on how to save money. And it was very inexpensive and it was a good product. Guess what? People who want to save money don’t want to pay to do it.

James Altucher: Ah, good point.

Ramit Sethi: So if you did a student loan thing, you could have the best product in the world, it will be a very, very difficult product to sell.

James Altucher: Okay. I’m gonna switch products, okay, because you just talked me out of that one. I want to improve my – I want to get rid of my cancer without chemotherapy. So let’s say I have a hundred different ways, well-researched, I’m going to cure cancer without chemotherapy. What would be the next step there?

Ramit Sethi: I wouldn’t do it. I wouldn’t encourage you to do it. I’m very strong on creating something that is tested and truly valuable. It’s easy to make money, especially with someone who has cancer. That’s not the kind of students that I teach, that’s not the kind of products I want to create. Let me give you an example of something that would be incredibly powerful.

James Altucher: Okay.
Ramit Sethi: All right. So let’s say that you know – let’s see here. Let’s say that you’ve come up with a way to teach students – to teach adults about karate. This is just one that I came up with. There are a million different ones. Okay. It could be a self-defense class. It could be abs. So let’s say losing weight. This is even a better example. So you used to be overweight, and you just gave birth to two or three children and you look amazing. So your friends are always coming up to you, “What do you eat, James? What’s your diet?”

And you said – well, and you tried to tell them, “Well, use this recipe,” but they never listen. Everyone keeps asking you about it. So you decide to put together a product, and now where do you start because there are a million other weight loss products. Why would anyone buy yours? So this is where the differentiation comes in, the research.

So there are a million other products on finding a job, why does ours do so well? The same thing with freelancing or starting a business – why? Why does ours do well? And I’m gonna tell you just one example of what makes ours stand out, and which means yours can standout too. When we created a product called earn 1k. This was freelancing. I want to read you the headline from that sales page just so you know.

So earn 1k on the side. Finally a proven, legitimate program to identify an profitable idea, and turn it into a reliable side income of a thousand dollars a month with just five hours a week. Now, let me deconstruct that for you to show you why this was worth millions to us. Okay. So we say earn 1k on the side. We actually find that most of our students earn much more than 1k. They earn tens of thousands of dollars.

James Altucher: Because I guess if it’s a scaleable 1k, they could just keep growing.

Ramit Sethi: Yeah. But if you tell someone, “Earn 10k on the side,” guess what they say?

James Altucher: I can’t do it.

Ramit Sethi: It’s not for me. There is no way I could earn 10k. So on the side because in our research, we discovered that people think to earn more money, they have to quit their job and start the next Google. Not true. So we address that before they even consciously objected. Then we said finally a proven legitimate program.
Why? Because when people think about earning more money, what do they think about?

James Altucher: Eh, I don't know.

Ramit Sethi: Scam. That’s why we said a proven legitimate program to identify a profitable idea. Because the number one barrier is I don’t have an idea. You see, so each of these things, we didn’t just come up with it. We didn’t just sit in our room and write it. It’s all about the research. For example, if you told – if you were creating a weight loss product for men, you’re gonna use words like strength and abs. If you do it for women, it’s gonna be very different. You’re not gonna talk about bulking up. What are you gonna talk about?

James Altucher: Beauty.

Ramit Sethi: Beauty, getting lean, those kinds of things. Okay. So yes, gender matters, yes, age matters. We have students that are creating products for women who are creating women who are looking for love, and they tell me, “Oh, my audience is women 23-54.” I said there is literally nothing in common with a 23-year-old woman looking for love, and a 53-year-old woman looking for love. They want different things. They use different language. You have to be utterly focused and responsive on who it you’re targeting.

James Altucher: Hmm. Okay. So let’s say what is the next step then in building the product or selling the product.

Ramit Sethi: All right. So first of all, notice that we haven’t even built a thing yet. We’re just doing research. And, again, a lot of people want to jump right into building. Oh, let me build this product and make a bunch of money. And I tell them, just slow down, do the research, and when you get it right, you will make a thousand times what other people make. I mean the money will come more than you know what to do with. Focus on actually adding value.

James Altucher: I like the fact that their initial research is just simply their friends asking them, so they know exactly, you know, what people want from their friends.

