

Paul Graham, Founder, Y Combinator

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Interviewer: Carolyn, I'm really excited. It has taken a couple years, but we have Paul Graham back on the show for part two. Part two, yay! Hey Paul.

Paul Graham: Here I am.

Interviewer: You think it would have been easier for me since I'm your wife, but here we are.

Paul Graham: The shoemaker's children.

Interviewer: The shoemaker's children, exactly.

Paul Graham: Oh, I say that all the time. I say that all the time about YC, how shoeless, we're always shoeless.

Interviewer: [laughter]

Paul Graham: So, we had a great conversation last time, and we kind of had left off. We had talked a lot about the history of Y Combinator, and we talked a little bit about what you had been up to after Y Combinator, but we didn't get into the growth of Y Combinator and what happened once we had, you know, successfully, once it had gotten airborne, what happened. We had eight startups in that very first batch, and we always say we grew it organically, but let's talk about how we grew it.

Interviewer: Well, we would just have an application deadline, and people would apply, and like more and more people applied. We never did anything all that consciously to get more people to apply, right? I mean, we announced that there was going to be an application deadline. We would do Startup School every year. And that's, I think that probably caused some people to apply. But other than that, we didn't have any sort of conscious effort at marketing. Oh, and I would write essays, and people would read the essays, and I'd have this link, "Interested in starting a startup? Apply to Y Combinator." Right? So, that probably got more people to apply, but there was never any deliberate plan to grow it. We would just get more applications each time.

Paul Graham: How much overlap with Hacker News was there? Cuz I have to imagine, well, I know for a fact, actually, that Hacker News was a huge source of applicants.

Interviewer: Hacker News, I think I started it in like 2007. So, for the first couple years, it wasn't a factor.

Paul Graham: Oh, okay. Yeah.

Interviewer: And in fact, I think when we were first getting going, there was very little press. But then we were in the New York Times, and that kind of got us out there.

Paul Graham: And you know, honestly, the only kind of for something like YC, what is it something people don't realize? For something like YC, the only kind of out here that you care about is whether potential applicants know about you. Do you 22-year-old programmers know about you? And so, if you get an article about you in the New York Times, and 22-year-old programmers aren't reading the New York Times, it might seem to you you've gotten a lot of publicity, but actually it didn't really help much, you know?

Interviewer: Yeah.

Paul Graham: I think founders talk to I think applicants would talk to one another. I think that was why we grew.

Interviewer: Did that New York Times article have a like a theme or a thesis other than just like check out this new thing? Like I don't I probably read the article at some point, but I don't remember it.

Paul Graham: A hatchery for startups.

Interviewer: Yeah, it was good actually. It was It described YC as this new phenomenon in the investment world, which at that point it was. So, that was actually a pretty useful sort of good historical article.

Paul Graham: And kudos to Janet Lee for getting it. No one else did.

Interviewer: She had claimed to understand early on what was going on.

Paul Graham: You were talking about how the that's not the right demographic, right? Cuz you want 22-year-old programmers to know about YC, but we might talk about this a little bit later, but you we also had the tiger mom problem. Remember when

Interviewer: Yeah.

Paul Graham: Adora actually was the first person to explain this, I think, to me in an articulate way. Like you also need the parents to know about it. Right. [clears throat] So, maybe the Times article had

Interviewer: parent could read the New York Times.

Paul Graham: Exactly. That was my point, yeah. Yeah.

Interviewer: You know, and in fact, part Early on, this is probably not true so much now because now startups are a more accepted thing to do, but back then in 2005 parents would freak out at the idea that their kids would leave school and not get a job. It would seem like it wouldn't seem like they were founders, it would merely seem like they were unemployed. And so once YC started to have a big brand then the founders could say, "Look, Mom, I'm not just working on my loser startup. I got into YC. There's this well-known thing that I got into." I think it helped a lot back in the day.

Paul Graham: So what was the secret to our success then? In your opinion.

Interviewer: Um I think we actually helped the startups a lot. And so they would tell one another. Like if we had sucked, it would be like, you know, your friends go to a restaurant, right? And if the food's really good, they tell you, "Hey, you should go to this restaurant, the food's really good." I think people who did YC would tell their friends, "Yeah, we did this thing, it was really good. They helped us a lot. They helped us get investment. Look how they incorporated our startup. They did all this like stuff for us." I think it was simply that it helped them a lot and they would tell their friends and then their friends would do it, too. And then, you know, well, that's a recipe for exponential growth because then their friends do it and then there's more people out there telling people that it helped them.

Paul Graham: The alumni were critical, I think in the growth of YC.

Interviewer: Cuz young programmer types know one another. They went to school together, they hang out together, you know. Um so word spreads quickly. If you please that group, word spreads quickly.

Paul Graham: And back when we weren't space constrained, I mean, we used to have alumni come to the dinners sometimes, drop by, and they'd they'd introduce the new startups to their investors, and it was just this really great community.

Interviewer: Yeah, sometimes become their customers.

Paul Graham: Along the way, I mean, there were there were so many ups I mean, I wouldn't say there were dramatic ups and downs, but there were some crazy stories and Carolyn and I keep

Interviewer: pretty dramatic ups and downs, actually. We have forgotten. But I can remember feeling I can remember feeling at the end of the day, Jesus, you couldn't make this [unclear] up. And and I remember also feeling like this was not an unfamiliar thing. Like stuff was There was always disasters. Stuff was always breaking, you know? Like just Hacker News all the time. You forget how many How many times did I have to run off and like run to my office and deal with some disaster happening to Hacker News, right? That alone

Paul Graham: Hacker News, I have to say.

Interviewer: It was such an unbelievable source of stress. In retrospect, I think maybe that was a mistake. Maybe I shouldn't have done that because

Paul Graham: Really?

Interviewer: was more than half of the total stress of running YC.

Paul Graham: Oh.

Interviewer: Oh, yeah. Oh.

Paul Graham: So, do you mean technical ups like technical dramatic things or community-based dramatic things? Or both? Both. Okay.

Interviewer: Both.

Paul Graham: [laughter]

Interviewer: Yeah.

Paul Graham: Yeah, the community, yes. That actually

Interviewer: Servers running out of file space, you know, denial-of-service attacks, people getting into like terrible fights on the site. I mean, it was like In retrospect, that was like a startup in itself. It was like I was running a startup at the same time as doing YC.

Paul Graham: Do you think Twitter impacted our growth?

Interviewer: Maybe.

Paul Graham: When did that come around? 2007?

Interviewer: Something like that, yeah. I think it probably did a bit, yeah. People probably cuz early on, especially, all the users, you know, the users have gone through phases. In the beginning, it was like computer nerds, and then it was SJWs, and now it's like you know, Trump supporters or bots pretending to be Trump supporters. They're hard to tell apart, right? And so that first phase, we forget now, but that first phase, it was pretty technical.

