

# Chapter 1

## Ambition

### Ego versus the Egomaniac

Some people grow, other people swell. You'd better figure out who you are.

—John Weinberg,  
Senior partner and chairman,  
Goldman Sachs, 1976–1990

**W**e never really know how it is going to end up. One day a community organizer, the next day president. Life twists and turns with only one real certainty: All of us will be forced to accept change and adapt. We all have varying degrees of ambition but no matter what level you have, things will likely not go exactly the way you want them to.

Ambition usually starts where most Disney movies end—you know, right at the happily ever after. We all secretly hope for this. But think about it for a minute—Disney stories are brutal. Bambi loses a parent; Cinderella has a wicked stepmother; Snow White is stuck with seven short, fat guys, and on and on. It doesn't matter that we all think in our youth that we are going to get everything we want and life will work out perfectly for us. It never does.

So what happens when the “happily” gets ripped out of the “ever after?” Do you think Lehman Brothers CEO Dick Fuld or Merrill Lynch chief John Thain thought 2008 would destroy their careers? Did the management team at Goldman Sachs expect to go from respected and revered to respected and mostly reviled? They are now the piñata for greed and ambition run amok. Should they be? It doesn’t matter. Through it all, the billboard message from the 2008 economic debacle: Nothing—especially money—lasts forever. Shit happens.

Sure, money is a great thing and fun to have. Life without money is in most cases worse than life with it. But I bet the people who have been tossed around in the latest economic calamity would trade some of their wealth for a reputation restoration. We are not talking about the criminals here; we’ll get to them in another chapter. What I’m talking about is the classic hubris that comes right before some dude comes crashing down—alone in his surprise—from his pedestal.

The arc of ambition moves in the direction that it wants to. Sure, we can try to guide it through hard work and bold decisions, but secretly so much of it is out of our hands.

Essentially, we have no idea of where our life will end up.

Sandy Weill—the Wall Street legend who rose, fell, rose, and fell again—often said: “I prepare for the worst, and pray for the best.” Similarly, in the book *True North* (Jossey-Bass, 2007), authors Bill George and Peter E. Sims interviewed leaders older than 40. None of them wound up where they thought they would. Not one.

Stuff happens. Never have truer words been spoken. It is up to us to approach life with the right attitude and positively react, not letting changes diminish our spirit or initiative, or damage our personal reputation. If we keep our values intact we will be fine regardless of what happens. But we always have to expect the unexpected.

Speaking of our values, we all hear the same childhood stories, listen to the same lessons in school on goodness. Aesop. Greek Mythology. Boy Scout and Girl Scout ethics guidebooks. Sunday school lessons. We get doused in the values bath. Be good to each other, our neighbors,

friends, and family. The trouble is that when we are on the ascent of Mount Getting It All, we get blinded by our own ambition, and consequently start to rationalize our thinking and start to make very big mistakes. Like exercise and proper eating, we have to remind ourselves of what makes us honest, true, and fair. Doing so will keep us out of Gekkoland, the land where we compromise our morals and integrity in exchange for money and status.

This isn't always possible, and this isn't a self-help book, just a realistic assessment of some of the common struggles we encounter and ways in which we can overcome them. As you try to build your fortune, you are going to get tossed to the floor. How you get up and react to the things that happen to you will make all the difference. Sure, your life may not end up the way you secretly planned or expected it to, but you will still be able to find your fortune as long as you stick to your principles and build a circle of competence.



Here's a confession: I coasted until I was about 18.

I wanted to play sports, be popular, tool around the Long Island suburbs in my red 1979 Camaro Berlinetta, go out on dates, and breeze through school. I did okay—ranked about 124 out of 455 kids in my class. My adolescence was best described by two words: dissimulated and desultory. I was having a great time but I wasn't really having a *fulfilling* great time.

I was a varsity athlete, and the captain and quarterback on the football team. The scouting report on me was: Short, but strong; no real arm strength but clever and confident on the field; can read the defense, and is capable of calling plays and audibles.

I was cut from Italian genes, not the kind you wear but the stuff that you landed with at Ellis Island. I had brown hair, brown eyes, and a stocky build, always quick with a smile and a wisecrack. Gold chains, too. It was a hollow and shallow existence, and even as a teenager I kind of knew it.

I took dance lessons; it was the age of *Saturday Night Fever* and I wanted to make sure I knew all of the moves on the dance floor. I had my hair cut by guys named Hugo and Marcello. I got away with stuff, and the more I got away with the more I pushed. No drugs or alcohol—I was one of the few in my class who avoided it, but that didn't make me any less of a wise guy.

I needed teenage attention, from girls, my teammates, and, of course, my teachers. I was the student body president. I pushed people and probably suffered from Tourette's syndrome. If it was in my head, I was likely going to say it, especially if it was going to get a laugh. I played for laughs. I was Ferris Bueller. My goal was to always find a way to talk myself out of the principal's office.

A switch flipped for me when it came time to pick a college. My mom and dad never went to college. They are second-generation Italian-Americans without college degrees but they were hell-bent on me getting one.

My dad grew up in the Wilkes-Barre/Scranton area of Pennsylvania, where they film *The Office* today. Steve Carell didn't live there back then, but Irish, Welsh, and Italian immigrants did. It was loaded with coal miners and small-time industrialists. It was a Depression-era small town and there was poverty and hardship.

My dad graduated from Plains High School in Plains, Pennsylvania, in 1953. As soon as he could, he left that town and followed his older brother to Port Washington, New York, where I grew up. He enlisted in the army, was stationed in Louisiana, and thankfully never got shipped out to Korea. He was from Northern Italian descent, with a small build like me and lighter than my mom, who descended from Southern Italian stock. He started as a laborer and worked at the same construction company for 42 years, eventually becoming its president. He was never afraid of hard work and was extremely intent upon making sure that my siblings and I never feared it either.

