

### 3 Takeaways Podcast Transcript

Lynn Thoman

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#### **Ep. 184: Mellody Hobson's Life Sounds Like Fiction, But It's Fact. Here, She Discusses Her Path To Success.**

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**INTRO male voice:** Welcome to the 3 Takeaways podcast, which features short, memorable conversations with the world's best thinkers, business leaders, writers, politicians, scientists, and other newsmakers. Each episode ends with the three key takeaways that person has learned over their lives and their careers. And now your host and board member of schools at Harvard, Princeton and Columbia, Lynn Thoman.

**Lynn Thoman:** Hi, everyone. It's Lynn Thoman. Welcome to another 3 Takeaways episode. Today, I'm excited to be with Mellody Hobson. Mellody grew up in a household having electricity turned off, phones turned off and being evicted. She grew up the child of a single mother, and her father was not present in her life. But despite growing up in such challenging circumstances, Mellody has become enormously successful and a star and beloved. She is president and co-CEO of Ariel Investments, a highly respected investment company with over \$15 billion in investments. She's also the Chair of the Board of Directors of Starbucks and a member of the Board of Directors of JP Morgan. She previously served as Chair of the Board of DreamWorks Animation and was a longtime member of the Board of Directors of Estée Lauder.

**LT:** Howard Schultz, the longtime chairman and CEO of Starbucks, has said, and I quote, "When I think of Mellody, I think of grace. She's the most unique individual. I love Mellody Hobson." And Sheryl Sandberg, the former chief operating officer of Facebook, has said, and I quote, "My life was altered by meeting Mellody. And that's not something I say lightly. She is such a big part of my path taken. I think she does that for everyone." I'm excited to find out how Mellody earned what has been called her remarkable life and success and what makes her so beloved and such a star. Welcome, Mellody and thanks so much for joining 3 Takeaways today.

**Mellody Hobson:** Thank you so much. I'm delighted to be here. Thanks for having me and for that really kind introduction.

**LT:** I could have gone on and on. Honestly, Mellody, people just rave about you. So thank you for joining 3 Takeaways. Can you tell us a little about what your upbringing was actually like?

**MH:** Wow. There's like a dichotomy of ideas that come to mind when you say that or feelings, I should say, and emotion. So on the one hand, I had a great mom. I had a mom who was, she just was... If it was important to me, it was important. She supported me in every way, but she was no pushover. She was very demanding around her values and the belief system that she had. But at the same time, she let me become the person that I am. I'm not in her mold. I don't believe everything she believed, but I certainly was guided as a person by that belief system. And when we disagreed, my mother was not so wedded to her point of view as to castigate me for believing differently. That's very hard to do, and it's something that I have a great amount of respect and admiration for when it comes to my mother. At the same time, I had this mother who was, I say, this is the worst

combination, extravagant and poor. That is not a good thing to be. And so as a result of that, she made decisions that were often not good decisions. And that was a function of all the hopes and dreams that she had for herself and for us. And it was also a function of the limited resources that we had. So we were the people who had Easter dresses and didn't pay the light bill.

**MH:** We were those people, and I wanted to pay the light bill. She made me aware of what everything costs, and that ended up being a gift. I think at the time it created anxiety for me because I was aware when we were behind in so many things. So it had... There's the duality to everything. My overall thoughts would be that all of those experience gave me my life's purpose. They really made me really have this desperate need to understand money and this ultimate desire to teach money to other people as well so that they could be financially literate and make better decisions and not hopefully grew up with the angst that I often felt when it came to financial matters.

**LT:** Your life seems very purposeful and that explains it. You outwork everyone around you.

**MH:** I am a person who thinks that effort and results do have some correlation. And so I always feel like I could do a little better, work a little harder, put a little bit more in, wake up a little earlier. I'm one of those people who's like, how can I dial it up just a little bit more? And I also think about just all the people who are counting on me. So it's less about me now, but it's more, I'll be fine, but what about this person in my firm, these people who have kids, college educations and mortgages, and the clients who are counting on us for their retirement income, etcetera. I want them to know I'm working hard for them. And I tell our team that, I do. I'm like, every time you think of what we do, just picture your grandmother or someone that you love a lot and just pretend we have all of their money. Now decide how you're going to work.

**LT:** One of the things that you've said your mother told you was to make yourself indispensable. Can you talk about that?

**MH:** That was a great piece of advice. When I was starting to go to work, I was very young and she's like, if you're indispensable, you can't lose your job. Just make yourself indispensable. I thought that that was brilliant. And so it's like whatever it was, I would volunteer and that did allow me to stand out and it really, really did. And I would volunteer for all sorts of things, the things no one wanted to do. It's like, we need to write a recommendation for this person for some master's degree or something. They were an intern at Ariel, it's a lot of pages. You've got to talk to someone who they work for, etcetera. And I would say like, oh, I'll do it. And so I just did it because I wanted to be someone that was perceived as being user friendly.