Paul Graham: Who were some of your favorite speakers? And I ask that because I remember the Twitter founders, all of them, you know, Ev Williams, Jack Dorsey, and Biz Stone, used to come to our dinners to be guest speakers. And I used to love when they came. Who do you remember as some of your favorite speakers?

Interviewer: You know, Zuck actually was a pretty good speaker because he was so young. He was so young when he started Facebook. He was probably still at that point, even though he was now famous, he was probably still younger than some of the founders in the batch. So they could really relate to him. I could sort of hear them all becoming more ambitious as they thought, "Okay, here's this guy. He's like he's super famous and very rich, but he doesn't seem like he's a different species of animal from me. Like why I could why can't I do what he did, right? You could sort of hear them all. And he was pretty candid. Like back in those early days, I mean, I hope this is still mostly true, but back in the early days, the speakers used to be completely candid. Nobody worried much about whether something they said would get out because even if it did get out, it was This was before cancel mobs were invented, right? What was going to happen?

Paul Graham: What was the first year? Do you guys remember the first time he came? Like what what batch was it?

Interviewer: came?

Paul Graham: Yeah.

Interviewer: Well, it was in California, obviously. It was pretty early on.

Paul Graham: It must have been like 2007.

Interviewer: Yeah, seven or eight, I would think.

Paul Graham: Yeah, pretty early. I remember we met him at a restaurant in Palo Alto. Do you remember that, Paul?

Interviewer: Well, this was before he had learned to imitate a normal person, right? Um like early Zuck, you know, I mean, I don't know if Zuck publicly describes himself as being an aspie, but he was doing a good imitation of it at any rate. And so, he had this weird thing where if he didn't have anything to say, he wouldn't fill the gap with you know, passing conversation. Yeah, yeah, he had no concept of small talk. If there wasn't anything he felt like saying at the moment, he would just go like this.

Paul Graham: [laughter]

Interviewer: And it was surprisingly disconcerting. I didn't realize how important small talk was until I met the lack of it. But he would just stare at you if there wasn't anything he is like, I don't have any words I want to say, why should I say words, you know. Um, I would say that

Paul Graham: Ron Well, Ron in fact warned me about his specifically. He said, all right, you're going to meet Mark. Now, I warn you, there's going to be some big gaps in the conversation, right? When he said that, I didn't realize what he's what he meant, um, but then I felt it.

Interviewer: That was actually a good Ron imitation also. I just want to compliment you on that. I kind of dislike him.

Paul Graham: Zuck used to come and he he would speak at our Startup School events, and that drew a lot of people.

Interviewer: Yeah.

Paul Graham: He was a big draw.

Interviewer: world back then, people didn't care so much. Like, outsiders didn't care so much about the startup world. This was before like in in you know, even now we think like if something big happens in the startup world, it's a news story. But why should it be? If something big happens in the hospitality industry or the mining industry, right? Or, you know, like the advertising industry, it's not automatically some kind of big story for everybody. It's only interesting to people who are in that industry, right? The trade press right might write about it. And it was so weird

Interviewer: To me when startups became something that the general public would be interested in. I mean, I understand why they're interested in the private lives of movie stars. Why would they be interested in the private lives of startup founders? But they started to be and they still are. It's

so weird. But back then, this was before they cared. This is before that phenomenon had started. And so we were just like our own little people working in the you know, we were the computer club.

Paul Graham: It was such happy times. And actually, it was still happy when they did start taking notice, but it became very unhappy once I don't know when the turning point was.

Interviewer: Two things that happened, right? There was then the when the press started taking notice of Silicon Valley. And then almost at the same time wokeness started. Like in around 2012. And then so they would they would be busting YC, you know, you'd have not not YC, but just everybody in Silicon Valley. You'd have you felt like there was this mob, this incipient mob ready to form at any moment, right? If you said or did the wrong thing, they would come and bust you and hound you. So that wasn't fun. That combination of being visible plus wokeness.

Paul Graham: I feel like if I look back on my history of YC, the thing that not Hacker News, but what gave me the most heartburn in life was all the negative press around us and all the Twitter mobs that were based on lies.

Interviewer: Yeah.

Paul Graham: [laughter]

Interviewer: Yeah. Like the whole narrative was Peter Thiel is secretly running the company. You know.

Paul Graham: Oh my gosh. Wait. Oh, are we I think we have to tell that story. Peter Thiel story.

Interviewer: Sure.

Paul Graham: So Peter Thiel, oh my god. What year was this? What year was this? It was after Sam Altman took over.

Interviewer: But it was soon after Sam Altman took over.

Paul Graham: Yes. It was. He was good friends with Peter Thiel.

Interviewer: Or something.

Paul Graham: 2015. And he didn't he say, "Hey Peter, will you be a part-time partner?" I put it in quotes because he like did one office hours.

Interviewer: Okay, now I'll tell you the whole story, right?

Paul Graham: Okay.

Interviewer: So, we had this we had this thing. We probably still have something like it. We had this thing that I named mostly for alliterative purposes part-time partners, which is people who weren't YC partners, but would come in and like for no money. They had no duties. They got paid nothing. They weren't really supposed to do anything, right? But experts in some aspect of the startup world would come in and they would do office hours with the startups even though they weren't actual partners. And we called these people part-time partners, right? And we had them listed on the website. And so Peter Thiel at one point was a part-time partner. And I got into a fight on Twitter with somebody um who I don't want to name because he's since apologized. So, I don't want to I don't want to give him grief, but in the process of this fight he was he like picked up to to as if to throw at me like a brick the fact that Peter Thiel was a part-time partner. And when were we going to get rid of Peter Thiel because Peter Thiel had committed what was in 2015 an unforgivable like cancelable sin, which was to be openly Republican. Um

Paul Graham: [clears throat]

Interviewer: And so uh so there was this this mob formed to try and force YC to fire Peter Thiel. And the story grew to the point where Peter Thiel was supposedly like not I mean part-time partners did nothing, right? Um And the story was that Peter Thiel was like running YC. Where you know, he was like the head of the chairman of the board or something like that. Honestly, all he was doing

Paul Graham: Friends with you. You'd met him once.

Interviewer: Right. Yeah. The funny thing was So, so there was the all this mob telling YC we had to fire Peter Thiel, right? Well, the funny thing was Peter Thiel, like in the previous year, had done like four office hours. And so, Sam Altman had been planning to fire him anyway. Fire in the sense of say, "Okay, you don't seem to be actually doing anything. Maybe we'll stop calling, stop listing you as a part-time partner." So, Sam Altman had been planning to fire him. And then there was this mob saying that we had to fire him for being a Republican. And so, it seemed like it would be a really bad idea. I told What I told Sam Altman about this was like, "You do not want to be the one who sets a precedent in this sense. You do not want to be the company that like fires somebody for supporting the wrong one of two political parties, right?" You know, much as I dislike Trump, you don't want to fire somebody for that. And so, so Sam Altman, even though he'd been planning to fire him, how now had to not fire him because that would have seemed like giving in to the mob.