My mom grew up in Port Washington, where she met my dad and married him in 1957. She was petite, and when she was young, people said she looked like Natalie Wood (something she reminded us

of just about every day). She raised us, made the beds, did the laundry, cooked for us, and handled every other detail of our home. It sounds classic and stereotypical but she is far from that. She prides herself in having a sense of fashion and to this day is strongly opinionated. She is great in math and has a keen ability to determine someone's character. She's also very observant and not afraid to be herself.

Growing up, we were never in want for anything, especially good food, but it was a financial sacrifice for my parents to give my siblings and me a formal education. That sort of woke me up. How could I let my folks down? I was popular, president of the school, a varsity athlete, and tested well enough . . . I just wasn't operating at my full throttle. I was coasting through the classes, all the while fidgeting and daydreaming. It was obvious to everyone around me.

One of my math teachers even wrote in my high school yearbook that I would spend my whole life trying to put a gallon of water into a one-quart bottle. He was dead wrong in only seeing a quart of capacity in me, but he was right on the money about trying to do too much. I still haven't figured out that one.

When it came time for me to pick a college, my dad had a close friend by the name of Billy Tomasso, a Tufts graduate and generous alum. My grades—probably because of all that tooling around in the Camaro—weren't strong enough to get into Tufts without a little help. Luckily, Billy saw something in me and set up a meeting with Sol Gittleman, a scholar and at the time the school's provost.

In November 1981, I took the Eastern Airlines shuttle to Boston from New York to visit with Sol. That was the start of an unlikely alliance between an overgrown, overachieving Jewish man from New Jersey and an undergrown, underachieving Italian kid from Long Island. The conversation, as best I can remember, went something like this:

“Please Sol, help me get into Tufts. If you do, I won't let you down.”

“If I do, you have to promise you will take my Yiddish Literature course.”

And so I did, and I learned the difference between a *shaygits* and a *shiksa*, among many other things. Thanks, Sol. (If you don't know the difference and want to learn it, you will have to keep reading.) I also realized that I had to gear up and convert whatever talent I had into a singular purpose or be resigned to a life that came up short of satisfaction and true happiness. Tooling around in the Camaro was no longer an option. Don't get me wrong, the power booster in the car that enhanced the stereo system was great—but there was more to life. It didn't feel right.

I always liked to read, and I knew that I had to try to be something different to break out of the middle-class band that I was in. The American Dream lives and I wanted to experience it. So I promised myself that I would be serious. The days of playing hard and working easy were ending.

Needless to say, my brother and I were lucky that we happened to go to a world-class university, with an enlightened faculty and a tight student-to-professor ratio. I became close to several faculty members in addition to Sol, including my classics professor, John Zarker, and my economics professor, Dan Ounjian. These were people who put their students first and pushed people with high expectations and standards. The love I have for Tufts has no bounds because the people there took a chance on a very immature and unproven kid—me—and the education that I received not only benefited my intellectual capacity but also my soul.

In retrospect, I am not sure what woke me up. If I had to guess, it was mostly the fear of not seeing where my potential could take me. We have this common struggle: How much torque and drive are we going to apply to life? How will we handle the bumps that we hit?

The possibilities of being happy and satisfied also drove me. Fun comes in many varieties, but the sort of fun that I was having was always unsatisfying. You have to work hard and play hard. I have never been one for moderation. Balance is the key, just not for me. If you are going to do something, take it to an extreme. Just remember that play is always way more satisfying *after* work—not before.

It's similar to what President Barack Obama wrote in *Dreams from My Father* (Three Rivers Press, 1995, 2004): If the bell didn't ring in his head to get serious, history was about to pass him by. Apparently, his bell rang and he became a historic figure. We were in law school together for one year. The history part wasn't ever in my mind—I wonder if it was in his. Regardless, the bell rang and I answered it.

It's never too late. If it hasn't rung for you yet, it's time to force it into happening. You already know. Back then, I knew. If you aren't where you want to be, gear up and work at making it better. You can give up in the coffin. If you are breathing, the time is now.



There's a list of clichés that others often repeat: Answer the call. Dare to dream. Be audacious. Here are mine:

- Pain in life comes from a lot of different things—the goal is not to self-inflict it.
- Nothing is more soul-crushing than the regret that follows a dream denied due to a lack of effort.
- Failure, save for a trek up Everest or a space mission, isn't a problem if the attempt is whole-hearted.
- Within the simple, sincere pursuit of dreams there is something special and wonderful, no matter the outcome.

We need to appreciate the obstacles, embrace them. Too often we lament and whine. Someone doesn't do what we expect. Our assumptions confront reality and reality wins. There are just so many things to distract and deter us. Even our own fears of success get in the way. That's right—most of us quietly fear it. Suppose we get everything we want and we still aren't happy—then what? Also, with success comes responsibility. People start leaning on you and want to be lifted. So all of this needs to be dealt with.

When I started college, I was ready to give it my all. My ambition was able to burst through all of these obstacles. I was going to make an effort, whether I failed or succeeded. I hunkered down and, after countless late nights of studying and intense work, graduated near the top of my class at Tufts (no more middling class-ranks for me), got a degree from Harvard Law School, went on to Goldman Sachs, and then set off on my own to pursue my passion: becoming an entrepreneur and starting my own company.