**MH:** And then I thought about a lot, I still think about this, what would you want, what kind of person would you want working with you and for you. You want the person who volunteers, not that you're like trying to twist arms to get someone to volunteer for something. We've all been in that room where you're sitting around the table, it's like, who's going to do this? And it's like, crickets. I was like, no, I'm going to be the opposite. I'm going to volunteer for what no one wants. And because no one wanted it. It wasn't like one of those things where you've got the kid at school that you can't stand because they're sucking up to the teacher. It was more like, no one wants to do this job, so I'm going to do it. And I just want to continue to do that to make myself hopefully more valuable to the organization.

**LT:** Wow. How do you see time? How do you get everything done? I mean, even getting up at 4:00

AM if you volunteer for everything and do everything 200%?

**MH:** Well your life evolves. So I want you to know that I thought about this in decades. So in my 20s I said to myself, I have no responsibilities, no people, I didn't have any great romance going or anything then, I had no children. And so I was like, I can actually go overboard. I can kind of work around the clock. And when you're in your 20s, your time is not your own. You don't control your time at all. Other people control your time, pretty much the people that you work for or with. In my 30s, I started to gain more responsibility and by 31 I was president of Ariel. And I saw very quickly, when you're in charge you can set the agenda. So there's some benefits to being in charge, but because people then work around you, you can say how you want things to run, etcetera, there are real benefits to that.

**MH:** So it actually allowed me to use time in a way that made it more efficient for me and hopefully ultimately for the organization. Recognizing that you might have that 20-year-old who works with you, who is working around your schedule. And then as you get older a few things happen, you know what you're doing, hopefully. So you just become more efficient. Just something as simple as that. You're spending years learning something and when you're learning it, it takes longer and it's harder. And when you're older and you've done it many times and you're more efficient, that just automatically allows you to use time differently. For example, I write our client letters and every quarter it's like, I write this term paper, it's horrible. I wear sweats, I don't shower. It's awful, awful, awful. But in the early years it would take me weeks, I'd be researching, I'd be panicking over this letter.

**MH:** Now I've written it so many times, it's still really hard. But I know how to do it and I can be very, very efficient with it. So this is the sort of the natural evolution of a career and a person. But you must be deliberate about time. I think people overvalue money and they undervalue time. I have felt that for a long time. Time is the most valuable asset that you have. And so I have lots of tricks, lots of how to use time. I have sometimes office hours at work, just like college where you can come and talk to me during those times so that someone's not walking in all day long or you're getting interrupted. There are just lots of ways I think about time and how to be efficient. I don't like flying during the day, as an example, if I have to travel, I'd rather travel at night so that I have the next day to actually be productive and work.

**LT:** And how do you balance time at work and time with family?

**MH:** That's always a balancing act. I have some things that I do now that I have new tricks, because you're always trying to find new ways. So I always work on the weekends and I have an office, home office. My home office is upstairs from the kitchen. My family kind of lingers and loiters around the kitchen. So actually what I started to do was just work off my laptop at the kitchen table. So I'm in the room with them and I'm not away from them. I think that is something that has made a huge difference. I'm still getting my stuff done. It requires really extensive thought. I may have to leave and go work somewhere else, but let's say I'm running through emails, etcetera, I can do that with them sitting there. That is something that, just presence alone, physical presence.

**MH:** I know you have to also be intentional and focus, especially I have a 10-year-old, that's a small new hack that I have that allows me to keep working but doesn't compromise some of my time with them. And there are lots of other things like that I do. I go to school in the morning with my daughter, every day we ride together in the morning. That's like sacrilege. I really do not allow

myself to talk on the phone when I'm in the car with her. So I purposely put my phone away from me. It's not within reach, so I can't even look at it honestly to force me not to put her in that position because I know she doesn't like it and I at least want to be present for that car ride. So there are a lot of examples like that that I've tried to think through. But I can tell you I don't think I'm all the way there. And I'm sure they would massively complain if they were on this podcast with us about needing more of my time and attention.

**LT:** A coach once told you that everyone doesn't want what you want, what do you want?

**MH:** I always wanted to be excellent. That's what I wanted. I wanted to show up in a way that would exceed expectations and be excellent. It wasn't about what I would get, it was how I would show up. And I thought if I could do that, everything would work out. There was never any master plan. People think that maybe there was with me, there wasn't. I always was very clear. I was like, I'll do good work. If I do good work, good things will come, do good work, good things will come. What has come has exceeded all of my expectations. So I'm glad I didn't have any specific ideas because I think I would've limited myself.

