



Finding Purpose Through Profit - InvestingOnPurpose ep2 Transcript

Chris Van Loan [00:00:00]

Hey Capitalists. We are excited to announce that Ryan is partnering with his dear friend and mentor, JP Newman, on a new podcast called Investing With Purpose. On this show, they're talking about emerging trends and where they're putting their attention and capital as both entrepreneurs and investors.

Chris Van Loan [00:00:22]

This is episode 2 from the new show, and we hope you'll decide to join us by searching for and subscribing to this new show titled Investing on Purpose with JP Newman and Ryan Daniel Moran wherever you listen to podcasts. This is a separate podcast feed, but we're sharing a few episodes here on this show. Let's dive in.

Ryan Moran [00:00:45]

Welcome to investing on purpose, the show about making your money matter. On this show, you'll be introduced to emerging trends and entrepreneurs who are creating change through business. Join JP and I every week as we explore how to use our money to create an impact and make the world a better place. Now onto the show. So, JP, today I thought it would be fun to just talk about capitalism, on the whole talk about capitalism.

JP Newman [00:01:12]

I'm going to turn the tables on this one, Ryan. I'm going to let me be the main interviewer. You're always interviewing so many great people. And by the way, you are one of the best interviews that I've ever, ever seen. I knew it from the day I met you, Ryan.

Ryan Moran [00:01:25]

Well, thank you, JP. I appreciate that.

JP Newman [00:01:27]

Yeah. So, I have some questions for you that, I mean, I'm super interested. As we talk about Investing on Purpose, our new show together, you are in a really unique position, Ryan, and I find it really fascinating, which is why I thought this would be really fun to do together. You have really kind of seen 2 revolutions.

JP Newman [00:01:42]



We're talking about capitalism changing. We're talking a lot about how right now through these new technologies like crypto and NFTs and crowdsourcing, we're talking about how technology is rapidly changing capitalism for the good, but what's super interesting, Ryan, from my perspective is, you being of the younger generation than me, you've also been able to experience ... I got to go to the earliest parts of the internet.

JP Newman [00:02:08]

I actually started a company. It didn't work, but I did start an internet company at the very beginning of the internet revolution. You got to come in and you got to participate in the ... Really, the revolution of commerce on the internet. And when I think about the internet and kind of what you've been able to do with Amazon and how you guide people on your own success, you got to kind of get in at the very first days of individuals revolution, to be able to take a product and not have to go to Target or Walmart.

JP Newman [00:02:37]

Because I remember the days where it was just about impossible, unless you're a big corporation like Nabisco, to try to go get a food product, good luck. You'd have to go to a local grocery store and you'd be lucky if it would ever make it.

Ryan Moran [00:02:49]

And they had all the barriers to entry controlled.

JP Newman [00:02:51]

They did.

Ryan Moran [00:02:51]

And ecommerce changed that.

JP Newman [00:02:54]

Ecommerce totally changed it. And I'll tell you one quick funny story, Ryan, then I want to hear your story. So, I launched a company. It was a wedding gifts registry company and it was the early, early days of the internet. And the funny thing was that I went to the heads of Macy's, all the retailer stores because I wanted to aggregate Bronto registry.

JP Newman [00:03:11]

And the only thing I heard those days is that nobody will ever buy things on the internet because it'll never be safe enough, and that's not ... People like to go out, and that was the early mentality. So, my argument was ... I laugh when I think about what you got to



experience, which was the liberation. I just got all the nervousness and the human skepticism that this technology would actually ever become a revolution. And it's so fun to watch it become the revolution it became.

Ryan Moran [00:03:38]

Well, it's interesting you open with that, JP, because I feel like we're at a time right now in which we're doing that again. We're looking at crypto and NFTs and DAOs, and we're saying the same things about those that we did about the internet.

JP Newman [00:03:54]

It's making me laugh.

Ryan Moran [00:03:55]

And, well, it freaked me out at first. Right? But I understand now why my parents thought that way, why they thought no one will ever buy things on the internet. It's because we're established in the way that things are, and we have to, in some way, be defensive of those things. It's how we make our livelihoods, right?