Paul Graham: Well, and to be clear, I think it was like, "Hey Peter, come help some startups when you have time." And he literally didn't have time. He probably just didn't have time to do it. So, I don't even I'm not even willing to say like the guy was bad at being a part-time partner. I think he just was busy. So, he wasn't coming around. So, Sam Altman was going to be like, "Hey dude, this isn't working out. Like, you know, we're going to take you off the website." That was literally what it was going to be. And then it turned into this whole thing and it was like, "YC, you have to fire this guy who's like Like I said, practically I think the the narrative was he's practically running YC." Well, please. Like, the guy was too busy to even be around. It was so frustrating. And by the way, I and and I I um I'm happy to stand corrected if I'm wrong about this, but like the whole partnership I I remember this day. We were all sitting around that big table in 335 and everyone was like, "No, this like It was emotional cuz we felt very attacked. And it's like, 'No way we're going to take him off the website just because these people are saying we have to.' Like, that's messed up. So,

Interviewer: Or more like the other way around. We're going to keep them on the website that they're telling us we have to take them off. Now that we're remembering all the like what it felt like to have a cancel mob after us. And like that probably happened 20 times, right? That was pretty stressful. You know, the funny thing is wokeness has now decreased so much. I mean, on Twitter especially, but all it just in general that people can't imagine the [unclear] we went through. Like growing YC like the years where we were really growing YC fast was also the exact same years that wokeness was really growing fast, right? And so and and you know why YC got so much [unclear] Because we were the only like consumer brand in the venture business. You know, there's all these prestigious venture firms, but like ordinary people don't know their names. YC takes open applications from like essentially job applicants, people who are just graduating from college. So YC had to have like a consumer brand. We had to be known by everybody. We're not just like doing series A's, right? And so they these people wanted to blame Silicon Valley and since they were outsiders, they didn't know who the participants were. The only people they knew in Silicon Valley were YC and so everything like all the problems in the world were Silicon Valley's fault. The only person in Silicon Valley that they knew was me. So all the problems in the world were my fault, you know?

Paul Graham: I know. It's so unfair.

Interviewer: So you remember how we started talking about this? Was it actually stressful? Doing YC, I'm thinking, you know, I bet we're forgetting something. It probably was pretty stressful cuz I remember feeling really beaten up all the time.

Paul Graham: And I'm trying to I think it was more stressful because of all all of the attacks than the actual startup implosions.

Interviewer: Actually doing the job was much less stress than being attacked for doing the job in the press. Right?

Paul Graham: Exactly. There's still a lot of stress during the job, too.

Interviewer: Yeah, yeah. There was a good deal of stress. Like, you know, there was a lot of fighting that we had to do behind the scenes on behalf of the startups. Cuz people were people would maltreat the startups, and then you have to go basically it's like, you know, two kids have a fight and the parents go and talk to each other. If someone tried to maltreat the startups, we would have to go and talk to their investors and say, "Come on, this isn't right. You have to back off."

Paul Graham: Paul did that all the time. Do you remember the AdGrok's? Do you remember them?

Interviewer: Well, Antonio wrote a book about this. This story will be preserved. Um because yeah, they weren't the super successful startup. That This is one of the weird things about YC. People imagine because the famous successful startups like Airbnb and DoorDash and Coinbase are what become known later, they imagine that during the batch we were spending all our time talking to Airbnb and DoorDash and Coinbase. And no, actually, you know, Airbnb was probably in a batch of like 25 startups, and they got 1/25 of the time. At any given time I was talking to some startup nobody's ever heard of now, right? And so, the amount of trouble caused by startups is not is not remotely in proportion to how big they end up being. In fact, it's probably it's probably an inverse proportion. See, you spend basically YC means you spend all of your time dealing with these really knotty problems, knotty like k n o t t y, knotty, not naughty naughty. Um you spend all your time dealing with these contorted miserable problems for companies that are never going to amount to much anyway. But it's the nature of the business.

Paul Graham: I want to flip this conversation cuz I'm feeling very negative. I want to talk about so many of the positive things that happened. Do you remember giving any advice you gave to some of our most successful startups that really helped to them. Do you remember?

Interviewer: Airbnb, absolutely. They would have died without YC. I mean, they were dead when they showed up. Um but we didn't know it. Um but like telling them to focus on New York. Like just focus on that one initial market cuz you need to get this ball rolling, you know. That ended up making all the difference for the company. And so, that's the best-case scenario when you can tell a startup something that makes them take off and then they become huge. That's the dream situation. That's not how it usually worked. Usually, you would tell people something and they would ignore you. Right? And then they would fail. That was the usual situation. That was the

median case.

Paul Graham: What was that famous quote that you gave to some startup? You're like, "Thank god we fund, you know, 50 startups because you're driving into off a cliff right now."

Interviewer: Drive off a cliff, that's fine with me. Um I think they're actually doing pretty well still.

Paul Graham: Who'd you say that to?

Interviewer: What was the company called? The founder's name was Brandon. And then I think he left.

Paul Graham: Science? No.

Interviewer: Yeah, I think it was Sift.

Paul Graham: Really?

Interviewer: They're they're quite successful.

Paul Graham: [laughter]

Interviewer: I didn't know you said that to them. Oh god.

Paul Graham: That was That story was printed in a book. That book The Launchpad.

Interviewer: Oh, yes.

Paul Graham: So, that will be preserved, too.

Interviewer: Carolyn, were there any moments This is a very naughty, n a u g

Interviewer: Question. Were there any emails that happened that Paul sent that you were like, "Oh, jeez. Oh, gosh."

Paul Graham: Uh well, probably, but no. Actually, I don't think I thought like, "Oh, this is going to get us into legal trouble" kind of emails.

Interviewer: No, I never would say things that would get us into legal trouble.

Paul Graham: Troubles, but just like, "Oh, that's really bad." Yeah, just like, "Oh, that's really going to..." Oh, I'm sure that I was like, "This is exactly the harsh truth that this founder needs to hear." I don't think I ever had the reaction like, "Oh, that's going to go over poorly."

Interviewer: Okay, that's good.

Paul Graham: I think people sometimes just need sort of the unvarnished truth from someone who's like, "Look, this is what you need to hear." You know, I wanted them all to succeed. I wasn't going to be shooting them down.

Interviewer: Paul, no one worked harder than you, I swear, at helping startups who are failing. You would not give up on them. Other people would be like, "Whoa, just let that one go." And Paul would be like, "No, I'm going to help them with a new idea," or you would just work so hard.

Paul Graham: This time will be different.

Interviewer: When did you start taking office hours? Remember when you built the software that allowed startups to book office hours?

Paul Graham: The Booker.

Interviewer: You built that, right?

Paul Graham: I wrote every bit of our software. Don't you realize like up till the point where I retired, I wrote every bit of our software except the JavaScript that did the up and down buttons on Hacker News, which PB wrote 'cause I didn't know JavaScript. I wrote everything. If we had software, I wrote it. And I wrote every word on our website.

