Founders' Friend

How Joshua Kushner won over Silicon Valley CEOs and built a $5.3 billion venture firm outside his famous family.

BY **ALYSON SHONTELL**

December 2, 2023 at 6:00 AM PST

MACKENZIE STROH FOR FORTUNE

One year ago, Sam Altman was quietly preparing for a world-jolting event.

His generative AI startup, OpenAI, was close to launching ChatGPT, the chatbot that would captivate and terrify the business world. Scaling ChatGPT's large language model into true artificial general intelligence—human-like reasoning—was his ultimate goal. That would cost a fortune, perhaps $100 billion over OpenAI's lifespan as a private company. And once ChatGPT showed what OpenAI could do, he would need to quickly pay up to keep deep-pocketed competitors from poaching his engineers.

It was time to call the venture capitalists.

The first person Altman dialed, however, wasn't a larger-than-life Silicon Valley titan like Marc Andreessen or Peter Thiel—even though Altman knew them both. It was Joshua Kushner, founder of a boutique New York-based firm, Thrive Capital.

Kushner had been working for more than a decade to get that call. He and Altman, who are both 38, met around 2011, when Kushner was first launching Thrive and Altman was advising companies for startup accelerator Y Combinator. They'd kept in touch, and Altman had observed how Kushner supported founders at splashy startups including Spotify, Slack, Instagram, Instacart and payment giant Stripe—staying loyal and lavishing them with attention even during rocky stretches.

"He invests in a style that is close to what I do myself," Altman says. "Josh makes high-conviction bets on high-quality companies and founders, and he doesn't care too much about what other investors think. I feel a lot of camaraderie with that."

In March 2022, the two reconnected at a closed-door event for tech CEOs in Arizona. They went for a walk, and Altman told Kushner all the reasons OpenAI was anything but a sure bet. For one, Microsoft had a complicated partnership that gave it a large stake in OpenAI. It was also unclear if AI would be a winner-take-all category, or a commodified one, where any technological edge OpenAI had could be quickly copycatted, crushing its profits.

Kushner had already weighed all of that. Thrive did only a few large deals a year. To Kushner there was no question that OpenAI should be one of them: It was the world's best AI company, led by the best team. Even if the valuation was steep, in time being aligned with the best would pay off. On the walk, he was relentlessly supportive—and, he recalls, he made it unmistakably clear that he wanted in "in a very meaningful way."

A few months later, in early 2023, Altman took Kushner at his word. Thrive led a round in OpenAI, investing nearly $130 million at a $29 billion valuation. At the time, OpenAI was generating an annual revenue rate of about $50 million. By this fall, OpenAI was on pace for roughly $1.3 billion, making it one of the fastest-growing companies of all time. When Altman called him again, putting in more money was, for Kushner, a no-brainer. He viewed OpenAI as the most consequential startup of his lifetime, and he had no problem doubling down on an audacious bet.

In October, Thrive agreed to lead another round of financing at a valuation almost three times higher—$86 billion—buying up employee shares in a deal called a "tender offer." Thrive had increasingly used tender offers to amass big stakes in top startups. It had accumulated a stake of about 10% of Github this way—leading to a major payday when Microsoft acquired the open-source code startup for $7.5 billion—and it used the strategy again to amass about 7% of Stripe.

But in the already risky world of venture capital, tender deals can be even more so, giving the buyer low payment priority should the startup collapse. Thrive faced the reality of just how high those risks could be on Nov. 17, when Altman, the OpenAI

CEO, was suddenly fired by the company's board—putting not just Thrive's tender but the fate of the world's most consequential startup in flux.

OpenAI CEO Sam Altman speaks during the OpenAI DevDay event on Nov. 6, 2023.
JUSTIN SULLIVAN—GETTY IMAGES

As news of the ousting exploded that Friday evening, Kushner again found himself someone's first phone call. Brad Lightcap, OpenAI's chief operating officer, phoned Kushner within an hour of learning the news himself, while his colleague, OpenAI's chief technical officer Mira Murati, tended to Microsoft and its chief executive, Satya Nadella.

Lightcap expected a difficult conversation with a panicked stakeholder demanding a full run-down. Instead, he says he got the opposite.

"Josh's priority was not to sort through anything related to the investment or Thrive," Lightcap says of the call. "It was, 'How are you? How's the company? I'm here for you, I support you guys. What can I do to help?'"

Throughout the next five days, Lightcap and Kushner spoke around the clock. In the midst of a trying leadership moment, where Lightcap needed to keep his 750-person company calm, Kushner became a confidante.