Ryan Moran [00:04:17]

So, when those things get threatened, of course you're going to thumb your nose at what is new. Of course you are going to resist the new technology. It's threatening what is working for you right now. So, I understand why some generations poo-poo what is evolving in that, but I am seeing the same sort of new wide open west happening just like what happened in commerce just 10 years ago. But JP, there's actually a story even before then and it was when information was going through its wide open west period.

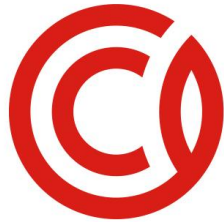
JP Newman [00:04:52]

Right.

Ryan Moran [00:04:53]

So, my first entrepreneurial venture was not ecommerce. My first entrepreneurial venture was doing content sites on the internet and writing long blog posts and starting email newsletters and doing search engine optimization. And that was a wide open west where any information would rank for keywords and you could sell advertising on it, and then that got consolidated and now only the good stuff wins.

Ryan Moran [00:05:18]



Then, I went through the 2nd wave, which was commerce, and the same thing happened. You could put anything on Amazon and it would sell, you could put any physical product out there and people would buy it, and now you have a consolidation period where now only good stuff wins. And what this does is those consolidation periods protect the ones who are doing it really well and they free up that entrepreneurial spirit that is just trying to make money.

Ryan Moran [00:05:44]

And I'm not poo-pooing that. That's actually a very healthy drive to go pursue new markets, to go pursue new opportunities, that hunger to make money is what drives people to invent and create those new marketplaces. And right now, we're seeing that happen in crypto, in DAOs, and NFTs. And at the time of this recording, we're in that speculation period and wide open west period where ...

JP Newman [00:06:07]

We had a 50% drawback this week.

Ryan Moran [00:06:09]

Yeah. And so, you have that scared money ...

JP Newman [00:06:13]

Volatility, uncertainty.

Ryan Moran [00:06:14]

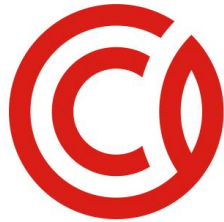
But you have that big wide open west period in NFTs where people are buying it just because the number is going up and it is giving credibility to the technology. And inevitably there will be a consolidation and only the good ones will win, and then what is freed up will go on to pursue the next wave of society.

Ryan Moran [00:06:33]

And so, every time you have one of those open periods, you have dumb money enter it and some of it wins and some of it gets flushed out and it just moves on to the next sort of opportunity, and those who are successful kind of pioneer that industry. And I was part of that during the ecommerce boom.

JP Newman [00:06:52]

And you think about it, right, you were saying in the last episode, how you really are seeing this moment of capitalism with all these new technologies as potential to be revolutionary.



Well, for the first time it could be a win-win so it doesn't have to be this extractive form of capitalism that we've had through human history.

Ryan Moran [00:07:06]

And it doesn't even work anymore to have extractive capitalism.

JP Newman [00:07:09]

That purpose-driven capitalism is the way this is going in the future. But it was interesting, Ryan, as you were just talking, I really made the thread in my mind that you were a pioneer. And to this day, people still come to hear Ryan Moran speak about how do I get my product online? Before it was Amazon, and now it's even bigger than Amazon.

Ryan Moran [00:07:26]

Kickstarter, Shopify, Walmart.com, your own website, everywhere.

JP Newman [00:07:31]

And then, you realize people sometimes ... You could easily talk about crypto or crowdsourcing as like this other thing, but if you really think about it, it seems to me it's an evolution of this revolution where the revolution started with the internet, which was a communication revolution that you got to participate in. Then it became a commerce revolution that you got to participate in. And now it's becoming kind of a finance revolution ...

Ryan Moran [00:07:56]

It's capital revolution.

JP Newman [00:07:57]

A capital revolution that we got to participate in.

Ryan Moran [00:08:00]

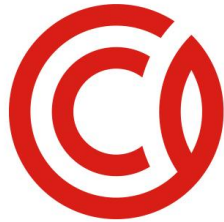
Yes. That's where we are right now.

JP Newman [00:08:01]

How awesome is that?

Ryan Moran [00:08:02]

Yeah. So, the whole thesis behind this show is if we understand this, then we can participate in it.



JP Newman [00:08:09]

Absolutely.