Interviewer: Yeah. Yeah, our website was awesome.

Paul Graham: That's why my hair is white now.

Interviewer: One of my memories of that era is how you would always—well, you would frequently help startups with their name. And I think we might have talked about this in—

Paul Graham: I still do that.

Interviewer: No, no, no, I know. So my question for you is, do you have a name you're particularly proud of where you're like, "Why don't you call yourselves this?" and they're like, "Amazing"?

Paul Graham: Imgix. I M G I X. Five letters.

Interviewer: Carolyn has no idea who Imgix is.

Paul Graham: No, I do. I know I remember the name. What batch is it though?

Interviewer: Oh god, I don't remember batches. Phind, p h i n d.

Paul Graham: Oh, I remember that one. I feel like if I had a dollar for every time you were at Instant Domain Search with founders during an office hours.

Interviewer: In the kitchen, right? Like right on your kitchen counter.

Paul Graham: Oh my god.

Interviewer: Need them to stand around and look over your shoulder. So I do it right on the island in the kitchen. So many names, so many startup names have been found at that one corner of the island.

Paul Graham: [snorts]

Interviewer: So you're kind of famous for blowing up people's ideas, like taking their idea—

Paul Graham: Blowing up in the good sense.

Interviewer: In the good sense, in the good sense. Making them—here's how you can be the next Google. And you used to do this and some startups would take your advice, some others wouldn't. Can you remember an instance of that? 'Cause you'd come home and you'd be like, "Oh wow, if you had been there, you wouldn't believe the idea we cooked up."

Paul Graham: Yeah.

Interviewer: It's going to be the next Google.

Paul Graham: You know, I can't remember specific instances because I would do it so much. I mean, I would do it like maybe 1/3 of the office hours I did. We would figure out how to make an idea much bigger.

Interviewer: Yeah, it happened all the time and still does happen.

Paul Graham: Yeah, when I do office hours now, I still do that. And I, you know, I see these startups right in the beginning of the batch sometimes and so there's a lot of room to expand their idea.

Interviewer: I want to also talk about your—you know, you're really good at working with the startups on their Demo Day pitches. Tell the listeners about sort of what used to happen before Demo Day with the founders.

Paul Graham: Write their Demo Day pitches.

Interviewer: [laughter]

Paul Graham: One of those little secrets. We would do this thing called vertebrae office hours where we would figure out what were the vertebrae of their Demo Day presentation. 'Cause the thing about Demo Day is you're up there with 50 or now like 300 other startups. And so, the investors are not going to remember anything about your presentation by the time they get to the end. Their brain will be wiped clean. And so, you really can only hope that they'll remember about five sentences worth of stuff in the very best case. And so, you should decide in advance what those sentences will be. And those are the vertebrae of your Demo Day presentation. The rest is just filler, essentially. And so, we would try and figure out what are the five sentences that everybody ought to remember about the startup that would cause someone to invest in them. They're five sentences with the specific purposes. So, like this is going to be a giant market. We are already solving the problem better than anybody else. It's ours to lose. And when we get there, there's network effects. And so, that means it's winner takes all. Right? That's a pretty—you're already wanting to invest, aren't you?

Interviewer: Yeah. Sounds great.

Paul Graham: That's the thing. Demo Day presentations shouldn't be like fast-talking marketing speak. They should be almost like logical proofs of why this company is good to invest in. You know, like you follow—if you agree with this step and this step, they all follow from one and the other. And the end result is the expected value is really high. That's a good Demo Day presentation.

Interviewer: But I feel like you did more than just vertebrae. You would spend hours and hours and hours at YC, and people would just come in.

Paul Graham: I would do the vertebrae with them and sit down and think, "Okay, this is what the core of your presentation should be." And then they would go off and make something that said what I said to say. And then, I would sit there, and they would practice before Demo Day. They

would come to YC and take turns standing there, projecting their slides and talking. And I would sit there in the audience essentially almost like a playwright saying, "No, no, cut that, right? Say that." [clears throat]

Interviewer: You were like a playwright. You'd be like, "No, say this. Don't use that word, say this." It was so—such specific—

Paul Graham: Down. We were always trying to get people to talk slower.

Interviewer: Oh gosh, yes.

Paul Graham: Yeah, see you remember. I can remember—wasn't there somebody who wrote "talk slower" on their shoes so that when they looked down they would—it was like "talk" on one shoe and "slower" on the other or something like that.

Interviewer: And then I think—

Paul Graham: I think a recording of me sitting talking to Brian Armstrong about his Demo Day presentation. I think that might be online on YouTube.

Interviewer: Oh, that's pretty cool. And then I think you'd sit—you'd be like a nervous parent sitting in the green room at Demo Day the whole time.

Paul Graham: No, no, no, I didn't sit in the green room. I was only in the green room during the breaks. When they were presenting, I would be out there taking notes. Um, and I would be wondering like, "Will they get this part right, right?" 'Cause I knew what was coming in all of their presentations, you know? I mean there may be a few who didn't come into practice at YC and so I wouldn't know what they were going to say, but 90% of the time I knew what they were going to say and what I was hoping—will they get this line right, you know? Will they deliver this?

Interviewer: Yeah, will it land? [clears throat] And so I'd be sitting there over on the side watching every presentation, seeing if it landed. There was a lot of stuff in retrospect, right? In addition to being attacked constantly in the press, there was [laughter] all this actual stuff we were doing.

Interviewer: I used to say and I believed this that even if your startup failed, I truly believe that anyone who came out of the YC program felt like it was a great experience and valuable for them. And I—

Paul Graham: To learn a lot.

Interviewer: If—

Paul Graham: If you were even awake, you couldn't avoid learning a lot from the experience of like trying to build something and get it in front of users and you know, figure out how to make it grow and how to explain it to investors.

Interviewer: And then we would do a post-batch survey, and I remember you saying like if all they complain about is the food on Tuesday nights, we're doing it right.

Paul Graham: Right.

Interviewer: Yes. [laughter] We were always happy when they complained about the food because that meant there was nothing—there was nothing more substantial to complain about. So, we were delighted. I mean, the food wasn't a deliberate um canary in the coal mine, but it ended up—it ended up effectively serving that purpose. I think the food's better now, though.

Paul Graham: Uh, yeah, it's all different now.

Interviewer: Remember that time dinner basically consisted of hot orange juice?

Paul Graham: I knew you were going to say the chickpeas with the orange juice.

Interviewer: Well, someone at one point we had this cook who was like adventurous in a bad way um and made this sort of orange-flavored chickpea dish, but the founders—the founders took out all the solid bits of this stew, and all that was left was this sort of hot orange juice with a few onions.

Paul Graham: It was orange chicken, orange chicken, Carolyn, which seems a little bit more normal. And then the veggie—the veggie option was same sauce, orange chickpeas.

Interviewer: [laughter]

Paul Graham: And the chickpeas were disgusting.

