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There's a dark side to startups, and it haunts 30% of the world's most brilliant people

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Mike Alfred*Austen Heinz taking a photo at Del Mar.*

The smile on Austen Heinz's face was unguarded and brief. It was the involuntary, small upturn of the corners the mouth that escapes when something genuinely makes you happy.

For Heinz, it was seeing the surfers at Del Mar. He raised his phone to snap a photo for a friend.

Mike Alfred saw the grin on his face, so he took his own photo of his friend's happiness.

Heinz's long, curly brown hair is whipping back in the wind secured only by a green San Francisco hat. A black North Face vest, one he's wearing in most photographs, covers his dress shirt.

“He smiled for a brief moment, and it was so beautiful,” Alfred said. "That's the last picture I have of him smiling."

Heinz’s love of surfing with his sister Jean would be noted in his obituary, published a month later.

The founder and CEO of Cambrian Genomics took his own life May 24, two weeks after the trip to Del Mar. He was 31.

When news slowly spread on Twitter that Heinz had committed suicide, many were crushed and surprised.

"That was a reminder to me that you can’t predict which founders are struggling," said Y Combinator president Sam Altman.

There are other founders who have followed this path before. There was Aaron Swartz, the Reddit cofounder who faced hacking charges that many thought were unfounded, and could have landed him in jail for decades. He ended his life shortly after. There was Jody Sherman, one of three Las Vegas entrepreneurs associated with the Downtown tech project, who shot himself in early 2013. There was Ilya Zhitomirskiy, who founded would-be Facebook competitor Diaspora; both he and his website are now gone.

These founder suicides are just the extreme outliers of the tech industry's quiet battle with depression, exacerbated by the stress of starting a company and trying to change the world. It's a problem that almost nobody wants to talk about. But the conversations are starting to happen.

Tech's dark secret

A recent study by Dr. Michael Freeman, a clinical professor at UCSF and an entrepreneur as well, was one of the first of its kind to link higher rates of mental health issues to entrepreneurship.

Of the 242 entrepreneurs surveyed, 49 percent reported having a mental health condition. Depression was the number one reported condition among them and was present in 30 percent of all entrepreneurs, followed by ADHD (29%) and anxiety problems (27%). That's a much higher percentage than the US population at large, where only about 7% identify as depressed.

More surprising was the incidence of mental health in the families of entrepreneurs: 72 percent said they either had mental health problems themselves or in their immediate family.

Flickr/loiclemeur*Sean Percival is now a partner at 500 Startups.*

A founder who has no history of mental illness from a family with no history either "is the exception, not the rule," Freeman said.

Sean Percival has seen the problem firsthand.

After the failure of his ecommerce startup Wittlebee, a "baby Birchbox", Percival was depressed. But he didn't open up about it until Jody Sherman's suicide. Percival was lucky, he said, to have had a wife and friends to talk to openly when his startup took him to the edge and back several times.

Percival now works at 500 Startups where he estimates founders at 10 to 20 percent of companies are suffering from similar issues: failure to lift off, doubts, depression or substance abuse problems.

When Percival mentioned in an interview with Inc that depressed founders could get in touch with him, he was flooded with more than 500 emails. A few were from Silicon Valley, but many were small business owners from around the globe who had borrowed money from their families to launch a company and were suddenly in a really tight spot.

Terrified he would miss an email of a founder in a dire situation reaching out for help, Percival eventually had to ask Inc to update the story to include a link to the National Suicide Prevention Hotline.

Ben Huh, the CEO of Cheezburger and co-founder of recently shut-down Circa, has also seen startup founders approach him since he wrote a post called "When Death Feels Like a Good Option" and publicly acknowledged a period of suicidal thoughts in 2001.

Wikimedia commons*Cheezburger CEO Ben Huh talks frequently to entrepreneurs who are struggling with depression.*

The real problem is that entrepreneurs who do have advantages are choosing not to use them, he said.

"What we do have though is access to more resources, though, and it's a shame we don't access them because of shame," Huh said.

"There's lots of people who go through depression without access to support. We are not those people. What creates that barrier to support is that notion that a CEO is a strong tough male figure who acts masculine and doesn't ask for help or assistance."

You're (not) crushing it

The startup community has built up the great entrepreneur mythos. It's not rags to riches, but idea to fortune, building something from a simple thought that suddenly advances society forward. There's room on the list after Bill Gates, Elon Musk, and Mark Zuckerberg.

But most will not make it to that level of success — there's a common Silicon Valley adage that nine out of ten startups fail.