The hedge fund I started with Andrew K. Boszhardt Jr., called Oscar Capital, was successful enough that Neuberger Berman, a publicly traded money management firm, purchased it in 2001 and I became close personal friends with the senior executives there, Jeff Lane and Bob Matza. Neuberger was sold to Lehman Brothers in October 2003. It was a lucky sort of double dip. In 2005, I left Lehman and launched another company, SkyBridge Capital, a money management business dedicated to helping money managers go out on their own. Along the way I have made some money.

More importantly, though, I have learned from my parents and tycoons, my uncles and professors, politicians and my grandmother—and from those lessons built a framework for life that adds up to more than a list of achievements, well beyond a paycheck, and a far higher calling than the opinions of others.



I have worked on Wall Street for 20 years. Pariah Land.

I would love to say that I work on Wall Street but have never really been a part of it. But I am.

I am a Wall Street hump. I am not sure why. Just a series of choices I made at the time that added up. However, I want to be a special one, if there is such a thing.

Do you remember Sherman McCoy? He was the infamous protagonist of Tom Wolfe's classic *The Bonfire of the Vanities*. Sherman was

a leading New York City bond trader and a self-regarded “Master of the Universe” on Wall Street who egotistically believed that he was entitled to his annual million-dollar salary, penthouse, sports cars, designer suits, and mistress. These Masters of the Universe referred to their wives as either Lemon Tarts (the new, second trophy wife) or social X-rays (the older, waif-thin first wife hanging on by a thread). Essentially, McCoy was a symbol of the wretched excesses of the Eighties. Yet he believed that he only *worked* on Wall Street, that he wasn’t *part* of it, it wouldn’t change him, and he was only using it to make money. Yeah right, he was the North Star of Wall Street.

You see, we all like to be in denial and like to think of ourselves above the masses. How many of us think we are average or below average? How many of us think we are greedy, selfish, arrogant bastards? Yet there is no escaping reality, and the truth doesn’t lie.

It seems that many people currently have a poor image of Wall Street and the people who work on it. Since the financial meltdown, people around Wall Street complain they’ve gotten a bum rap in the press, been beaten up by politicians, and felt the backlash from Main Street. Well, take a look around, boys—it didn’t happen by accident. It was an accumulation of a lot of greedy actions. Greed, self-interest, and lack of caring are widespread on the Street. It is unfortunate because a lot of good and philanthropy have come from the world of finance, which I will get to later in the book. Yet we still see the rogues, the thieves, and the incessant, self-centered greed. We may laugh at the Gekko and McCoy stereotypes, but that perception has now become reality.

Generally, I live by the “3 percent” theory. Three percent of the people are raw evil—spawn of Lucifer, Hitler, and Stalin. Three percent of the people are pure good—the Kings, the Mandelas, the John Paul IIs, the Mother Teresas. Everyone else is in between. On a planet of 6.7 billion people, having 210 million dark princes and princesses can lead to a lot of trouble. There are many people who stand ready to wear explosive underpants.

On Wall Street, we unfortunately have the “5 and 1” rule: 5 percent are bad, 1 percent are good. Most are in between—slanted toward the good side, but there are just too many bad people even though they are in the minority. They have hurt the industry. Their transparent avarice and arrogance converts into superiority and entitlement as they succeed. The other folks see it and despise it. It is up to us—the people who work in this industry—to figure out a way to change all of these negative perceptions and say goodbye to Gordon Gekko forever. What better way to do so than to learn firsthand from the many experiences, mistakes, mentors, and lessons I’ve had on (and off) the Street?



Some of the most profound lessons of my life came during my time as a trainee at Goldman Sachs in the late 1980s. These days, the firm is frequently vilified as one of the causes of the financial meltdown or one that profits from its connections and influence in governments around the world. The new conspiracy theories are around “Government Sachs.” That’s one view that I don’t share. I just think the firm has gone over its skis into the arrogance territory. People sense it and every move is now met with a comment. When I was there, it was not the “great vampire squid” sucking the life out of the global economy, and it isn’t that today, either.

The firm plays to win, and it attracts the best and brightest, with bosses smart enough to motivate and train them. The firm is an exceptional place, and for me it was the training ground and the foundation of my inclusion and success on Wall Street.

In a span of about 20 years, Goldman would launch the careers of two U.S. Treasury secretaries, two national economic advisers, an Export-Import Bank head, a U.S. Trade representative, a Democratic National Committee (DNC) finance chair, a future ambassador to Switzerland, the current ambassador to Germany, a future New York Fed president, a governor of New Jersey (and before that, a senator), a White House

chief of staff, and a dozen of the world's best hedge fund managers. The men who built the firm into a Wall Street powerhouse are the ones who trained me.

In 1989, I sat there, eager to be initiated into the Goldman way, and heard John Weinberg, the legendary former CEO and chairman of the firm, say simply: "Some people grow, other people swell. You'd better figure out who you are." That was the core of the Goldman pedigree. Individual ambitions had to be sublimated to the mission of the group. Everyone there was smart, talented, and filled with potential. The key was keeping everyone working for each other, not having each boy genius's ego and ambitions swell to crowd out his colleagues.

At Goldman, we proudly saw Wall Street as a place where traders, brokers, and bankers were cowboys armed with two six-shooters. The difference was that at other firms a guy had one gun aimed at the competition and one aimed at the guy next to him; at Goldman we had both pointed at our rivals. The goal was to diminish corporate infighting as much as possible. Don't focus on competing with each other; focus on profits and partnering with each other. It was rare then, and it's even more unique now.

Over the past two decades, it's become clear that sublimating the self to almost anything else is a tough sell not only on Wall Street but on Main Street, too. But even back then I noticed that not everyone bought into the ideas Weinberg and the other Goldman lions were trying to pass along. I just didn't realize that the abandonment of teamwork and the supremacy of the individual's goals would become a staple of the entire American culture before long.