Ryan Moran [00:08:10]

If we are ahead of this, then there's an incredible amount of abundance, an incredible amount of good that we can create that the world has never seen before.

JP Newman [00:08:18]

Absolutely. Okay, Ryan, I've never asked you this. We've been friends for many years and I've never asked you this question. How did you go from copywriting and becoming an SEO king to launching a product that eventually sold on Amazon? You sold your Amazon based company. I don't know if we can talk about the amount it sold for.

Ryan Moran [00:08:33]

Sure, yeah. \$15 million.

JP Newman [00:08:35]

That sold for \$15 million. Can you talk a little about that? Because I don't even know that story, Ryan.

Ryan Moran [00:08:41]

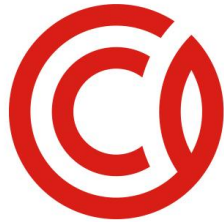
Okay. Sure. I mean, I think some of us are born with the entrepreneurial itch. Some of us just come out of the womb with that. I was going door to door, trying to sell hand-drawn pictures for a penny each when I was 5 years old. I would gather things around my house and baseball cards and literally make signs that said I'm having a mini garage sale and would yell at cars driving by.

JP Newman [00:09:05]

That's awesome.

Ryan Moran [00:09:05]

I mean, some of us are just born with the itch. And I actually, I don't think I've ever told you this part of it, JP. When I was a teenager, all I thought about was being a real estate investor. I read books, I went to courses and seminars. When I was 16, I actually audited classes at the ... At my local community college on real estate. I was obsessed with being a real estate investor. And we were so poor, I had no capital, so I thought maybe I could raise a few bucks



online by starting an internet business. And so, my whole thesis was that I would learn how to make money on the internet so that I could fund real estate investments.

JP Newman [00:09:50]

That's ironic.

Ryan Moran [00:09:53]

So, I want to be you when I grow up.

JP Newman [00:09:55]

Okay. And I want to be you, Ryan.

Ryan Moran [00:09:56]

Perfect. So, I made my first \$100 bucks a day on the internet by creating content sites and getting to rank for keywords and selling affiliate courses. And I tell this story in my book that when I graduated college, I was 21, 22. And for the next couple of years, I lived in Ohio in my 3 bedroom apartment on the lake with beautiful views of downtown Cleveland and Lake Erie. Beautiful city, super underrated.

Ryan Moran [00:10:27]

And I was completely flipping miserable. I mean, suicidally depressed. I mean, thinking about killing myself, I was so depressed. It was making hundreds of thousands of dollars a year, and I withered away weight-wise because I had no appetite and was unbelievably depressed because I was, ... It's such 1st world problems, JP, forgive me. I feel even silly saying it, but my life had become about how much money I could pull off of the internet using short-term hacks.

Ryan Moran [00:11:00]

I remember there was this one thing I did, just pursuing short term ways to make money. You remember the days of Napster and Cazan illegal downloading? Well, something that I did was ... I'm embarrassed to say this. I basically was able to password protect certain files that were distributed on Kraut ... I remember they were called downloading sites, torrent sites. And I would password protect them, and then ...

JP Newman [00:11:27]

You charge people to get the password.

Ryan Moran [00:11:29]

Well, no, I would make them go to a website and every time they went to that website, I made money. And so, I would ... My brother called me the evil genius. I mean, I knew how to spam



Myspace. Some friends and I take credit for Facebook beating MySpace because we figured out how to spam Myspace so incredibly hard and promote things and send traffic to places.

Ryan Moran [00:11:56]

And when you're 19, 20 doing it from a college dorm room, you think you're smart. You think that you're just good at what you do, but when you're then out in the world, you realize that these aren't just numbers. These aren't just clicks and conversions, there's people on the other side of this. And all of a sudden I thought I was hot stuff, and now I just ... I actually think I'm a scam artist. I think I'm a terrible person. I just siphon money off the internet in any short-term way that I can.

JP Newman [00:12:30]

It's amazing. A question about that, because I think a lot of people are working and not that they're even evil people, they just don't even come to that realization that perhaps that ... They don't realize on the other end of it is a customer or a person.