**LT:** Interesting. How do you see success?

**MH:** This has evolved as an answer for me. Okay. My first thought that came to my mind when you said that is having my daughter turn out okay. I want her to be a good person who finds her own purpose and joy. I won't say happy because that's not a permanent state. That's, you run in and out of happiness, but you can live off joy for a long time. I think purpose keeps us going. So that's my first honest answer of success. I think for me, success, I think it's calm and quiet. Hard, quiet mind. I was hardwired for a certain amount of angst, activity, pushing. And so it's interesting, my first thoughts are her than my own inner. And then I think if I can get that right, I can be more successful in the world. Does that make sense?

**LT:** It does. It's quite extraordinary. Most people that are as successful as you are, are not so generous in the sense of what you want, most of all is your daughter's success. So that's quite extraordinary.

**MH:** Oh, I think I'd be kind of devastated if after all of this I didn't... That she wasn't in good shape. I mean that would be really hard for me. And I don't mean that to put pressure on her. That's not about any accomplishment, that's more about just her being happy with herself and content as a person. So those are high goals in life for anyone. So that would be a great thing.

**LT:** Yes, I agree with you. How do you see risk?

**MH:** Essential.

**LT:** In what way?

**MH:** I think a lot of people are too risk averse and in being risk averse, they miss great opportunities. People play it safe. I see it all day long. They play it safe in meetings. They play it safe with their opinions. They don't want to stand out or be wrong. And so as a result of that, they take a path that is too safe. I think you can make calculated risks and ultimately do very, very well. I'm not talking about being reckless or swinging for the fences at every turn, but too cautious is as

bad as too risky in my view. And I think in a lot of rooms, because of this idea that if you stand out, you sort of get hit by a hammer, people have become less and less willing to stand out or to stand out in ways that they think conform.

**MH:** The non-conformists in our society are the great examples of leadership, the greatest examples of success, the greatest examples of people who have moved society forward. And that's everyone from Einstein to Martin Luther King to... I always think about Martin Luther King, let's take high school kids and put them on the firing line. That was incredibly risky, incredibly. And we've got to teach them not to fight back. They cannot move when confronted with pain and violence. You had to believe they could do that. And you're doing all that to make a point. When you think about that and really break it down, the amount of risk that was there was, that was life and limb, literally. People could die and did die. But it was a very risky thing. Very, very risky. And ultimately that risk paid off in terms of giving me someone like me, the opportunity to sit here and talk to you. We could have a very different world if that hadn't worked out, but that was high stakes, high risk.

**LT:** And were you inspired by him? You must have been.

**MH:** I mean, who isn't, right? I mean.

**LT:** I was going to say exactly.

**MH:** That's like, do you like oxygen? Yes.

**LT:** But you didn't have models of really successful Black women, or did you? How did you think growing up?

**MH:** I tell people I was mentored by people I didn't know because I read. Everyone thinks a mentor has to be in flesh and blood. And I'm like, nope. King mentored me. Mother Theresa mentored me. I could go on and on about people who mentored me, but I did not know them. I just read about them. And of course there were many, many Black women of great consequence in our society that have made a difference in my life. I mean, from Maya Angelou to Oprah Winfrey. I remember writing Oprah letters, I swear, saying, you amaze and inspire me. I actually did that.

**LT:** You did? Without knowing her.

**MH:** Yes.

**LT:** Oh, that is wonderful. That is wonderful. Is there a price or a cost for your success?

**MH:** Sure, there's a lot, sleep, which is not a small thing because I think that directly correlates to our health. And so I have to be cognizant of that. I know days when I'm foggy that I didn't get enough sleep. I'm like, this isn't smart. Don't make an important decision or drive any heavy machinery today. This would be a bad idea. I think also you have to have certain kind of relationships. And I mean that I have a husband who's incredibly supportive - a different kind of person who maybe would need more, would be problematic. You have to have friends who understand you're doing the best that you can. I read a quote the other day about one of the things that happens as you age, you look for low maintenance friendships. They have to be friends that if you don't call them back, they don't take it personally.

**MH:** They know you have a busy life, they have a busy life and they know you're doing the best that you can. There are some people who weren't good with that get weeded out along the way. And that's not said with any kind of lack of heart. It's just accepting that this lifestyle doesn't allow for that. I'm one of these people that's... I don't get invited to a lot of things in terms of parties and things like that, because I always say no. And I say no because any time I can have, I need to be with my child. And so I don't feel like I have the luxury of doing some of those things sometimes. So I don't... I think people sort of take you off the list. It's like, oh, she won't come. I'm not offended by that. But there's a cost. Those are relationships that I value. I'm not mad and I probably can't go, but there's a cost.