The ambitions of the individual manifested themselves in the worst possible way. They showed up in the huge paychecks executives gave to themselves, in runaway consumer spending fueled by debt, and in a culture obsessed with the fulfillment of possessions, and possessing. As a nation, we chased empty dreams for the wrong reasons: to create a perception of our well-being to the outside world, to soothe deep-rooted status anxiety, and to inflate our sense of self. A generation of me-first.

It started out in the 1960s, with long hair and rebellion. The 1970s, the sexual revolution. The 1980s, consumption and pasta al dente. The 1990s and 2000s, the years of delaying sacrifice and expanding consumption. We developed a group of politicians who have consistently made decisions based on their temporary survival at the cost of their permanent legacy and that of the society. From the greatest generation, who made sacrifices to defeat the Nazis, to the worst generation, who are squandering America's treasure.

Does this all sound sanctimonious? I didn't mean it to be—I was right in there with everyone else, chasing possessions and trying to improve my perceived social status. It's what most of us do, and almost all of us who work on Wall Street. We chase and we become absorbed, and if we are not careful, we make the mistake of Bud Fox in *Wall Street*: We give ourselves up to be part of the inside crowd. We do the wrong things, go against our values, and allow greed to trump wisdom. The wanting to feel in, needed, special, relevant.

Again, ambition is not bad, nor is it new. But our ability to express it has grown exponentially in the past two decades, even as our capacity to understand and manage it seems to have evaporated. I have seen this happen among a few of my bosses, colleagues, and clients, and I have spent no small amount of time keeping an eye on my own ambition, as well.

But I digress.

In 1989, I worked in Goldman's Investment Banking Division, the elite of the elite. By 1994, I was in its private wealth division, the unit that serviced the investment needs of the super-rich. My office was on a floor that was home to no fewer than 35 millionaires. Yet, on that one floor—and Goldman probably had 10 more like it—there was enough griping and dissatisfaction around me that I began to call my colleagues "The Miserable Millionaires Club." A rich complainer isn't an oxymoron, just a moron.

It's known as the Neighbor Effect. William Bernstein, in his 2004 book *Birth of Plenty* (McGraw-Hill), explains the phenomenon

well: “Absolute wealth matters less than the wealth relative to your neighbors. . . . Or as more tartly put by H. L. Mencken, a wealthy man is one who earns more than his wife’s brother-in-law.” There is also something in suburban America called *dumpster envy*. One’s house is perfectly fine and satisfying until the neighbor drops the dumpster off and begins renovating. People can be rich but still unhappy as long as they have people near them who appear richer. So crazy, but a reality that we deal with.

I was amazed to see that for most Goldman guys, it wasn’t enough to be a millionaire; in their social circle or work circle, they had to be king of the jungle. To them, being a millionaire wasn’t enough if they hadn’t won prestigious partner status at the firm. They saw themselves as merely working stiff’s, like the kid behind the counter at Dunkin’ Donuts or a bank teller in the Bronx, but with better cars and shiny cuff links. They were rich by anyone’s definition except their own. A cop, a schoolteacher, even most doctors and lawyers would have been satisfied with half the money and options that it brought. Wall Street millionaires quickly forget how lucky they are and how high they’ve climbed up the food chain of money. Most people would be grateful and happy with far less. Yet, as humans, we have a tendency to get to a place that we never really even dreamed of and still find our discontentment there.



It seemed insane to me, but by 1995 I had joined the club of millionaires, after six short years. Then I got it. Getting to one level means the next step should be accessible, too, right? The question that began to gnaw at me was: “I am just as smart as that guy. Why is he doing better?”

It’s a shallow question, admittedly, but one that most of us (save for the rare missionary, NFL offensive lineman, and a handful of Tibetan monks) have asked. And it’s one that few will confess to because it exposes all of our insecurities and egotistical tendencies to the world.

Yet there is nothing more infuriating than watching someone who you think is dumber than you getting rich. The whole Internet bubble was created by this. You mean the imbecile next door became a millionaire buying Yahoo!? I want my chance to become rich, too; he is no smarter than me . . . and hence the bubble and mania starts. None of us are saints, and even the most sublime among us have petty competitive drives and jealousies. It is Darwinism applied to individuals instead of to gene pools and species.

The true secret to controlling this overambition is first recognizing these feelings and then figuring out a positive and transformational way to deal with them. The best among us can drop our envy and celebrate the successes of our friends. What a gift to teach children: Celebrate the successes of your friends. Drop the atavistic social Darwinism and become sublime. Be joyful for the joy of others.

We haven't been able to do that as a culture, but each of us every day can try to do it as individuals. I am convinced many of the problems that precipitated the great economic crisis of 2008 sprang from jealousy, which caused us to temporarily lose our ability, and our desire, to control. While the Wall Street bosses have been publicly flogged during televised Congressional hearings, they are not the only culprits. Sure, on Wall Street unchecked ego and boundless ambition led to untenable risks. Let's not forget, though, that at the same time, Main Street was buying into the advertising message of a must-have lifestyle and ran consumer debt to its highest level ever.

Let's start with where Wall Street's ambition went wrong. Here's the conversation inside of the head of a corporate titan:

"Wow, I am the CEO of Schlehman and I just made \$10 million.  
That makes me feel awesome."

"What? The CEO of Schmoldman made \$26 million? How is that possible? I have to find a way to overtake that guy."

Now add three or four more Gordon Gekkos to the equation. They all simultaneously take on more risk in pursuit of more rewards because, after all, that's how they and the world gauge their value.

That value, naturally, has to be more than everyone else's. More risk leads to more reward, for a while; then it melts into instability. And then comes the crash.