Ramit Sethi: Exactly. So they go from their friends, then they go beyond that to find people online and even offline, who they don’t know, who will tell them the honest truth. We teach them the words to ask and all that stuff. So they find out is this viable. A lot of ideas are not viable. We have ideas, for example. I’ve been working on a
coupole of ideas for years. We still can’t figure out how to make it work. So we’re just waiting until we crack the code.

And, finally, they are like, okay, I’ve got a lot of people who said, yes, they want this. They know exactly what the pain points are, so they know exactly what to build. They go out and build it. And we teach them what’s the format to start with, what should they price it at, how do they name it, what website do they create. We teach them all this stuff. In fact, we just do the website effectively for them.

And there is something really magical about the first time you get a sale. I have to tell you. It blows people’s minds because most of list in a world where we have a fixed income, and therefore, we sit around and argue about taxes, and we just try to protect ourselves. But when you earn your first fifty bucks or hundred bucks, you realize, oh my god, if I can do that once, I can do it five times. And if I can do it five times, I can do it twenty times a month. And soon I can equal my own income, and that is a mind-blowing moment.

*James Altucher:* So me figure this out. So you help them identify the profitable idea, basically.

*Ramit Sethi:*Yep.

*James Altucher:* And then you actually help them make the website, like you have a template or something that they can use to make the website. And what does that website look like? They are selling their product, or are people accepting credit cards, or what is it – how far do you go?

*Ramit Sethi:* So we built software that has premade templates, and there is a whole bunch of them, and you can customize it all. So it’s very easy, right, we set it up and we know the best practices because we’ve been testing it for years and years. But we don’t sell directly from our site. In fact, if you come to my site right now, you can’t buy anything. And we have like these very odd things we do with our business.

Like I don’t allow people with credit card debt to join my flagship courses and all these things. So instead of trying to sell things and just make a quick buck, we show people how to build a relationship. We show them how to use email. Like people on my email list, they join – some of them, they have been reading my site for six, seven, eight years, and they haven’t bought a thing.
That’s okay because I know one day when the time is right, they will. So it’s all about instead of trying to make a quick buck, add massive value. When you do, price is a mere triviality. It doesn’t matter.

James Altucher: Okay. So once they’re in though, and, again, they come up with their idea, you help them create their website, which they could sell products off of. How do they then drive traffic to the site?

Ramit Sethi: So we teach them this. So part of it is you write remarkable content. This is the same way I grew my site. So we’re not writing just top ten ways to do blah, blah, blah. Because we’ve done all this research, we know what people’s pain points are, right. Like if you’re teaching men how to dress or women how to dress, you can write content about how you wake up in the morning and you look at your closet and you’re like, uh, I don’t what to wear. That is a very powerful piece compared to six spring fashion items.

And then you take those and you go to other sites with other traffic, and you say, hey, I have this great piece. I’d love to share it with your audience. Would you be interested? And eventually you can get traffic just like that. It’s very simple.

James Altucher: By the way, what you just said is the most powerful way to get traffic to your site. So I give this Q&A on Twitter every Thursday. Every single week, and I’ve done this for three or four years every Thursday, every single week someone asks, “How can I get traffic to my blog?” And the number one answer is don’t put content on your blog. First guest blog on highly trafficked sites. You don’t care about your little tiny piece of real estate on the Internet; you care about your name and your message being seen by lots of people. So it’s very important to get on like well-read sites.

Ramit Sethi: Exactly. Go where the traffic is. Go where the people you want to reach are. Nobody cares about your site. In fact, nobody cares about you when you’re starting out.

James Altucher: Right. And the other important thing you said is tell stories. Don’t just stand on the pedestal and give a list because it’s like you said, who the hell are you? You have to tell your story to introduce who you are, and it has to be – you have to be someone people relate to, someone who had a story that everyone else has gone through. Oh, like, oh, I can’t find pants to wear in the morning because I didn’t iron anything.
Exactly. Well, you do this best, and I think everyone listening is infatuated and obsessed with the way you tell stories. Total vulnerability. Something that I’m learning from and just it’s fun; it’s funny, and you don’t take yourself too seriously. All of us have problems. Like for me, when it was – I was starting out, it was like, all right, I don’t know where my money is going. It was like I don’t know how to start this business or I’m socially awkward.