Ryan Moran [00:12:42]

Well, they're so focused on their own survival that they can't think about the other person. And that was me. I'm thinking about my own livelihood and my parents didn't have money and I was providing for myself. And so, I don't think you have the space to have that consciousness until you've reached some level of comfort, some level of safety. You have to first be safe yourself in order to create safety for other people.

JP Newman [00:13:12]

Yeah. I've also learned also, over time, Ryan, that safety is ... Some people could have \$50 million and not feel safe. So, a lot of it is also the beliefs and the messages between your ears. I've learned that over time as well.

Ryan Moran [00:13:23]

Well, for me, that was my realization that just making money didn't make me satisfied. It didn't feel good.

JP Newman [00:13:30]

And you learned that early. That's an incredible realization.

Ryan Moran [00:13:33]

And part of me wishes that wasn't the case, part of me wishes that it was ... You didn't have to be so conscious [INAUDIBLE 00:13:41]



JP Newman [00:13:42]

Ferraris, Lamborghinis, the whole [INAUDIBLE 00:13:43]

Ryan Moran [00:13:43]

Yeah, that'd be great, but the truth is that not only was I not satisfied making money in a way that didn't feel good, but there was a limit to how much money I could make. And so, the next chapter of my career was one step in the right direction of more of a conscious approach. And it's when we started participating in the commerce revolution.

Ryan Moran [00:14:10]

I shut down my other operations and businesses and said, I want to have real businesses. I want to have real products. I want to create for real customers. I want to do real good. So, I started several companies at the time selling physical stuff in the early days of Amazon FBA, and that's Amazon's automatic fulfillment centers. And we just tried to bring really good products with good marketing and good targeting and had really good timing.

Ryan Moran [00:14:37]

And that was another step forward, kind of, towards consciousness. And now I teach entrepreneurship and I help entrepreneurs take one step closer to consciousness while I am taking one step further into consciousness. I've learned the pain of investing in things that don't have any meaning to them, that don't have any real value creation to them. I participated in a crypto project recently just for money, and I just got crushed. Just got absolutely crushed.

JP Newman [00:15:09]

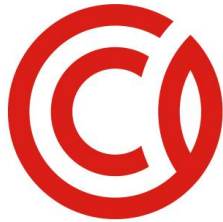
I find whenever I do invest in real estate and I don't ... It doesn't have a real purpose behind it, my lowest performing assets are definitely the ones that I didn't have that.

Ryan Moran [00:15:16]

Absolutely. Every failure that I've ever had was because I was doing it for the money. There's nothing on my record that I'm like, this had real meaning and it failed, because if it has real meaning, then you have the sticktoitiveness that you need in order for that value to get to the people that need to get it.

JP Newman [00:15:36]

Can I ask you one question, too?



Ryan Moran [00:15:36]

Yeah.

JP Newman [00:15:37]

You mentor a lot of people. A lot of people come to you for advice. When you say that they're looking, do you think most people are naturally looking to find meaning? Or do you think that maybe you've been able to help them find meaning? Because it seems like to me, a lot of people who are born in Western society, there's no course on economics. They don't teach you in school how they make money. So, for a lot of people, it's like, I'm going to go out there and grab the golden goose and the dream. What do you find amongst people who approach you? Are they ready ...

Ryan Moran [00:16:05]

They're looking for meaning, but they think they're looking for money. And so, if I can help them circumvent that ...

JP Newman [00:16:11]

That's super important.

Ryan Moran [00:16:12]

Yeah. They are looking for ... We're all looking for meaning, but the route through which we usually pursue it is money. Now, there's nothing wrong with this. I had an economics professor. I went to a Christian college. He used to say, God gave you the marketplace. Just look at where there's money. That's where there's value. If there's money to be made, it means people are valuing it.

Ryan Moran [00:16:30]

God made the marketplace, use it. There's absolutely value to that. But most entrepreneurs and individuals are on a quest for meaning, but they're using money as their guide. And what happens there is that becomes a self development tool. It becomes the route through what you discover what you find meaningful. And for a good portion of all of our lives, money is meaningful. It allows you to provide and to grow and to create and to invest and to take care of other people.