The hedge fund guys compounded this issue and made it worse for everyone else. They were making so much money that the average Wall Street CEO couldn't compete. Some hedge fund guys were making hundreds of millions and the media was celebrating this. So what happened? The Wall Street titans petitioned the regulators to take their leverage up from 20:1 to 34:1. How else were they going to compete with the hedge fund guys for Hamptons real estate or contemporary art at Sotheby's? They turned their businesses into large casinos so they could one-up each other.

For instance, it is just implausible to me that John Weinberg or John Whitehead, who co-managed Goldman and wrote its 14 business principles, would have bet the ranch. They both fought in World War II and witnessed the Great Depression as kids. They didn't have the same expectations about life and were willing to make sacrifices. But when the Wall Street firms went public it became easier for CEOs to take risks with other people's money. This is still something that troubles Alan Greenspan. He thought the modern CEO and management team of these large banks owned enough shares in their businesses that they would not put themselves (or their portfolio) in harm's way; however, the once-perceived "truest wise man of finance" made faulty assumptions, which he now must admit. In 2008 testimony, former Fed Chairman Greenspan said:

I made a mistake in presuming that the self-interest of organizations, specifically banks and others, was capable of protecting their own shareholders and the equity in the firms, and it has been my experience, having worked both as a regulator for 18 years and similar quantities in the private sector, especially 10 years at a major international bank, that the loan officers of those institutions knew far more about the risks involved

and the people to whom they lent money than I saw even our best regulators at the Fed capable of doing. So the problem here is something which looked to be a very solid edifice and indeed a critical pillar to market competition, and free markets did break down and I think that shocked me. I still do not fully understand why it happened, and obviously, to the extent that I figure out where it happened and why, I will change my views. As the facts change, I will change.

Translation: I can't believe these bankers, ratings agencies, and buyers could be that greedy, greedy enough to blow themselves up.

And it doesn't stop in the executive suites. No one is immune to the lure and the toxicity of the greed. It's something we all have in common. Each of us, in a smaller, less dramatic way, did some of the same things. Overmortgaged our houses. Took on excessive debt.

The baby boomer generation is especially guilty of this sin. When we do something, we go big—really big. We went from the greatest generation, those who fought in World War II, to the generation of greed and envy. Our problem: We swelled, didn't grow—unless you want to count our combined fatness. As a group we thought nothing of pushing for more and more for ourselves.

Our internal voices now sound something like this:

"My career should be fun. I shouldn't have to sacrifice much."

"Wait, that's a sweeeeet BMW SUV. How much? *That* much?!"

"Hmmm, that refinancing deal sounds good. I can handle a second mortgage. I'll take some cash out. I can always sell this house for more in a few years when it's worth twice what it is now."

"Ka-ching! I'm goin' to Disneyworld!"

But wait—there's more.

We expect our marriages to be like sitcom TV, but far more Huxtable than Bundy. Our kids should be high-achieving, with perfect SATs, be able to act and to play a musical instrument, and have worked

on a world-saving charity—before high school graduation. As a result of this grand ambition, we boomers didn't just give the world a simple recession—we produced the mother of all meltdowns.

The sense of self-entitlement and overambition has been nurtured by corporate America's advertising agenda. "Without our product, you just aren't living." Whether it's a cooler-than-thou iPhone, a sporty Mercedes with a ride rivaling your best orgasm, or a mutual fund that far surpasses the market's performance, life is about being better and checking off achievements—personal, professional, and material. The food industry has messaged to us a feeling of dissatisfaction unless we are eating during every major moment of our life and most minor ones, too, like when we're plopped on the couch watching television. You can have it all. Our political class is about overpromising the electo-rate that they can have all the services they want but don't want to pay for. Is it any wonder that we are walking around fat and punch-drunk from our overleveraged hangover?

Face it: We are all vulnerable to these vices. We now need to stop the insanity and make better choices. Be willing to make some sacrifices so that future generations can benefit.

Be practical and wary. Give yourself an annual ambition checkup. Make sure you are still behaving consistently with your values and not thrown off by the greed-and-envy downward cycle.

Watch *Mad Men*. They figured it out and drank lunchtime martinis, too.



Most of what is shoveled toward us is shrewdly aimed at the simple truth that we are biologically wired to compete with each other. We have impulses and ambitions that make us want to be the best. What's great about us is the innovation and the push toward more opportunity—the boldness, the dreaming, and then the doing. But we need to keep it in check or we risk turning into egomaniacs.

We're all a bit familiar with Darwin's theories about survival of the fittest and natural selection. An animal that runs faster than others is more likely to catch its prey, or escape from its enemies, and live to pass along its genes. Today we don't have to compete with other species for food, shelter, and safety, so the battle for survival plays out between people. The smartest, strongest, and most aggressive get the good stuff—including the possibility of reproducing more often. In many animal species, there's competition for mates and, by extension, for the chance to reproduce. Antelope have their unique way of measuring the best mates, and so do people. Unfortunately, too often we have come to believe that the winning qualities include expensive cars, real estate, and fancy vacations.

That seems silly, but it's merely the modern manifestation of the instinct we all have to survive and to reproduce. In the early days of human development there weren't many options or ways to live in the middle. You were predator or prey. That's how ambition, unchecked, can make the world appear. If you're not the best, the top, the richest, you're nothing—even a member of the Miserable Millionaires Club can feel irrelevant. There is nothing worse than that feeling!

These are animalistic or atavistic impulses. Nasty stuff. We've all heard the old saying, "It isn't enough for me to succeed; others must fail." In other words, we get pleasure from other people's pain and pain from their pleasure. That mind-set—what Sol Gittleman called *schadenfreude*—is easier to adopt these days simply because we are less dependent on each other and are constantly competing with one another to have the biggest houses, smartest children, highest bonus, and most vacation homes. All of this makes our worst instincts harder to control.