Interviewer: Oh, no.

Interviewer: I feel like Paul, you—you absolutely were like, "We've got—something's broken here. We've got to change."

Paul Graham: The complaints about the food are legit this time, and we actually need to change

something, yeah.

Interviewer: No, I mean, the complaints about the food often were legit.

Paul Graham: Oh, yeah. Yeah. Well, you know, this is um the other thing that uh YC I think still does uh but you guys did a lot was inflection point office hours, so not just these vertebrae office hours.

Interviewer: Yeah.

Paul Graham: But inflection point office hours, and I'm sure there's some stories from those. I got to sit in on one of them, and um it was really interesting.

Paul Graham: Well, inflection point was sort of an optimistic name for what was going to happen, right? This is when a startup is currently on a trajectory that will crash into the ground [laughter] and we're hoping an inflection point is when a line bends in another direction, right? And so this is when the line's going down and we hope it's going to start going up. So inflection point office hours is when a startup was in terrible shape, we would get them together with like multiple partners and we'd sit there and figure out how do we save this thing?

Interviewer: But I'm going to interject, in terrible shape but had promising founders.

Paul Graham: Yes.

Interviewer: Right.

Paul Graham: Yes.

Interviewer: Because if they didn't seem like they had any hope, should we talk about palliative care mode? [laughter]

Paul Graham: Just thinking, should we actually talk about this? Maybe it's time. Maybe it's okay.

Interviewer: Okay.

Paul Graham: 'Cause it was our thing. It's the new partners don't—

Interviewer: Use this expression.

Paul Graham: Yeah. Do you know about this, Carolyn? Palliative care mode?

Interviewer: Course.

Paul Graham: Okay. Okay. So if a startup seemed if a startup was doing really badly and it seemed like they had hope, then we would bring them in and we'd say, "All right. Come on. Let's figure out how to change things to make this startup succeed." If it seemed like they were doomed and they'd be better off just having jobs working for somebody else, we would have this thing we called palliative care mode where we would just be really nice to them. So at least as their startup was dying they would be cheerful and happy about it.

Interviewer: So no tough love. Just love.

Paul Graham: Yeah.

Interviewer: No tough love.

Paul Graham: No.

Interviewer: Yeah. We would do tough love with we thought it might work.

Paul Graham: Right. That's what I'm saying. Like you wouldn't bother with tough love for the palliative care startups. You just give them like gentle care.

Paul Graham: You just be really really nice to them.

Interviewer: And gentle care.

Paul Graham: And so we knew we knew which companies we were we were we hoped we could turn around and which ones we thought were doomed and we were just just going to be real nice to them.

Interviewer: I love that you brought up inflection point office hours. That was such a fun thing that we did. I know. What else, Carolyn? What else do you remember?

Interviewer: Well, I remember we all went to lunch. We probably had partner lunch and we came back and we had Inflection Point office hours with Adora and she probably talked all about I mean, I know she already talked about her whole home joy journey on when we talked to her. Um but then there was a second one and I'm afraid I don't remember the name of that startup, but when the founder walked in, we had a 15-minute conversation first because you told him he looked like um a Roman emperor. I think you told him he looked like Nero. So we

Paul Graham: [laughter]

Interviewer: had this random tangent where we all talked about Roman emperors.

Paul Graham: The emperor you want to look like.

Interviewer: Well, I think that's why it was somewhat controversial and we're all like chuckling and the guy and the founder was chuckling then we all started to like Googling Roman emperors and anyway, that was I don't even remember the startup or how things turned out, but

Paul Graham: Do you remember the meme that I only like to found I only like to fund founders who look like Zuck?

Interviewer: I do remember that meme.

Paul Graham: [laughter]

Interviewer: That persisted for years in the press.

Paul Graham: I wouldn't be surprised if it's still out there. All because we once met this cuz you know, now you you're you know me. I see something if there's something unusual about their face, I notice it and even say something. And so we were once interviewing this guy who looked very much like Zuck, right? And we even funded him, too.

Interviewer: We did fund him. Yeah.

Paul Graham: The company like barely I don't think they even made it to the end of Y Combinator.

Interviewer: No.

Paul Graham: They had some co-founder dispute.

Interviewer: Yeah.

Paul Graham: And so I like a reporter said there was a reporter like embedded in the batch that batch, I think, and he asked like, "Can you be fooled by anyone?" Well, and I and I jokingly self-deprecatingly said, "Apparently I can be fooled by people who look like Zuck." And man, like for like 5 years afterwards, I was only funding founders who looked like Zuck. It probably set back hairstyles in Silicon Valley by 10 years.

Interviewer: Do you also remember when so someone asked you about like what advice would you give and you know, bringing these foreign I forget where they are from founders over what advice would you give to them?

Paul Graham: I said like make sure they speak fluent English. Right? It's honestly that would that's the most important thing you could do.

Interviewer: That persisted for years. Like that that you discriminated against anyone with an accent. Which the answer to that is come to a Demo Day. Tell us if we actually discriminate against people with accents. Oh my word.

Paul Graham: Yeah.

Interviewer: And back to the Demo Day thing. Do you remember you used to work with people um at Demo Day who had such thick accents that they it was hard to understand them. They like you worked with them like

Paul Graham: Founder. There was one founder that I I I eventually got to memorize her speech phonetically. Like Abba, the group Abba used to do. You know how Abba's original it's their early songs sound like they're not native speakers, like they don't know the meanings of the words they're saying. That's because they didn't know the meanings of the words they were saying. They were just singing it as sounds. And there was one founder whose accent was so strong that she had to memorize her Demo Day presentation phonetically.

Interviewer: [laughter]

Paul Graham: It's amazing. I want to talk a little bit about Sam Altman, too. Today.

Interviewer: Okay. As long as we're talking about famous lies everyone tells about Y Combinator let's talk about the lie that we we fired Sam.

Paul Graham: Oh, we're going to do some myth-busting. Well, let's first reminisce about Sam cuz Sam's like part of our history you know, the whole time. And actually Carolyn wouldn't be sitting there if it weren't for Sam.

Interviewer: Right. Right.

Paul Graham: Carolyn was Sam's lawyer. That's right.

Interviewer: That was how we met you.

Paul Graham: Mhm.

Interviewer: That's right. Sam's lawyer cuz Sam was like the first startup that was so successful that he actually had a lawyer.

Paul Graham: [laughter]

Interviewer: That's right. So, Sam we had known for years and Sam was always in the picture even when he was working on Loopt. He was he would still come to dinner.

Paul Graham: Was always around.

Interviewer: He was always around and he definitely was our go-to. Like you need fundraising advice, go talk to Sam.

Paul Graham: Yeah. He was the best. Even then, I mean now my god, he's the god of fundraising, but even early on he was like among the best fundraisers in Silicon Valley.

Interviewer: Tell me what your opinion was of him was in the very early days, in the first batch.