Whatever. We can all talk about that. We all have these experiences that if you can share, people say, “Hey, that’s what I was thinking too. Let me click and check this guy’s site out.” Oh, he’s got an email newsletter where he gives away a free PDF on blah, blah, blah? Yeah, totally. They sign up. They like you, and one day when you have something to sell, they are delighted to pay.

Okay. So someone has the product, sets up kind of a little site, but starts guest blogging on high trafficked sites, and essentially now tries to maybe collect email addresses as the first step?

That’s right.

And then eventually up sell to the email list.

That’s right. If they have a course, if and when they have one, the are gonna release it, and it’s the best way for selling is you’re actually doing them a favor because they’ve been reading your free stuff. They’re like, “I want more. I want something else. I want a system.” And when you give it to them, you’re actually fulfilling their demand so it’s awesome.

So that’s great because that is the process you use for your product, like you’re basically just describing your methodology.

Yeah.

And this has been your methodology from the beginning.

So that’s why we spend years and years perfecting the methodology before we ever wanted to teach anyone else. We wanted to know it inside and out.

And what’s like your most successful student right now?
Ramit Sethi: Oh, we have – I mean let me give you – we put video interviews of all of them on Zero to Launch System dot-com. But one of favorites is this guy named James, and he’s – I think he’s probably in his forties. He is a chemistry tutor. And chemistry tutors, they don’t make that much. They do fine. He ended up using some of my material to earn over $200,000.

And he wanted to be able to take off a month because his son was born, so he went through Zero to Launch. He took his chemistry tutoring, which he used to as a coaching service, and he packaged it up into an online product. So all of us have something we’re good at. It could be chemistry. It could be whatever.

James Altucher: So what was the online product, like how to learn chemistry in six months, or what was the actual product?

Ramit Sethi: It was a chemistry product for people to get higher scores on their chemistry tests in college. So he compressed what they were learning in class, and helped them really deeply understand these chemistry things. All right. So he ended up earning a ton of money. He was able to take a month off with his son. And what – I think the key points. There are two things.

First of all, this isn’t just for 20-somethings. This guy is older. He’s got a family. And, second, you can connect with people on anything. Chemistry is not the most emotional topic. Like in one of your recent posts, you write about someone driving off a bridge. I mean that’s very emotional. Chemistry is not like that. But every one can connect to the right target market. All right.

You can tell stories about chemistry. You can tell stories about how you felt when the professor started talking about something and you were just left behind looking around; “Am I the only one?” There are a million of different ways. So we have that student. We have fitness instructors. We have PR coaches. We have so many people. And I interviewed a ton of them right on that site.

James Altucher: And has anybody quit their job full-time, and now they’re doing this business full-time.

Ramit Sethi: Oh yeah, a lot of them. So in fact, I just interviewed one of my other students. Okay. This one is crazy. So her name is Julia. And you know what caricature artists are?

James Altucher: Yes.
Ramit Sethi:

So these are like the people you see at a fair and they draw a picture of you and they kind of exaggerate it. So she is a caricature artist. She used to make $8.00 a hour, normal caricature artist’s rate. She recently – over the last few years, she used my material and we did one case study on her about a year and a half ago. She had increased her earnings to $125,000.00 in a year.

James Altucher: Oh my gosh.

Ramit Sethi: I recently interviewed her just a couple of weeks ago. We’re gonna be putting this video up live soon. This year, she is on track to make over $200,000.00.

James Altucher: What the heck, what – so what is she doing?

Ramit Sethi: So this is the beautiful thing. I love this example because a lot of artists say, “Hey, that might work if you’re an analytics guru, but I’m a creative. It doesn’t work for me.” And she as far as you can get from an analytics guru as anyone. She is an $8.00 an hour caricature artist. What she did was, first of all, she stopped going to these fairs where she was just a commodity. She started focusing on places where she could charge what she was worth. It turns out she is actually really good. She drew a caricature of me; it looks great. She’s really good. So you have to be good. You can’t just triple your price and expect anyone to pay it. Then we taught her how to refine her messaging, how to come up with packages. For example, what does a corporate person who is planning a corporate party, what do they care about?

Do you think they care about the difference between 20 bucks or 30 bucks an hour? They couldn’t care less. That money means nothing to them. What do they care about if you’re hiring a caricature artist to show up at your executive party?