The challenge for all of us is to rise above these animal impulses; our human evolution should have left those behind by now. That higher self should recognize that there is enough money and enough of all the things it buys for all of us. In 1974, Henry Kissinger said at a UN conference on food and hunger that in 10 years no one on the planet would go hungry, yet a billion people still go to bed hungry 36 years later. Who cares if someone has more (or a little less) as long as they

haven't taken it from you? A higher self would express happiness—real happiness—in the success of a colleague or a friend. No tinge of envy, just joy. Why is this so hard?

The worst part of the human spirit is when we can't simply accept another person's success or be comfortable with our own position in the world. It's a status fever. How am I perceived? Am I hanging with the right crowd? Do I belong to the right clubs? It is a competition in the art world, the business world, among our children, and just about everywhere else. Who's looking at me, and how am I doing? Enough of me talking about me—what do *you* think of me? We all in varying ways suffer from it.



After two decades of operating in corporate America and as an entrepreneur, I've begun to diagnose strains of this disease of the ego, this virulent strain of ambition. I have tried to inoculate myself from some of them, but oftentimes I have been sucked right in.

Here are some of the most common:

- **The Envyne Flu.** This is sort of like the swine flu. It comes from pigs. First you start out as a capitalist and then you become a capitalist pig. The overfeeding at the trough causes the syndrome. Your wealth accumulates but so does your relative dissatisfaction. It hurts and causes yearning. If you catch this disease and take no steps to push for a cure, it will have disastrous consequences. For envy is unquenchable. It is the green-eyed monster that ultimately eats itself. Victims feel they never have enough. There is always someone out there who has something just slightly (or way) better than the diseased. It is a sad sort of ailment, too. For the person who has envyne flu can never, ever, really be truly happy for another. The only known cure is massive amounts of generosity. If this doesn't drive the victim crazy it has the potential to alleviate most of the symptoms.

- **The 7–10 Verbal Split Habit.** This is the most fun of the ego-maniac afflictions. This is the “put others down to make yourself feel better” syndrome. Going negative. In bowling, a 7–10 split occurs when the far back left pin is smashed into the far right back pin to create a spare. This is very difficult in bowling and requires a lot of practice. Yet this is quite easy to do verbally and happens all the time. The typical 7–10 split in life goes like this: Three people involved—Dick, Rob, and Joe. Dick says to Rob, “Joe thinks you are a jerk and have bad work habits.” *Bam!* Well done. Now Rob dislikes Joe even though Dick is the instigator.

I worked in two very large organizations (Goldman and Lehman), a medium organization (Neuberger Berman), and two small organizations that I had a hand in helping launch (Oscar and SkyBridge). Let me tell you, this happens all the time in places of all sizes. I thought, when I was at Goldman, that when I left I would create the perfect organization. Silly me. Have people, will have backbiting.

The 7–10 split is sort of silly but very effective. The person doing it is trying to rile others and to create divisions on the road to their own personal advancement. “Joe, Jim doesn’t think you are smart enough.” “Rachel, Ellen was saying bad things about you to our boss, Peter.” It’s classic infighting and slighting. It’s done to create discord and it’s done when people are trying to compete and think about things in a win-lose sort of way. You have probably done it, at least if you work somewhere. And if you don’t work somewhere you probably did it to someone socially. I have done it. It is part of the human condition.

*Stop doing it.* Do your best to avoid it. Don’t partake in it. Nothing poisons a group and sets people against each other more than the 7–10 verbal split. It can hurt business, but more importantly it hurts people. Keep your negative emotions to yourself, and if you are at the workplace, think like an owner and ask yourself: Would the boss want to see this happening? What if my boss heard me creating this insidious gossip? Act like the boss is within earshot—or

better yet, the person who you are throwing under the bus. This will lead to more harmony and it will also put you ahead of the crowd. I am not calling for a lack of honesty and evaluation in the workplace, but there is a time and appropriate place for it. Be wise, use your discretion, and it will pay off both socially and professionally.

- **The Windex Disorder.** We all have seen the clear signs of this horrific condition. You are at a cocktail party, a book party, or a charity reception. Midway through a harmless conversation over mini crab cakes, you notice the other person isn't really listening to you. His eyes are dancing over your shoulder, darting to cover the rest of the room. He is Windexing you: Your face is like a sheet of glass upon which he will spray Windex and wipe you clean so he can look past you to someone more important or influential with whom to mingle. The Windexer is a social-climbing, status-conscious, status-anxious sort who shows up at a cocktail party with the goal of always trading up to a better conversation. Never, ever let it be you. Never. Ever. Has it been me? I have Windexed my share of people and have been Windexed, but I am a recovering Windexer now.

There is something good about the Windexers, though. They teach a valuable lesson: that it's always better to relax and enjoy a party than to bring your Windex and a roll of paper towels.

- **The Island of Elba Syndrome.** When Emperor Napoleon was exiled to Elba, he brooded and plotted his comeback. When he made it back and conquered the Bourbons, he rewarded those who had come to see him while he was sent away. Often when friends lose a job or have a personal setback, they become radioactive to the circles in which they once traveled. The partner/colleague always has a precipitous drop in his obsequious voice mails the day he announces his retirement. Years ago, one of my friends was ousted in the wake of corporate infighting. His phone stopped ringing and he quickly discovered who his friends really were after he was pulled off

the corporate power grid. Few people called or wrote. I made sure to drop by.