Paul Graham: Well, Sam some people that Y Combinator has funded I gradually realized were a big deal, you know. With Sam it was instant. Like Sam I like in the first minute of talking to him I can remember thinking I can remember what I thought at that time. I thought, "Okay, this must be what Bill Gates was like when he was 19." Cuz Sam was 19 then. And I I had always wondered like Bill Gates ended up starting Microsoft when he was 19, what could he have been like because I certainly was not in a position to start Microsoft when I was 19. And then I met Sam and I'm like, "Okay, this is what one of these 19-year-olds is like, right?" Um he seemed he seemed like he was 40. You know, just like this looked 19. And so even that batch, like he was he was the big dog, you know, he was the one who got Sequoia to invest in him. He was the one who raised serious money. Um already he sort of acted like he was if that if that had been a high school class he would have been the class president, you know. That's sort of what it was like even during the batch. And then after that he was always around, you know, we would go and visit Loopt. And or he would be around Y Combinator and then he became available, you know, he like I think he got bought he got bought and he had to go and work for the acquirer for some time but then then he was free. Um, and so Sam being available at the same time I was thinking of retiring. I thought he obvious choice the obvious choice um get Sam. And I was I was right about one thing. I thought to myself Sam gets whatever he wants in life. If the only way he can succeed is by making Y Combinator succeed then Y Combinator cannot fail. And so I it's not like I considered lots of options for who to

be who to be president, right? Like Sam was obviously it. And I even spent like a year convincing him because at first he didn't want to do it. And the mistake that I made was that if Y Combinator is the only way Sam can succeed, right? Because he has gotten what he wanted but what I didn't what I should have said when I when I hired him or when I got him to replace me what I should have said, "By the way, I want you to take over Y Combinator and also you can only do Y Combinator. You're not allowed to work on anything else."

Interviewer: Well, he might have said no if you had phrased it that way.

Paul Graham: No, no, I think he would have taken it. I think at that point he because at that point he didn't know what the other things he wanted to work on were. All these other schemes he cooked up were after taking over Y Combinator, right? So at that point it was just like and there's lots of room to become giant by taking over Y Combinator.

Interviewer: And some of his schemes were Y Combinator schemes. Carolyn's familiar with this.

Paul Graham: Yes.

Interviewer: Yeah.

Paul Graham: The basic universal basic income thing or re-rebuilding cities.

Interviewer: Yeah.

Paul Graham: They're all these side projects.

Interviewer: Yeah. One of which was was OpenAI.

Paul Graham: OpenAI, [laughter] right.

Interviewer: I know you don't like us mentioning this.

Paul Graham: Oh, no, I don't mind that. It's No, I just It makes me sad because It makes me sad because like really um because my heart's at Y Combinator and and I totally get Sam and I totally get why he got distracted by other things he wanted to do. He's young and he had like a million ideas and some of them are amazing.

Interviewer: AI is actually a huge deal.

Paul Graham: It's a huge deal. Like who are we to sit here as armchair quarterbacking

Interviewer: Yeah, yeah, yeah.

Paul Graham: this piece of it. Like I'm I'm glad, but I also, you know, it it at the time it made me sad. Okay, I'm going to circle back to the shoemaker's children not having shoes. It does it it always felt that like the a little bit, but it felt like that a lot at the time because Sam was so distracted by these other things that really really interested him that it felt like we were like the barefoot child that didn't get very much love. That's how it felt, honestly.

Paul Graham: No, no, I know, I know, right? And like the myth the myth out there is that like we fired Sam, right, from Y Combinator, right? And really all like if Sam had said, "Okay, this AI thing, I'll get somebody else to do this so I can focus entirely on Y Combinator." We would have been psyched. We would have taken that deal. All we wanted was him to pick.

Interviewer: [snorts]

Paul Graham: And he didn't pick. He picked OpenAI.

Interviewer: The truth was also he never thought the OpenAI thing would grow to the point where it was and all of a sudden

Paul Graham: How you can tell he never knew how big it was going to be? That he started it as a nonprofit. I mean, what a disaster that has been for him. I think there's people out there who think like Sam was pulling a fast one by starting it as a nonprofit. My God, his life would have been so much easier if he started as a for-profit company. And it's not like he needed it to be a nonprofit to get the money. Sam was the world's best fundraiser. Sam could easily have raised enough money to do it as a for-profit thing. It just You know what it was and this is actually quite revealing. Nobody knew then, cuz this was like 2015 or something when he started OpenAI, right? Nobody knew then that it would be worth spending so much on AI. Isn't that interesting? This was before there was anything that you could that you could do with a, you know, million GPUs, right? Now AI is so valuable it's worth spending

Interviewer: A vast amount of money on it and therefore you have to raise more than you could possibly ever raise as a nonprofit. But the fact that you would even think you could start you could even do this as a you could be an AI thing as a nonprofit. It just shows you how small it seemed back then. You could fund it with donations. Right? Ridiculous.

Paul Graham: So, OpenAI was getting bigger than he had imagined. YC was getting a little bit neglected. Press release goes out saying uh, OpenAI's now a for-profit company and Sam's the CEO. And I remember thinking, "Okay. Now we need to just have a heart-to-heart with Sam." And

we had a heart-to-heart with Sam and we said, "Can't do both. We totally get that you want to work on AI. Do you agree that we need to find a successor? I remember saying that." And he was very fine about it. He said, "I I totally agree." And we worked on that. And we found Jeff who was a partner at YC.

Interviewer: Liked Jeff. Jeff was sort of the obvious choice, right? Cuz Jeff was already a YC partner. He was sort of established and legitimate and serious, you know. Um and he was the obvious person to take over then. But then he only did it for 3 years. And do you remember how bummed we were when he told us he wanted to quit? Like we thought, "What? You've only been doing it for 3 years, right?" But I guess I mean he's older than me.

Paul Graham: To retire.

Interviewer: Yeah, but then it turned out we could get Garry. And we never realized that was even possible. But then

Paul Graham: Right, cuz he was running Initialized.

Interviewer: Yeah. Gary like had [clears throat] one one I mean it Jeff couldn't help this, but he had not done YC. And really I think it's good if the president of YC has done YC, right? So they know what it feels like to be the founders, you know, trying to raise money or get growth or have Demo Day coming up. So Gary had done YC. Um and was like popular with LPs. Like he was a known quantity to the LPs who trusted him cuz he made so much money for them at Initialized, and he was like young and energetic. Ready to spend too much time working on YC. I think he found I think he works too hard. So now like I don't know about you guys, but like I feel like this is the best I've ever felt about YC. It used to be for like 10 years there was always some worry in the back of my mind. You know, some nagging worry. And now it feels like Don't you remember we had a we had an off we had a like board meeting and we re like, wait a minute, there doesn't were like, wait a minute, there doesn't seem to be anything wrong. You know, and that was so novel.

Paul Graham: Oh my god, we have shoes. Yes, we finally have shoes.

Interviewer: The shoemaker's children finally got some shoes.