"I think the crazy dynamic range puts a lot of pressure on founders. People's expectations of themselves get so high because the top is so high," said Y Combinator's Sam Altman,."The culture of 'I'm crushing it, bro' is not that helpful."

Working around the clock, waking up incredibly early, or never sleeping has become a status symbol. Funding headlines pop up every day as companies rake in more money. Today, five startups are valued at more than $20 billion.

Depression — wrongly — doesn't seem like a natural fit for the cheery glorification of a startup life.

Helen H. Richardson / Contributor*Foundry Group investor Brad Feld has been transparent about his depression for more than a decade.*

"Against the backdrop of this rah-rah everybody's killing it, everyone's doing great language, it makes it even harder to be open about it," said Brad Feld, an entrepreneur and investor with Denver-based Foundry group.

Feld has been blogging openly about his depression for more than a decade to try to change the industry's approach to mental health.

"We're programmed and told over and over again that as leaders we have to be strong, we have to show no weakness," Feld said. "That tone and that dynamic is incredibly hard to deal with, especially against the backdrop of huge amounts of stress and anxiety that gets generated by startups and the startup world."

The conversations around depression are then relegated to the shadows and behind closed doors.

Rand Fishkin*Rand Fishkin stepped down as CEO of Moz in part because of his depression.*

In 2013, Moz founder and former CEO Rand Fishkin attended a founders summit put on by Feld's Foundry Group. In a meeting with around 22 CEOs, Feld asked how many had suffered from anxiety or depression at some point.

Every hand except two went up, Fishkin said in an e-mail.

"It's a strange thing, because everyone knows that, under the shroud of positive posturing, every startup and every founder is struggling or has struggled, but we're only supposed to talk about what's going right," Fishkin said.

"Given that dissidence, it's no wonder many of us find ourselves struggling quietly and privately."

Heinz and his life without a windshield

Austen Heinz's startling death is the most recent example of extreme depression in Silicon Valley. But he had a history of mental illness long before he entered the crucible of the startup world.

At 23, Heinz left a mental hospital, fixed up a motorcycle, and spent a year riding across the country wearing his trademark flip-flops.

He wrote about his trip in a book called "Life without a Windshield", which he published under a pseudonym, Austen James. Its subtitle: "A humorous tale of motorcycles, mental illness, and youth."

A few years later, the Duke graduate left his doctoral studies in Seoul and came barging into the startup world with a big idea and a passion to match it. He had developed a way to print strands of DNA, which is made of four molecules represented by the letters A, C, T, and G, and founded Cambrian Genomics.

"We print life. Life is very simple, it's just code. Four letters — we print that," Heinz once told TechRepublic.com. In simple terms, he described it like a 3D-printer, but instead of printing plastic dinosaurs, you could print little walking ones some day. His ideas of printing life pushed social, ethical, and scientific boundaries, and he lived focusing towards the future, balancing on that edge.

His friend Mike Alfred, who spoke to Business Insider on behalf of Heinz's family, described him as someone who behaved differently than the average person — like Steve Jobs, he could sometimes be critical and not be understanding. Alfred said people overlooked it because you realized what he was working on and where his mind was.

While his unusual charisma and bold vision landed Heinz $10 million in venture funding for Cambrian Genomics, his tendency to say what was on his mind also landed the company in hot water.

At a presentation in the November 2014, Heinz and another presenter took the stage and started talking about Sweet Peach, a company that was working on probiotics for vaginas, in which Heinz owned a 10 percent share. The media presented Sweet Peach and Heinz as sexist and juvenile: "Male startup founders want to enable women to change the way their vaginas smell."

That reputation, which Heinz made even worse with a poor damage control effort, effected his ability to raise more money for Cambrian Genomics.

"Some of my investors pulled out, which sucks," Heinz told Inc at the time. "The implication is that Cambrian is a sexist organization that thinks women's vaginas smell bad. I just got off the phone with my lawyer and he said, 'Austen, I would not invest in your company right now.' Basically he said you look like Bill Cosby right now. But that's why you raise $10 million, because shit happens."

Mike Alfred*Austen Heinz and Mike Alfred on the beach at Del Mar on May 9. Heinz died May 26, 2015.*

"He took it pretty hard," Alfred said. "No matter how tough you thought Austen was, getting beat up in the press is hard on anyone. In particular, someone who is prone to depression, you start to get sucked into that. He started to believe that meant the company wasn't going to work."

Like many startup founders, his business had reached the "trough period" or the period after the initial hype where companies are working on their problems. Cambrian Genomics was not immune to this. The headlines bolstered the controversial nature. Investors had turned away.