In corporate life, you may not want to be seen as the ally of someone who screwed up an account or came out on the wrong end of office politics. It'll reflect badly upon you. That's exactly the wrong way to think, especially if that person was your friend.

At some point, we all find ourselves on the wrong end of a deal. Who among Dick Fuld's colleagues are bringing him donuts or are paying him respect the way they did when he strode the 31st floor at Lehman's global headquarters? The side of you that's advising you to stay away from once-close friends or colleagues is the same part of you that is anxious about your own place in the world.

Again, it's time to observe and overcome. Be the friend who shows up with the donuts and reassurance. Not only will your friend appreciate it, but if he is capable and resilient he will rise again . . . and you'll be there with him. Most people in that situation do not forget the kindness showed when they were vulnerable and had little else but their friendship to offer.

- **The Ego Wall Affliction.** Remember the scene in the first *Wall Street* movie, where the young Bud Fox walks into Gordon Gekko's office? Amidst Gekko's egomaniacal appearance and slick talk is an enormous suite full of priceless artwork, the latest gadgets, and opulent furniture.

Spend enough time on Wall Street, or in any other business, and more than likely you will enter a Gekko-like egomaniac's office—full of pictures of him with famous people and seemingly invaluable artwork—that reflects first and foremost a spasm of self-congratulation. It just screams, “Hey, look at me, I'm a stud!”

In March 1999, a Goldman colleague and I had the opportunity to visit a prominent Wall Street leader. In his office, I was met with the mother of all ego walls. It wasn't enough to have every famous person and politician who this person thought was smart adorning the wall behind his desk. This whole exercise meant a lot to the titan.

You could tell that he had strategically placed—no doubt after investing much time, thought, and contemplation—the magazine covers that over the years his visage had graced.

What is the affect this sort of monument has on most people? I would guess that the typical person would be awed. Why else would someone put the ego wall up if he didn't want that kind of response?

The ego wall owner is trying to say, quite simply: "Look at me. There is evidence in my office that I am a mover and shaker. I have the best of the best surrounding me, which makes me one of them. Right? I mean, I am the best, right?" That leaves the visitor feeling insignificant in its—and his—shadow.

The ego wall I saw during that 1999 visit was special. Someone had spent hours and hours thinking about what was going up there and how it was going to be placed. The attention to detail was astonishing. The best picture with the best magazine title, with the best byline, was square in the middle of the wall.

We had our meeting (sans photographers, so I guess we weren't worthy of having our picture taken), and as my partner and I were leaving the building, he asked, "So, what did you think?"

"Well for starters, we will never do business with this guy—we aren't important enough," I said. "And I don't know who and I don't know where or when, but some girl at some point in his life asked, 'Is it in yet?'" We laughed and went on with our lives and our business.

If there is a moral to the story, it is to be humble. Put up pictures of your kids, or your family. That's not to say that if you have some celebrity photos you can't sprinkle them in, but there should be a little bit of a story behind them. Celebrate your life; I am not saying be low key, just laugh about it a little. No matter the accolade or the triumph, we share a lot in common with the weakest among us. We carry most of the same emotions. The people who visit your office—your guests—are the important ones. The place

where you greet them should be built around making them feel welcome and equal, not intimidated.



We are all tempted by overambition, greed, and the desire to be viewed by our peers as peerless. That sounds a lot like an ego wall to me. Or maybe like a huge desk that keeps four feet between you and a visitor. Or the need to put up more Christmas lights than your longtime next-door neighbor.

Those impulses, while natural, actually go against our most central need to guarantee our individual happiness and long-term success. Unless we can tame the animal in us, we lose our humanity and our ability to find our fortune without losing our soul. We need to control the yearning and be satisfied with what we have and what we do. But if you have the confidence to exude such a sense of purpose, how can you keep your ego in check as you are achieving?

It's a bit hard to explain, but you must aspire to the sublime. The actual definition of the word *sublime* is noble. I have long believed, though, that it refers to our ability to sublimate our base human emotions, to rise above them. There surely is nobility to that. But here's my best shot at what the term means and where I think it comes from.

The word *con* in Latin means with; *fidus* in Latin means trust. *Confidos* means with trust. It sounds a lot like confidence to me. Self-confidence means trusting in yourself. Once you really trust yourself you will be less focused on the relative game and more focused on your own journey, wherever it takes you. It's a true awakening.

No one has a perfect journey here on this planet. No one can escape without a degree of sadness (if you reach adulthood, chances are you will have had to attend a funeral of someone you loved) and so many other human emotions. But you must try not to defeat yourself. If you focus on others, chances are you will lose your way and start being guided by what you think others think. That is a total

recipe for personal failure. That is why so many rich people end up so unhappy.

Mark Twain once said, “Courage is the mastery of fear, not the absence of fear.” Want to get others to trust you? Trust in yourself. The way to trust in yourself is through practice. What kind of practice? Step back and acknowledge that you have doubts, that you are not all-powerful or all-knowing regardless of the photos in your office or the size of your paycheck. That’s a good start.

During the great financial boom that preceded the great financial meltdown, very few market gurus had the self-confidence to step back and ask the hard questions of themselves and their companies: Can this growth be sustained? Are we doing things in the short term that will severely damage us in the long term? Is my paycheck a little too fat to be realistic? Morgan Stanley chief John Mack got paid \$40 million in 2006, and then his firm came within days of failing as shareholders lost 80 percent of their money between July 2007 and late 2008. Richard Fuld, the head of Lehman Brothers, had several opportunities to sell his firm but couldn’t get what he thought was a high enough price. On one Sunday night in September 2008, the firm simply turned off its lights and filed for bankruptcy, tossing thousands of people out of jobs and throwing the financial industry into an almost-fatal tailspin.