Paul Graham: [laughter]

Interviewer: Paul, [clears throat] Carolyn, you probably don't know this, but earlier today Paul tweeted that he was going on the show and did anyone have any questions for him? Oh my god, how fun. I wonder if I should look at a couple. What do you guys think?

Paul Graham: Definitely.

Interviewer: Hurt. We know that Twitter reply threads are full of fabulously valuable insights.

Paul Graham: Maybe there's some good questions in there. Okay. Well, there are 149 responses.

Interviewer: Well.

Paul Graham: So I'm going to just read a couple, Paul, and you can sort of choose. I'll read

Interviewer: Okay.

Paul Graham: One said, can you talk about how you balanced your desire to have a family and kids with the demands of your professional pursuits?

Interviewer: Well, that was one of the reasons I retired in 2014. Cuz we had had a second child, right, in 2012, and I was worried. I gave I gave our first child a huge amount of attention, and I was worried I wouldn't be able to do the same for the second one, right? Now that there were two, how as I going to do this? was I going to do this? I didn't realize that you can't give your second child a lot of attention because anything you do with the second child, the first one wants to come along as well. [laughter] So, I was sort of I didn't get that then yet. Um but I did want to make sure I could spend a lot of time. And it's funny, you know, when people get fired, they always ay like now they want to spend more say like now they want to spend more time with their family, but um that really [clears throat] was a big part of the motivation. I wanted to spend time with family, but I also just wanted to work on other things, you know? And that was the trouble with YC. If you're a YC partner, you can have side projects, but if you're president, it's like it takes up all your time and more. So, the way I would combine them, but you know, the thing is, YC was never 9:00 to 5:00. You didn't like go to this office and stay there all day long and then come home and like kiss your kids and then they go to bed, right? And so, I was often at home. I was often at home like hanging out, playing with the kids. Um it was it was well suited to that, well suited to having kids. And I wanted I wanted to be I wanted to continue to be well suited for having kids, right? This is omething like running a startup is not something like running a startup is not super compatible with having kids. I mean, people do it, but boy, they don't fit together nicely. I would like it that if if being a YC partner did fit together nicely with aving kids. having kids.

Paul Graham: Yeah.

Interviewer: All right, what else you got on that Twitter thread?

Paul Graham: Okay, here's a good one. How do you keep a sane mind in the crazy world we live in,

keep writing smart essays, and stay relevant with my skills at the same time?

Interviewer: How do I keep a sane mind? Um well, it's important to be married to someone sane. Um Yeah. [laughter]

Paul Graham: I know you're getting seriously

Interviewer: I mean it sounds like a It sounds like a strange compliment to describe someone as sane, but um

Paul Graham: I love it.

Interviewer: the more the older you are, the more you realize that's actually a fairly unique quality, right? And so, like if you're married to someone and as long as you don't both freak out at the same time then there's always omeone to calm the other one down. someone to calm the other one down. Right? That's the advantage of So, I recommend to everyone marry someone sane.

Paul Graham: Here's a good one. I'd love to know what you've been surprised about in the last few years that goes against your essays. You've spoken about vibe coding coding being surprising, for example.

Interviewer: Yeah. Um well, everyone is surprised at he rate of progress in AI. the rate of progress in AI. I didn't think this would be happening in my lifetime. It didn't look in 2010 like we would have I mean it's you know, we've gotten to the point where you have to go back and read the definition of the Turing test. We're that close. So, I mean we have stuff that seems to me maybe you'd you'd have to really try hard to make it fail the Turing test, you know? At any given time it's pretty much passing the Turing test with me. In fact, the weird thing is how normal this now seems cuz when I was a kid, I was like very interested in AI. And I would dream about this future where you'd have this computer that would pass the Turing test. You'd talk to it. It would be like talking to a person. And now you you ask ChatGPT some boring question and it gives you the answer and it's like, "Okay." It's so weird how we can adjust to everything. It seems just seems like not a big deal that we're like passing the Turing test all the time now. Um Has there been anything else that falsified? Well, I'm I'm shocked at how young founders are. I don't like this trend at all. I don't like this weird thing where they like want to go start a startup instead of going to college. I don't like that at all.

Paul Graham: So when you say young, in this case you mean like

Interviewer: Uh 18.

Paul Graham: Yeah, like 17, 18 versus 22, 23. That's what you mean by young.

Interviewer: Right. Like I mean Sam dropped out after 2 years, right? So Sam was 19 when he started the startup. Big difference between that and like not even going to college. So that's that's a bit shocking. I sort of wish I could put the brakes on that one. Maybe I can. Maybe I can. I'm thinking of writing an essay say called "Go to College" that explains why it's a good idea to go to college. So what else has surprised me? AI, the youth of founders. I'm surprised at valuations. Like demo day valuations are like \$60 million now, right?

Paul Graham: Oh my gosh.

Interviewer: I don't think they're that high, but yeah, probably something

Paul Graham: are. They are. I'm I've heard of multiple startups raising money at a 60 cap. Um that's 20 times the value the post-money valuation of Airbnb. 20 times.

Interviewer: Wow.

Paul Graham: Yeah, there's just so much money now at demo day.

Interviewer: This is a related question. Which of your previous startup advice is different, if any, given AI?

Paul Graham: It hasn't changed things super much yet. I mean, it might get to the point where starting a startup is structurally different. At the moment, the main effect AI has had is it's a source of startup ideas. It's a source of things that founders work on. You know, they work on some AI version of some product for some market, right? Or AI is the thing that gives them enough leverage to displace the incumbent. The world has changed enough because of AI. If we haven't gotten to the point yet where you can't start certain startups or you can't start startups because as soon as you start them the model companies copy, you know, set some AI founders to duplicate what you're doing. Um What were those German guys who would copy startups in the hope that you would buy them?

Interviewer: Oh, the Samwer brothers?

Paul Graham: Samwers, yeah, yeah, yeah. So, you know, now we have to worry about the Sams instead of the Samwers. Um

Interviewer: [sighs and gasps]

Paul Graham: will, you know, the model companies tart like sending out armies of start like sending out armies of AIs to like copy your startup? One day, maybe. One day. Um you know, that would be worrying.

Interviewer: [laughter]

Paul Graham: Sort of wonder what YC's model would be in that world. But, you know, here's something encouraging. You know what the best source of startup ideas is? Your own needs. Right? Think about like this was Facebook, Google, Airbnb, all these companies were originally started to satisfy the the founders' own needs. AIs don't have any needs. The AIs aren't like desperate to pay the rent in their apartment, and there's this conference, and they think, "Okay, let's rent out some airbeds on our floor, right?"

Interviewer: That's right.

Paul Graham: AIs aren't desperate to know like what he other kids in their year at Harvard the other kids in their year at Harvard are up to. So, maybe maybe however good AI gets at being intelligent, it won't replace all the human founders because it doesn't have the needs that lead to startup ideas. Isn't that interesting?