James Altucher: Just that she’s good.

Ramit Sethi: She’s good. She better show up on time. She better have a backup plan. So they want to cover their ass. So she learned how to understand what her market wants instead of just thinking that her art, itself, was good enough. Because your art matters up to a point no matter what industry you’re in, but after that, all these other things matter. And so she started actually doing that. She moved up the value chain to over 100 bucks an hour. Then she got really advanced. She actually hired other artists under her, and that was when her business exploded.
So we cover all this in this interview that I’m gonna put up online. Her name is Julia, the caricature artist. But we have so many stories like this, it just goes to show everyone that you can live a rich life, you can earn more, and there is a limit to how much you can cut, but no limit to how much you can earn.

*James Altucher:* You know, it’s interesting because, right now, we’re living in probably an age of greater economic uncertainty than any time since the Depression, and I’m even including the financial crisis. There was a lot of fear during the financial crisis, but steadily since the financial crisis, people have been kind of under employed to a greater and greater extent. People have been demoted. People are unhappy at their jobs. This is why I wrote *Choose Yourself* because now you kind of have to break down the gatekeepers.

You have to go from the $8.00 an hour to building your own business and figuring out the way through, you know, figuring out the language of business. Like here is someone, who is an artist, who was savvy enough because of your course, I guess, to start landing corporate gigs, hiring people and so on. And I really think everybody has to start doing things like this, like this is gonna be the new economy of the 21st Century.

*Ramit Sethi:* Yeah. That’s why I love the phrase you use, “Choose yourself” because no one else is gonna do it for you. And the route that we normally take, that’s fine. You can do that route. You can get a job. And I actually encourage people to get a great job and start something on the side. Start off slow. But no one is gonna choose for you to live a rich life.

No one is gonna choose for you to have extraordinary experiences, to travel on a Wednesday. We all see these people on our Facebook feeds. They are posting pictures from Tahiti on a – you’re like what do these people do to be able to do this? And the answer is they chose themselves. They made some tough choices. They tried things without the certainty of knowing it would work. But if you try just one new thing a week, at the end of the year, you have 52 new things you’ve tried, and most people have zero.

*James Altucher:* Well, it’s funny you say start off doing something on the side. So my first job was at HBO, and I was doing lots of things on the side until I figured out what worked for me. Like I was trying to do a TV show on the side. I started a business on the side. And ultimately, I was a very fearful person. I didn’t want to leave my job until my business on the side was enough to pay me and my
employees. So it really took – it took two years of doing on the side before I had jumped ship.

_Ramit Sethi_: Totally. This is the idea. If you look at someone from the outside and you see they have a successful business or they got a blog and a podcast, and you’re like, “Wow, there is no way I could do that.” I felt exactly the same way. I would look at people and they would write a post and get like a hundred comments. And I’m like how do you do that? My posts got zero comments, for the first six months.

But the answer is sometimes you jump in anyway and you say, “I will figure it out as I go.” But you can analyze it all you want from the sidelines, but there is nothing as powerful as actually jumping in. You will learn more from doing it than from dreaming or analyzing it for – I mean by a factor of a million.

_James Altucher_: And so what is your latest course that you’ve launched?

_Ramit Sethi_: Zero to Launch is the latest. It’s the biggest. It’s our most successful course.

_James Altucher_: And how many courses in total do you have right now?

_Ramit Sethi_: We have about 12-14 courses.

_James Altucher_: So I’m gonna totally just break it down. So how many employees help you manage all these courses?

_Ramit Sethi_: Well, I don’t really release that, but let’s say we have a sizable and growing team.

_James Altucher_: That’s great, Ramit. So are you a seven-figure plus business?

_Ramit Sethi_: We are.

_James Altucher_: That’s great. And so essentially, you’re practicing what you preach. Like, what you teach is what you’ve done.

_Ramit Sethi_: Exactly. And I have to tell you, I never wanted to be the kind of guy who wrote an e-book about writing e-books. So that’s why I intentionally wrote a book first. That’s why I spoke at companies, etcetera. That’s why I created stuff in the areas of careers, etcetera, before ever getting near online business. I think it’s important that you gotta ask yourself, who am I listening to? So
they’re listening to your podcast. Why? What do they get out of it? Are you credible to them? Obviously you are.