Ryan Moran [00:17:03]

And as capital becomes more and more abundant, other things have more meaning to them. So, JP, really, if I was being honest with you, the story of my company, Capitalism.com, is a



reflection of my own evolution of coming to these realizations, of first believing, okay, that the pursuit of money is a very good aim, and I still believe that to this day.

Ryan Moran [00:17:29]

And there's more to it than that. And there's a personal side of this. And there's an impact side of this. And it's just put me in a position to mentor and invest in other entrepreneurs who are 1 or 2 steps behind my own evolution, and I'm able to bring them through that process a little bit faster.

JP Newman [00:17:46]

Ryan, if I can ask you, obviously you have the name that you have, besides that, a great name, Capitalism.com. I don't think ... When I think of Capitalism.com, I don't necessarily think about meaning or purpose.

Ryan Moran [00:17:56]

Most people don't.

JP Newman [00:17:58]

Yeah, I think of capitalism as that hot car, the power, and all the things, all the trappings that go with capitalism. I'm going to get mine. And when you got the name, whether it was a clever name, there must've been some energy in that name. Do you think if you had ... You talked about your own evolution. What did capitalism mean to you ... When you first got the name, was it more about like what you're describing and it's become this journey of meaning? What does it mean?

Ryan Moran [00:18:24]

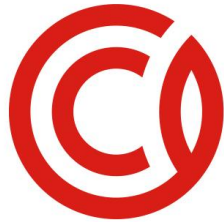
That has not changed for me. And that is that capitalism to me means personal responsibility. Capitalism is the process of creating a profit by taking responsibility for a problem that you did not solve ... That you did not create. Let me say that again. Capitalism is the process through which we create profit by taking responsibility for a problem that we did not create.

JP Newman [00:18:47]

Or could you say it another way, a problem that you really are solving, right?

Ryan Moran [00:18:50]

Yes. Yes. An entrepreneur takes responsibility for a problem they didn't create, they just solve it. They see it, they see a need and they solve that. And that belief and that background was



fundamentally rooted in my understanding of economics, which was my minor in college. And coming to the realization that the profit motive is the most effective way at creating change.

Ryan Moran [00:19:13]

And my personal bias is that government tends to be inefficient or at least not the best way to solve those problems. So, you have to take personal responsibility in order to do it better. If you want to make more money, you first have to take responsibility for doing so. If you want to make an impact on the earth or the climate, you first have to take personal responsibility for doing so. It's just a more effective strategy. And so, that was the impetus for getting the name in the first place.

JP Newman [00:19:44]

And then, Ryan, I noticed recently, and tell me more about this, pay it forward. You have this notion, I've heard you say, I want to ... You said to me in the last year or 2, I want to pay it forward. I noticed ... What was your ... You changed your tagline. Was it pay it forward? Or what is your tagline?

Ryan Moran [00:19:57]

Our tagline is create change.

JP Newman [00:19:59]

Create change. So, I've heard you say pay it forward, create change. What does that mean to you in this context?

Ryan Moran [00:20:03]

So, I don't know that I've ever used that phrase of pay it forward.

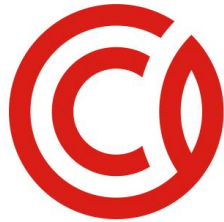
JP Newman [00:20:06]

Okay. I think you have with me personally. I think you said you personally want it as your own legacy, you wanted to pay it forward, but maybe I ...

Ryan Moran [00:20:12]

To be honest with you, JP, I believe that that approach is a more profitable approach and it's just more satisfying, right? I want to do this with people. I want to create impact through people. I have experienced the pain of doing this game on your own, of being a solopreneur in which it is all about how much you can extract. It's just no longer interesting.

JP Newman [00:20:42]



Well, it's depressing.

Ryan Moran [00:20:42]

Correct. Yes.

JP Newman [00:20:43]

It's depressing.

Ryan Moran [00:20:45]

And not only is it not interesting, but it just sucks. It's like working from home. Everybody thinks it's awesome until you do it and you realize this is the worst thing in the world. I'm alone in front of a computer all day. Whereas playing the game of what I would call collaborative capitalism in which you are unique in your skill sets, I am unique in my skill sets, and as a result, we can come together and create change together by you focusing on what you're great at and I can focus on what I'm great at.