"The way he described it was that he had built this unbelievable piece of art that did a lot of things that no one had done before, but didn't do all of the things he had said it would do. So he had built something pretty amazing but it just wasn't enough," Alfred said.

He also started believing he wasn't in good physical health. He needed more time, more money.

″That worry and dealing with his own health, his own bodily integrity, was causing him a lot of pain,″ Alfred said.

Your startups′s money can feel like your own self worth

Money was a big source of struggle for Heinz, as it is for many entrepreneurs. And once feelings of low self worth set in, founders may be too afraid to speak up or seek help, because if they show signs of weakness as a leader, investors may stop cutting their companies checks.

″You're trying to send good signals that you're doing good things, that you're the right person, that you're backable. There is a bit of a facade put up and that's all anyone sees,″ 500 Startups′ Percival said. ″It′s very risky for someone to go out and say ′I am depressed. I′m having trouble.′″

But some investors expect health issues or other personality quirks as part of the ″genius″ package.

″I think folks realize that sometimes the most talented people in the world sometimes have complications, and that it′s those qualities that also make them great,″ said startup investor Jason Calacanis in an e-mail.

Flickr/Joi Ito*Investor Jason Calacanis wants investors to come to him in their dark days so they have support.*

"As an angel investor I make all founders do two things when I invest: first they agree that when things are really dark I will be their first call, and second if they fail they will come to me with their next idea before anyone else," Calacanis said.

Attaching dollar figures to companies can also be dangerous. If a founder can't separate themselves from the company, they can see the money as their personal value, too.

"No matter how much you have in your bank account, how much someone has given you, depression turns that into fuel for self worth," Huh said. "When I wouldn't leave my room in 2001, I would make something up like 'Oh, I've got a migraine.' The money, and the pressure of money is that red herring."

Bringing depression to the surface

Momentum has been building to bring more authenticity into the conversation: less talk of business metrics, more talk of feelings. Sadly, it's inspired in part by the string of suicides from Swartz to Sherman to Heinz.

A new Y Combinator-backed startup, 7 Cups of Tea, is trying to tackle one common problem: the affordability of help. When founders are running out of money for their company, that's rarely when they can shell out for a visit to a psychologist or other mental health professionals.

"I don't think there's an outlet for much of society," said its founder, clinical psychologist Glen Moriarty. "I don't think we're doing a particularly awesome job caring for people in other professions either. It just happens that we care about startups."

7 Cups of Tea is a free, on-demand internet-based anonymous listening network, which has a special section dedicated to listening to startup founders problems. Since launching the startup section, Moriarty estimated there have been more than 10,000 anonymous conversations.

There's also been a movement to speak publicly about mental health issues. Some investors like Feld, Percival, and Mark Suster have blogged about their experiences for years. Huh, Fishkin, and Andy Sparks are just three examples from the longer list of startup founders who have chronicled their experiences with depression.

Even sites like Product Hunt, a website used by tech enthusiasts to vote on interesting new products, is trying to have a role in talking about mental health. It's doing small things like hosting meditation sessions in the middle of a bustling office so employees remember to take a break, but also larger events like community talks.

These can be especially important to younger founders, like 18-year-old Ryan Orbuch, who said his friends may not have same kind of support networks like someone with a spouse or that's on their third startup.

"My friends are open about it if they are feeling shitty," he said. "I think the investors play an important role in acceptability of talking about it. Investors see so many founders that they can do a lot to bring it to light."

Still, the consistent dialogue about depression is still missing from the startup world.

"In public, no one wants to go out there. People still look at it as a scarlet letter and they're just not comfortable talking about it. I don't think that's changed," Percival said. "They may be more comfortable talking about it privately with other founders or investors, but I don't think you'll see someone going around tweeting 'I'm depressed. I don't know what to do.' I don't think we're close to that yet."

Until that changes, there will be silent strugglers like Austen Heinz.

On Saturday May 30, in San Francisco's Trinity-St. Peter's Episcopal Church, an outpouring of Heinz's friends, colleagues and family gathered to remember the entrepreneur.

"Austen was an intrepid, candid, accomplished yet unassuming, brilliant and creative scientist, with a bold warrior spirit and a giving and artistic soul. I can't f---ing believe I have to refer to him in the past tense," friend and fellow founder Philip Low wrote on Heinz's remembrance Facebook page.

"We have lost a Great Human Being. We have lost a Pioneer. I so wish I had seen his pain."

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