James Altucher: I hope.

Ramit Sethi: Yeah. [Laughter]. There are so many people that we read on our blog readers or Twitter or whatever, and you kind of dig in there like what has this person really done besides create a course or x, y, z. And I think there is value in following the very best. In fact, if you follow the very best, you will learn a hundred times more than following the B and C-list people. So that’s just something I keep in mind when I learn from other people.

James Altucher: That’s kind of like the 80/20 rule a little bit.

Ramit Sethi: Uh-huh. Exactly. You’re gonna get a lot of benefit from the top people.

James Altucher: What I like is the 80/20 rule times two. So you find the 20 percent that creates 80 percent of the value, and then of that 20 percent, you find the 20 percent of them that creates 80 percent of that value. So you are left with – and this sounds all too many numbers, but four percent of the content out there actually has 64 percent of the actual value out there. So I try to narrow it down. And then you do it one more, you have one percent creates about 50 percent of the value on the Internet.

Ramit Sethi: But isn’t it true though?

James Altucher: Totally true.

Ramit Sethi: The people who I had found that have really taught me massive things, I mean I can count them on maybe two hands. I’m talking about big, big wins. And I think for all of us, if we look at the big changes in our life, there are a few key people in our life who have given us honest advice, who have always put us first, who’ve helped us make the right decisions. And then there is a lot of noise.

There are a lot of posts that kind of – we read them while we’re on our lunch break or on the train or whatever, and that’s fine. I mean we all need entertainment. But when it comes to making serious changes in our life, if you can follow – if you can befriend that four percent, the changes in your life can be absolutely massive.
James Altucher: Okay. So this, again, gets down to you’re the average of the five people around you. It is – I would almost say it is a challenge for the listeners, find those four percent. Find the people that you can really spend some time with to learn from. Like there is another saying, you know, if you’re in a room, stand next to the smartest person in the room.

So I saw this example used in the case of Harold Ramis, the actor/director, whom would he stand next to? Bill Murray. And of course they created Ghostbusters and Stripes and may other movies. So all of this is interesting advice. So what are – given that many people are not signed up for your courses at this point, of course, what are some life hacks or what are just some quick suggestion you can give to these listeners that they can put to work that would change their lives. They can see an actual change in their lives.

Ramit Sethi: All right, so a couple of things. Number one, one of the biggest challenges people have is going to the gym or working out more. This is almost a universal thing. And I’ll just give a quick suggestion. It has nothing to do with business. It’s just about living a rich life. I had this problem. At night I would be really motivated, and in the morning, I wouldn’t go at all. And I tried to figure out why.

What are the barriers in my life that are preventing me from going? And so I started testing stuff, and I finally realized my closet was in the other room. I’d wake up in the morning; it was freezing cold, and I’d have to walk in my boxers to the other room and get my gym clothes. Now, it seems foolish, and I’m not really that lazy, but I just didn’t want to do it. So once I finally…

James Altucher: So you wouldn’t want to wake up and go to the other room and change into gym clothes, which would take like three minutes.

Ramit Sethi: It would take like one minute, but I was freezing. So I looked at myself and I’m like, “Am I really that lazy?” But it’s not about being lazy. It’s just that we try to do the minimum amount of work for most things in life. So I took the easy way out, which is predictable, like most of us do for most things. That’s just human nature.

And instead, I said, you know what? I really want to go to the gym. So I took my gym clothes, and I folded them and I put them right near my bed. The next morning, I woke up, put my feet down, and there they are. I changed into them and went right to
the gym. I was measuring how often I went to the gym because I was trying different things, waking up at different times, all these different things. This was the one thing that worked for me.

So for you, whether it’s going to the gym or eating healthy, cooking for yourself, whatever it is, instead of waiting for that magical moment where you’re just gonna suddenly get inspired, forget about inspiration. Test it. Come up with a system and test five different ways. It could be setting your alarm ten minutes early. It could be going to the gym at night. It could be having a friend text you. Whatever.

*James Altucher:* What about sleeping in gym clothes, and you don’t even have to change into them.

*Ramit Sethi:* That would be even better. Try it.

*James Altucher:* It could be a little gross when you to the gym, but who cares.