Ryan Moran [00:21:11]

I have a fund. You mentored me until I finally got that I needed to start a fund. And my business partner, Sam, who we both know, is ridiculously good in his area of expertise and I'm really good at my area of expertise. And so, I feel like I get to play in this fund. I get to play and do what I do, and we're creating a lot of value for ourselves and our investors.

Ryan Moran [00:21:34]

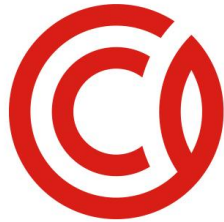
That, to me, is collaborative capitalism. That, to me, is how you most effectively create change. And it is a superior way of living and a superior way of serving than voting for the right guy or gal or voting for the right rules or just complaining. It is a much more fun way to live and a much more effective way to create change.

JP Newman [00:21:55]

I agree. And I think that a lot of people, I think, felt like ... I almost feel like the word social impact is becoming dated because social impact, to me, almost infers you're doing something good, as opposed to now I think from what you were describing, Ryan, it's not about doing good. It's almost like it's inherently ... If you want to be happy, think of it, the self ... It's not just selfless. It's actually selfish in a good way.

JP Newman [00:22:16]

Human beings, we are happiest when we get out of our own way and we help serve others. I think most of us are hard-wired that way. So, beyond economics, it's like, I think if your own



self ... For an entrepreneur's own selfishness, if you want long-term happiness ... And to be honest, that was part of my motive. It wasn't all this altruistic motive. I went through the same thing you went through.

JP Newman [00:22:37]

I made my first million and I was depressed. I was anxiety-ridden by it because it didn't deliver. I thought when I was going to be a millionaire, I thought it was going to deliver some special purpose or happiness. And it was, if anything, it made me a little neurotic about, oh my God, am I going to change?

Ryan Moran [00:22:52]

Now you're afraid to lose it.

JP Newman [00:22:52]

Yeah ...

Ryan Moran [00:22:54]

Then you're in defense mode. This is why I say money does not equal freedom. This idea that, this bullshit idea that money equals freedom, it holds so much of us back because what you are saying in that sentence is that if I lose my money, I lose my freedom. So, which one do you want? Do you want the money, or do you want the freedom? You can have both, but not if you confuse the 2, not if you think that they are the same energy, they are not.

Ryan Moran [00:23:17]

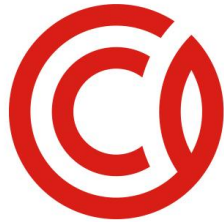
Freedom is mutually exclusive. You can have it with or without money. It is a choice. It is a mindset. It is a perspective. It is a way that you live day to day. Money can amplify that because it can amplify anything. It can amplify you being a generous person or can amplify you being an asshole, or it can amplify your freedom either way.

Ryan Moran [00:23:36]

And so, when we confuse that, we get into the position that you're describing, which is you have a million dollars and you're neurotic and you're anxious and you're afraid that you're going to lose it. And I've done that so many times.

JP Newman [00:23:47]

And then some people, they get paranoid that, oh my God, everyone ... I can't tell who my friends are and who's using me for money, which by the way, is its own head trip. Ryan, at



breakfast, we were saying that a lot of people, that the paradigm has been, if I do this, if I do these actions, I'll have this and therefore I will be happy. Right?

JP Newman [00:24:06]

So, it's like, I'll do these actions and I'll have these things from doing these actions, and therefore it'll create my emotional state, which what you're saying, and I think what's really the right way to think about it is if you start with being, you are that freedom. It's not based on your pocketbook. So, it's be, do, and then have. But the have is never ... The happiness is in the be, it's in the beginning, the freedom that you're talking about, the idea of serving a higher purpose. No matter what I do, my product and service is going to solve a problem.

JP Newman [00:24:38]

It's not just noble. It's actually ... It's your secret to not having to be on depression pills for the rest of your life and avoiding those trappings of anxiety or paranoia and actually just building something beautiful that will probably organically grow tenfold versus trying to force your way through it.

Ryan Moran [00:24:55]

So, let's go through an example of this because when I'm working with an internet entrepreneur, oftentimes a question that comes up is, what product should I sell? What should I do that I can sell that will make money? It's the wrong question to ask at the start of a business. It's who am I serving? Who is the target customer?