As evidenced by these stories, the Wall Street chiefs and seers who surrounded them exuded the belief that this time was different—that they understood the risks they were taking with other people’s money and that it was all under control. From where did this hubris come? Most likely, it came from greed—the desire to make more money or to be immortalized in the annals of finance as the smartest or shrewdest or toughest; to be seen as peerless.

These disgraced men all worked hard to achieve, but once atop the food chain, it seems they simply abandoned the habits that got them there. John Weinberg would have said they had swelled and not grown, at least not enough to understand how to manage the historically unprecedented situation around them and their roles in it. Computer

models made people complacent. Money and the trappings of success made them overconfident and made them feel invincible.

Where they also failed was in not showing their weakness, not asking the hard questions surrounding their circumstances. It is a classic story; none of us is truly above it. We can throw eggs and tomatoes at Fuld or condemn John Thain because he spent over a million dollars on his office furniture. Yet these are smart guys. How could they go so wrong? And who among us in the same situation would have done better? Perhaps the money and the success light an uncontrollable fire.



There is a famous story in Homer's *Odyssey* where Odysseus tells the sailors to be wary of the mermaids, the sirens in the Mediterranean Sea. Their beauty and their songs will lure you into the rocks and to your eventual deaths. Wily Odysseus was afraid of this temptation and his accompanying weakness so he tied himself to the mast of the ship and blindfolded himself. The others? None of them took his advice and they were sucked into the sea and the treacherous whirlpool that the sirens tempted them toward. You have to know that this could be you. Or me. It isn't just the perceived Wall Street bad guys the media happens to be stick-whacking.

This story is as old as human history and the basis of most Greek tragedies. And just as with all parables, there is a moral to this story. In this case, it all boils down to knowing thyself. Ambition needs to be checked with a healthy dose of earthiness. When you are earthy, people can smell the dirt on you. When you are not, the force of gravity brought on by your hubris will eventually bring you down.

We watch these financial car crashes with hindsight and we judge them with the distance of bystanders on a high moral ground. Yet I submit that these people who caused these events are no different than any of us. In fact, without the right training and grounding, it is the usual outcome for human beings.

True self-confidence comes from the combination of discipline and the knowledge that you are prepared to answer the hard questions about yourself. It is not really all that daunting, and the difference might be just another hour a day of thought or exercise. It may mean reading or rereading the passages in Jim Collins' best seller *Good to Great* (HarperBusiness, 2001) on what it takes to be a Level 5 leader (hint: low-key, hard drive, compassion).



Richard Branson famously said: "I have been poor, now I am rich. Rich is better." Yeah, but he didn't say *he* was better, just that *it* was easier and more fun to be rich. Yet you get the sense that Branson probably had just as much fun when he was poor. He is adventurous, creative, and generally doesn't seem to care what people think about him. He's an example of how to live, rich or otherwise. He is ambitious, but what seems to drive him is something more compelling than money. It is a sense of being able to do what others can't or haven't tried. I have met Sir Richard several times and am always impressed with his earthiness and the fact that he recognizes that he is living a charmed life. There is a goofiness and a giddiness about him that resonates to the surface. He isn't spending much time trying to prove to you that he is the man. I don't really think he cares what others think, other than that he is a good man, living life to the fullest.

So, want a quick lesson on the road to the top?

- **Keep Your Ego in Check.** Although it is important to be confident, never let your self-assurance turn into arrogance; watch your ego. Confidence is part of the jet propulsion system that drives us to succeed, but the ego has to be handled carefully. A human brain high on money, prestige, success, and status can be like a dangerous hydrogen balloon (think *Hindenburg* here) unless it is grounded. And realize that luck and timing were probably involved in your success—you're not Superman.

It never ends well for the person who fails to keep a check on his ego. In his book *Happier: Learn the Secrets to Daily Joy and Lasting Fulfillment* (McGraw-Hill, 2007), Tal Ben-Shahar says that those who start each day from the perspective of appreciation and gratefulness are way happier than those who start the day thinking about all that has gone wrong in their lives. So start the day from a position of appreciation, but also ask yourself about the role of luck and timing in your life. Think about the many people who have helped you reach your goals and what the consequences would be if you were to lose it all. Think about your core values—do they conflict with the actions you are taking to make money?

- **Treat Everyone with Respect—Everyone.** I can still hear my grandmother telling me to treat everyone with respect and kindness. She worked in the school and was unafraid of hard labor. It is impossible for me not to see everyone as that woman who had the courage to leave her family and her country to come here to America, to work with her hands, and to try to make life better for her children and her grandchildren. It is a simple and humble act to show kindness. Keep it real.

Part of treating others with respect is not judging others. You have to force yourself to put yourself in other people's shoes and learn about who they are before you judge them. If you are starting poor, you need to learn about rich people. If you are starting out rich, you need to learn about poor people. Don't just go with your bias. Don't begrudge a friend or colleague who has grown up rich, practices a certain religion, or adheres to certain cultural totems. Force yourself, expand your box of relationships, and slowly but surely you'll begin to recognize that we all are pretty much the same.

- **Try the Boy Scout Motto—Be Prepared.** If more Wall Street executives and subprime homebuyers had acted more like Boy Scouts than Gordon Gekko, perhaps there would have been a less calamitous economic outcome. You always need to be prepared

and be on guard for all of the egomaniacs who are going to try to take advantage of you, as well as your own egotistical tendencies. Be practical, cautious, and careful. Give yourself periodic ambition assessments and then learn from your flaws so that you can make better choices.

It seems like the smartest among us haven't been able to escape some of the traps of ambition and ego, but let's learn from what happened and try to do better. Once again, we need to pull for each other and make it work.