*Ramit Sethi:* [Laughter]. Who cares?

*James Altucher:* They’re all gross there.

*Ramit Sethi:* I love it. The idea is don’t wait for inspiration to hit. Test your way to it.

*James Altucher:* Okay. So what’s another one? Let’s give a challenge.

*Ramit Sethi:* Oh, I love it. All right. I’m gonna pass along a challenge that one of my friends shared with me. Actually, I’ll give you a new one. All right. You talked about surrounding yourself with top performers and people who can really teach you more than you know. I would challenge everyone listening to pick one person who you have admired; maybe you’ve read their blog. Maybe it’s James and you’ve followed his podcast. Maybe it’s someone you read about in the newspaper.

I would challenge each of you to send that person an email, just a thank you email that says I really appreciate what you do, your work moved me because x, y, z, and here is what I did as a result of it. You don’t have to ask for anything. You just say thank you. And if you do that, you will be shocked at how many of those people reply, and how you can build a relationship with people just based on gratitude.
James Altucher: And I’ll say two things to that. A) I used that technique and it works incredible. Like, I created two completely different careers as a result of using that technique. The other thing is you can’t get offended when it’s a quantity game. You can’t get offended if somebody doesn’t respond because some people get a lot of email, and some people don’t get a lot of email. But if you do this, some will respond.

Ramit Sethi: Love it.

James Altucher: What’s another one?

Ramit Sethi: Another challenge. All right. This one comes straight from Gretchen Rueben, who is a friend of ours. She challenged my students, and now I want to challenge yours. She challenged them – she said, you know, we all have these alarm clocks we set in the morning, and we wake up – a lot of us are groggy. But she said we never set alarm clocks for ourselves at night. And she said I want to challenge each of you for the next 14 days to get seven hours of sleep.

And when she issued this challenge, I kind of shrugged. I was like, phffft, that’s so easy. And later that night, I found myself in my bed playing around on my computer until 1:00 a.m. and I didn’t get seven hours of sleep. It turned out to be surprisingly hard. But once I did, it taught me to set limits at the end of the night. And it changed so many things, waking up in the morning, being refreshed, and just realizing I have a finite amount of time in the day, I better make it count because at night, I have to be asleep by this time. It was very challenging, but very rewarding.

James Altucher: I have to say that’s incredibly valuable too because you sleep for one-third of your life, and people ignore sleep hygiene. They just don’t care about it even though it’s such a massive percentage of our living hours. So that is a good little life hack, the alarm clock at night. I like that.

Ramit Sethi: Yep. And remember, you can test different things. So I had to figure out how to test it. I ended up having to leave my computer in the other room so I could finally go to sleep because otherwise I would just keep playing on it. So you can test all different things just knowing that you will hit that goal eventually. I have confidence in you.

James Altucher: So what’s next for you? Like are you just gonna keep doing these courses for the rest of your life, or like what do you want to do?
Ramit Sethi: I love doing courses. We’re certainly planning to expand. I think part of a rich life is personal finance. Part of a rich life is entrepreneurship, psychology, one-day health and fitness, parenting, and travel. So I want to – whether it’s courses, whether it’s a whole different way of presenting it; that is TVD. But I do want to help in all different parts of living a rich life.

James Altucher: Well, that’s great. Ramit Sethi, what’s the best way people can find you? I always go to Ramit Sethi dot-com and it kind of directs me around. But you also have Zero to Launch System dot-com right now. What’s your favorite place where people could reach you?

Ramit Sethi: They can go to I Will Teach You to be Rich dot-com, and they can find out everything about me. They can reach me directly at Ramit, at I Will Teach You to be Rich dot-com as well.

James Altucher: And I will say that I sign up for your daily newsletter. What I get out of your newsletter personally is you obviously have done a very good job mastering copywriting skills. So learning how to title something and get people to open your email and then drive their eyes through the email so they get to your message, I think you do a very good job at it. I encourage people to – at the very least, sign up for your free materials or whatever you have, just to study your copywriting style is very good. Both Claudia and I have signed up for your stuff.

Ramit Sethi: I love it. Thank you very much and thanks for having me.

James Altucher: Yeah, thanks for coming on the show, Ramit.

[Prerecorded closing]

[End of audio]