Ryan Moran [00:25:14]

And when we ask that question first, we then have clarity around what they will buy, what their problems are, what language they speak, what ads are going to convert to them, and now there is a direct person that we are helping as a result of our business. Now, this makes the business much more fun, and it makes the business much easier to have clarity around because now we can ask that person what they want. We can run the ideas by them. We're not just throwing something up for sale.

JP Newman [00:25:42]

There's a 2nd question I think is equally as important, they play off each other, and I know you know this, which is now you know who your customer is and why you're serving them, I would say, what is your why, is ... Why, as an entrepreneur, what value in you, what is it from your childhood? What is your story as to why you even want to serve them? Or solve that problem.

Ryan Moran [00:26:02]



Why do you care about that person?

JP Newman [00:26:03]

Or that problem. Is it in you? And a lot of people get really caught up on this. Oh, I want to help that person because I like people. Or you go and you can be like, well, why do you like people? Or why do you like this? It usually comes down, Ryan, to simple emotion. We're all given these amazing God-given talents. For some people, I just want people to have respect. I want women to feel empowered or whatever it would be.

JP Newman [00:26:23]

And I do think the story of our lives from childhood on plugs into that why. If you're really, really, really ... It could be anything. It could be commercial real estate. It could be a grain-free granola snack, and you can still infuse your why and your story into it, and the more that it's natural and you're aware of it, and you know what your why is attached to the problem that you want to solve, I think that's the magic formula to happiness and satisfaction and abundance.

Ryan Moran [00:26:52]

Well, that is when people start seeing you and your business as an advocate for them, so they're willing to pay higher prices, they stick with you longer, they tell their friends that are like them about you, they dive deeper into the business, they buy more of your products. And this, this comes back to our fundamental point that when you are creating value for someone else, you end up getting more for yourself.

Ryan Moran [00:27:17]

Creating from that place of true service ends up rewarding you financially the most ... More than any other way. And it's a complete flipped model of how most people view capitalism. And so, part of what I hope to do as leader of Capitalism.com is to show people that that actually is a superior model.

JP Newman [00:27:41]

I love it.

Ryan Moran [00:27:42]

And I don't know if this is true, but I like to believe that this is true, that it will require a self-aware, conscious, spiritual-minded person who is also a capitalist in order to lead the shifting of what that word means for the next chapter of society. And I don't know if I will be that person, but I will leave it all on the court to become that person.



JP Newman [00:28:13]

I think you are that person, Ryan, if you asked me. Hey, one last question. I know we got to wrap up here, but I have a question. You mentioned earlier in the show that you're contemplating doing an NFT, and there's so much ... People don't really understand, most people, and non-fungible tokens are a blockchain.

JP Newman [00:28:30]

Without going in the whole technical explanation, can you just give us an overview, just a quick thing about what an NFT is and what is it about this aspect that you're even entertaining the idea of adding an NFT? What is it about capitalism that you even, as an entrepreneur, are thinking about doing a program with this?

Ryan Moran [00:28:46]

We could do a whole episode on this and maybe we should, JP. But the fundamental undertone is that a non-fungible token is a way to create aligned incentives between the creator and the customer. So, the way I see it, and the reason why I am considering doing an NFT is because if you are my customer and you're part of my community, then I now have more of a direct incentive for you to have a world-class experience.

Ryan Moran [00:29:16]

So, an example would be, if you look at a lot of these education courses that exist online, the incentives are for there to be aggressive marketing, for there to be high converting webinars, for there to be that direct response approach of I'll spend this much on advertising to get these conversions. And it made information abundant. It served its purpose.

Ryan Moran [00:29:41]

But today, everyone has courses and everyone has their training and they have their webinar, and this is how a lot of businesses are run. But you don't have as much of an incentive on the customer-facing side of it. What an NFT will do is if you sell an online community or you sell an online course and someone buys it, they now are a holder of an asset.

Ryan Moran [00:30:07]

Instead of it being an expense on their balance sheet, it's now an investment. It's now an asset. So, if there's only 1000 spots in your community or for your course, then you are now incentivized to have an incredible experience for that customer so that they want to hold the asset, which is the NFT, because the only way the creator will ever get paid again is if there is a



high price paid on the secondary market for that asset, and they get a kickback for that. So, Gary V is doing this in a really interesting way actually on a restaurant play.