Interviewer: I have a question. Obviously, we live in England. We went back to America for a few weeks this summer in August, you know, for the month of August, basically. What was your impression of the startup world?

Paul Graham: Well, every time we go back, there's more AI. A larger percentage of the companies are doing some AI idea and they're using AI to write a larger percentage of their code. And OpenAI is bigger.

Interviewer: [laughter]

Paul Graham: Like every every time we go back, it's like the same the same but more. The big surprise was something I already mentioned, how many super young founders there are. You know, it seemed like I was constantly doing office hours that began with 15 minutes of

Interviewer: Are you sure you wouldn't like to go back to college? You know, it's funny people think people imagine Y Combinator is like determined to like force all these people to do startups so we can make money out of them and here I am constantly trying to talk them into like ditching the startup and going back to school.

Paul Graham: What do they answer you when you say please go back to college, you should go

back? What are they just like no the time is now? Cuz that's what I'm imagining.

Interviewer: No, it varies. It varies from one extreme to the other. There's sometimes people who are like no, this is what I'm going to work on. You know, like that 16-year-old guy Raghav, right? And he was probably right.

Paul Graham: 17-year-old.

Interviewer: Yeah. Um, he was a very unusual guy. He was just meant to do this, you could see. Um, and then there would be other people I'd talk to and they were like, yeah, we're sort of wondering if we should go back to school.

Paul Graham: I think none of them will go back to school unless their startup fails, Paul. I hate I thought that all the time. I'm like talking to our older son being like he's trying to convince them to go back to school and they're not going to.

Interviewer: Some of them should. And I would I wish the ones who should would. There are people working on this B2B thing where you have to I mean B2B you have to be older, right? You have to be able to like sound seem convincing. There are these women starting this startup who are 18 and like they look like they were 18, you know? They're going to have a hard time walking in trying to convince some CIO to purchase their you know, purchase seat licenses for their thing. Whereas if they just would do if they just did the same idea in a couple years when they could seem older and more convincing, they could do the same thing and it would work better.

Paul Graham: Unless someone else does it.

Interviewer: Yeah.

Paul Graham: Yeah, that's always the risk.

Interviewer: Are always doing it. They could work on it in the meantime. They just don't have to like try and be a company.

Paul Graham: Mhm. [sighs]

Interviewer: And you know, there's other ideas. People say sometimes, I'll tell you sometimes people would say, "Oh, I feel like if I don't do it now, it'll be too late." Like the AI revolution's happening now and I said, "You know what? People said that 2 years ago. Were they right? Is it too late now?"

Paul Graham: [laughter]

Interviewer: They'd say, "Well, no. It's never too late." You know, if it ever is too late cuz of the AI revolution, if it's really too late to ever start any kind of startup, like we're all screwed. Think what that would be like.

Paul Graham: To say, we're in trouble.

Interviewer: Like a bunch of freeze-dried food and a shotgun and a [laughter] bunker somewhere. Nervous laughter.

Paul Graham: I was going to say, uh uh uh.

Interviewer: [laughter]

Paul Graham: And we cannot end on that. You know how I feel about ending on a like really freaky note. Where How should we end, Jessica Livingston? How should we end on this?

Interviewer: We end?

Paul Graham: We could talk about how fabulous Y Combinator is now. One reason it's interesting to talk about how well Y Combinator is doing is cuz Y Combinator is sort of like Reddit in the sense that what you know, Reddit had a long period where it wasn't really progressing cuz the founder because like Steve wasn't even there, right? And it but it was such a powerful model that it didn't die. It kept growing anyway. And Y Combinator was kind of like that. There was like long periods where no one was paying that much attention to running it, right? And because it was so fundamentally strong, it survived. And so everybody thought they'd had Reddit pigeonholed, you know? They thought, "Okay, it's like sort of a big deal, but not really. It's like a small sovereign state like Luxembourg or something, right? In the sovereign state, but almost doesn't matter." Boy, all the Luxembourgers are going to be mad at me.

Interviewer: Catching strays.

Paul Graham: [laughter]

Interviewer: All 300,000 of them.

Paul Graham: We make it back to California, and you in the kitchen all day long are having office hours with startups, much to my dismay when I'm trying to make lunch for the kids.

Interviewer: Or when they see how messy our house is.

Paul Graham: That's Let's not tell our listeners about that. That's my little secret.

Interviewer: It's my secret.

Paul Graham: Yes. So, we come back. What makes you cuz you have this infinite amount of enthusiasm and energy when it comes to advising startups. What do you get excited about by when we come back and you re-engage with Y Combinator?

Interviewer: Well, the reason I have so much energy is not because I'm benevolent and have infinite desire to help them. I mean, I want to help them, but the thing that really makes me energetic is that I'm interested in their ideas. It's like It's like imagine if you were into puzzles of some kind, and people came and supplied you with a constant stream of new puzzles, right? That's what it's like. They're like, here's what we're working on. How can we get users? What could this idea be? They don't usually ask me that. I just tell them. And so, that's why I have so much energy. That's why I always liked working on Y Combinator. That's the part I like. I don't like arguing with people who are trying to maltreat the startups. Um

Paul Graham: That's Garry's job now.

Interviewer: Yeah. [laughter] Yeah. Poor Garry. Um only only someone who's done it knows what it's like. But, I love I'm I'm I don't think I would ever get bored of talking to founders about their ideas.

Paul Graham: Yeah. And Y Combinator, it's so energizing. Y Combinator's doing so well. It's really fun.

Interviewer: And there's a sort of a lot of startup mojo floating around Y Combinator that's not all that common in the English countryside.

Paul Graham: [laughter]

Interviewer: Exactly.

Paul Graham: It's even excitingly exotic.

Interviewer: Well, I think this was a fun really fun conversation. We did some reminiscing, some predictions, some myth busting. We're something in it for everyone. Thank you for coming on again.

Paul Graham: It's always fun to talk to you.

Interviewer: [laughter]

Paul Graham: Like you do every day.

Interviewer: Yeah, I was going to say I'll I'll see you downstairs for supper. What are you cooking me?

Paul Graham: Paul does the

Interviewer: You want?

Paul Graham: Orange chicken. He's making you orange chicken.

Interviewer: [laughter]

Paul Graham: Orange juice chicken.

Interviewer: [gasps]

Paul Graham: What do you want me to make?

Interviewer: I would like I would like something very healthy.

Paul Graham: Carolyn, I know this is probably way too much detail for you, but we have parsnips from our garden.

Interviewer: Not weeks.

Paul Graham: And leeks from our garden.

Interviewer: Oh, that's

Paul Graham: And so I was sort of thinking you could make something with parsnips and leeks. So

Interviewer: Yeah, sure.

Paul Graham: Let's get Let's get going.

Interviewer: Okay.

Paul Graham: [laughter]

Interviewer: Sign off so you can get cooking. Bye, Carolyn.

Paul Graham: Bye, guys.

Interviewer: Bye.

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