**LT:** What is the most freeing revelation that you've ever had?

**MH:** This is going to sound crazy. I say this sometimes, especially as a woman of color in my head I'll say, there's nothing wrong with me. The reason that I say that is because sometimes I am confronted by unconscious and conscious bias that could get into my head and make me feel like there was something wrong with me. What I mean by that is that I'm not as smart or pretty or all of those things. And so that was a revelation. There's nothing wrong with me. And I had that a long time ago. I think to the more, especially as girls and women, that we become clear with that I think it's incredibly freeing. It takes a lot of insecurity away and it lets you live your truth, whatever that is. And that you're not asking for permission or validation from everyone. It's a very freeing thought that I wish more people had. because I think we can have negative thoughts in our minds that keep us from being our best selves.

**LT:** Before I ask for the three takeaways you'd like to leave the audience with today, is there anything else you'd like to mention? What should I have asked you, Melody, that I did not?

**MH:** I think it was great that you asked about the crisis of confidence because I think that's... I think I have a veneer that's very strong and tough and I think that people then assume a lot. And I think it's very, very important to be honest about the reality of being a human being. No matter where you are in life. Success, struggles, I've seen all sides of it. I am the same person and have been affected in deep and meaningful ways by both the traumatic difficult experiences as well as the great ones. And sometimes it takes some real working through, and we are all works in progress. That's the thing: it's never over until it's really over. And so you're never done sort of trying to recreate yourself into being, hopefully... I should say I'm never done and trying to, I'll speak about myself in the first person and trying to be my best self. I'm not there yet. I'm trying really hard and sometimes I'm not great. So I think just being able to voice that because all of the accolades make it seem like this is magical. It's not. I make really bad mistakes. I sometimes say the wrong things. I yell at people sometimes when I shouldn't. I regret things that I say, but I am trying to be intellectually honest about who I am so that I can find my better self, my best voice, show up for people in a way that can help them and help myself.

**LT:** Thank you for the openness and the acknowledgement. I think many people think that successful people are just super human and never have any weak moments or down moments or get discouraged. So thank you. Melody. What are the three takeaways you would like to leave the audience with today?

**MH:** So I'll start with the first one, which is I feel very strongly about, which is hope is not a plan.

Recently I've been talking to people about the fact that I feel like we've all become firefighters because the world is bringing so much at us that is so very hard. But I think that we have to understand that it's not that we're firefighters. This is the new steady state and then this new steady state hoping for things to get better is not a way to take control of the situation. And so I think that we have to be much more deliberate and intentional about the circumstances that we all find ourselves in in this society, and then deciding how we're going to deal with that. That could be everything from the onslaught of news that is hitting us, that is overwhelming us to actual situations that we're dealing with at home or at work or what have you.

**MH:** Hoping that it gets better, doesn't make it better. The second thing I would say, I do think you learn most in failure than in success. I think most people don't go to the videotape and look at the great win. They go to the videotape when you think about sports and look at what didn't go well. And so if you could do that in your own life and find those opportunities as a way to grow and expand, I think you can take those lessons and use them to be stepping stones to the next success for human beings. But if we can make a mistake and totally learn from it, at least we can cross that one off the list for next time. And then lastly, I would say I think it's very important, especially in the world, and again all that's hitting us, to really think about what you can control and what you can't.

**MH:** I think people get so dragged down by things that they cannot control. And it's not, to be oblivious, it's not to tune it out. I try to do my bit wherever I can, wherever my part. But to wallow in things I cannot control that's when I think it's unhealthy in our heads and I think it takes us to a bad place where we then can't be our best selves, when we need to show up for other people, for our families, for ourselves in a work environment, whatever it might be. If I can't control it, I want to really sort of try to put that in a place. And if I'm in a situation where there are too many things I can't control and it overwhelms me, I don't want to be there. So I need to rethink that situation.

**LT:** Mellody, thank you. This has been wonderful. You are such a star in making everybody's lives that you touch better. So thank you.

**MH:** Thank you so much. I'm doing my best. I don't know that I'm always successful at that, but I'm trying really hard.

**OUTRO male voice:** If you enjoyed today's episode and would like to receive the show notes or get new fresh weekly episodes, be sure to sign up for our newsletter at <https://www.3takeaways.com/> or follow us on [Instagram](#), [Twitter](#), [LinkedIn](#) and [Facebook](#). Note that 3Takeaways.com is with the number 3, 3 is not spelled out. See you soon at 3Takeaways.com (<https://www.3takeaways.com/>)

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