Ryan Moran [00:30:41]

I don't know if you're familiar with this, but he started a restaurant NFT. He's starting a restaurant in New York, and in order to be a member of the club, you have to buy the NFT. And there's only a certain number of club ownerships available, and you get this NFT and that allows you to have a business meeting there, or to get a drink at the bar, or to bring a date there. And if you want to become a member, you've got to buy your NFT from somebody else.

JP Newman [00:31:10]

I see.

Ryan Moran [00:31:10]

So, the owner of the NFT now has a choice. If it goes way up in value, they can sell it, make a profit, or they can hold onto it and have status with all their friends that they're bringing over to this club. So, now the owner of the club, their incentive is to create as much status around having one of those as possible, because the only way that they're going to make money from those NFTs is if they get resold again.

Ryan Moran [00:31:34]

Of course, they have the bar tabs and they operate like a normal business, but where they're really going to get paid is by creating a world-class experience for those customers. All of their marketing goes to how cool it is to be a member of this club and make sure that it's an incredible experience. That will be how communities, organizations, memberships, gyms, I think will all be run over the next 5 to 10 years, and I think it is just a better way to create aligned incentives between creators and communities and that's why I'm considering doing some of it at Capitalism.com.

JP Newman [00:32:06]

It makes sense. And the final thing of that thought, Ryan, is that I think for some people it will be status, but a lot of things are status in life. My teenager has incredible shoes. I wouldn't pay for his shoes, but he's got some fancy Travis Scott shoes. So, I get that. And I also think the other side of it could be incredible communities. I think for capitalism ...

Ryan Moran [00:32:25]



I'm sorry to interrupt, but it's not just status. It's also the fact that what used to be an expense is now an asset. So, I used to pay for my gym membership. Now, I can own my membership and now it goes up in value. I can sell it to somebody else.

JP Newman [00:32:44]

So, an expense can become equity.

Ryan Moran [00:32:45]

Most expenses can become equity. Most things that you buy can be tokenized, thus becoming an asset. If I buy your online membership ...

JP Newman [00:32:57]

It's almost like you're a customer and a shareholder in some ways.

Ryan Moran [00:32:59]

Everything that you buy will become a share in what it is that you are buying. Anything, any membership or online course, gym memberships, wine clubs. I get most of my clothes from Stitch Fix. Anything that I am paying to be a member of can now be tokenized and therefore an asset, and because of the momentum behind this, there will be pressure on organizations themselves to make them assets, and to make them assets that provide a return for their customers. So, the things that you buy as a consumer will end up becoming assets. That's why NFTs are interesting.

JP Newman [00:33:39]

That, Ryan, sounds like that could be revolutionary.

Ryan Moran [00:33:42]

Totally revolutionary.

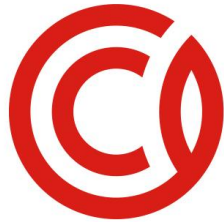
JP Newman [00:33:44]

We got to take a pause at that, because I know there was so much talk. You hear about these silly art projects, but I mean, and that's ... I'm not saying silly but silly for now, but people are paying for them. It may not be silly ...

Ryan Moran [00:33:53]

Oh, those are going to go to zero. I mean ...

JP Newman [00:33:54]



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But what you're talking about is something completely different and it's super ... The way you just described it, I've actually never thought about it in those terms.

Ryan Moran [00:34:02]

Everything that you buy that is an expense now has the potential to be an asset, even something like a Costco membership. Right? I mean, if Costco is like, look, we can't fit any more people, now it's an asset to have a Costco membership. That's going to be how it is.

JP Newman [00:34:24]

That's cool. That's really cool.

Ryan Moran [00:34:27]

Let's do a whole episode about that.

JP Newman [00:34:27]

We will. Ryan, thank you so much. I learned a ton about you on this episode.

Ryan Moran [00:34:31]

Oh, good. Good. Help me be a real estate investor, JP. It's time.

JP Newman [00:34:35]

Sounds good. Thank you, Ryan, so much.