When the crisis was over, with Altman back in the CEO chair and the employee tender back on track, Kushner's support still left a strong impression on Lightcap. "It can be weirdly lonely not having anyone to talk to," he says. "To have moments to say, 'Am I even thinking about this the right way?'—he became a support system for me."

The idea of Kushner playing the friend-and-mentor role, with hundreds of millions of dollars at risk, may sound far-fetched. Not long ago, so would the idea that Thrive could be at the center of one of the biggest stories in business.

Kushner in his office at Thrive Capital's Manhattan headquarters. Being on the East Coast, he feels, gives his team an investing edge.

MACKENZIE STROH FOR FORTUNE

Kushner's firm was (and is) relatively small and, by most founder standards, based on the wrong coast. In a VC community where the most valued advisors are seasoned pros who have witnessed multiple boom-and-bust cycles, Thrive is home to an ever-growing cast of 20-somethings.

Then there's Kushner's famous family, which has been both a stepping-stone and an obstacle to his aspirations. His father, Charlie, served jail time for wrongdoings he committed while building his real estate empire. His brother, Jared, married Ivanka Trump in 2009, and later served as presidential aide to his divisive father-in-law, Donald Trump.

The backlash against the family has made the youngest Kushner keenly aware that in business, your reputation is everything. It has also made him hyper-reluctant to talk about himself in public, even as some of his VC competitors became business celebrities. It took considerable persuasion to get him to sit with Fortune for five interviews this summer and fall. In conversation, he was extremely cautious, sharply avoiding any public line of questioning that could lead him to sound boastful about himself, or reflect badly on his parents or siblings.

"I know what it feels like to be treated poorly," Kushner says. "You realize people who you thought were your friends are not your friends. So what's the point of trying to impress them, anyway?"

"You realize that people who you thought were your friends are not your friends. So what's the point of trying to impress them, anyway?"

JOSH KUSHNER, THRIVE CAPITAL FOUNDER, ON COPING WITH NEGATIVE PUBLICITY

Instead, Kushner has spent 14 years operating relatively under-the-radar—while convincing some of the world's most successful founders that he is not who they might initially think he is. They might expect a blusterer who throws sharp elbows; what they get—as dozens of them told Fortune for this story—is an almost pathologically polite companion and adviser who remembers their favorite whisky brands and constantly reminds them how much he values their friendship. The funding, logistical support, and pep talks arrive whenever they're needed; the ego trips and the harsh words rarely do. There's a sizable chip on Josh Kushner's shoulder. But it's almost entirely hidden under a thick layer of kindness.

That chip has also driven him to become one of the planet's most financially successful under-40 entrepreneurs. Kushner has scaled his firm from an initial $40 million institutional fund in 2011 to a $3.3 billion eighth fund today. Earlier this year, he sold a 3.3% stake in Thrive to moguls including Disney CEO Bob Iger and KKR founder Henry Kravis. The sale valued Thrive at $5.3 billion, and with Kushner as nearly sole owner—he owns the other 96.7%—it solidified his status as a billionaire.

That success has brought Kushner to a crossroads as he prepares for Thrive's next chapter. Until recently, Thrive has been a lean team of unapologetic workaholics. But Kushner's team is learning that their round-the-clock devotion to founders — the embodiment, in business form, of Kushner's intense personal loyalty—can be difficult to scale. And now, as Thrive manages its biggest-ever fund, the firm may soon face its first real market downturn. An explosion of "unicorn" startups with billion-dollar valuations has recently given way to a wave of "unicorpses;" as once-hot companies go belly up, billions of venture dollars go with them.

Even Kushner admits he's not sure what comes next for the industry —but says he's committed to getting there. "I want this place to last for a long time and I want it to be the best version of itself," he says. "And whatever that takes is what it will be."

Home is where the work is

Josh Kushner is the last to order as we sit down for drinks on a sunny afternoon in New York's East Village. The 6-foot-3, thin-framed investor is wearing a white T-shirt beneath a navy blue cardigan: It looks like it came from Mr. Rogers' closet, but somehow on Kushner it looks stylish. His cool-kid vibe has helped him float comfortably in power circles, equally at ease among celebrities like Katy Perry and Shawn Mendes or CEOs like Iger and Kravis.

When it comes time to decide, he asks the waitress—whose name he requests, then recites back—if there are any nonalcoholic beers. She makes a funny face, so he settles on tea. He tells her he appreciates her as she scurries off to place the order.

Kushner doesn't drink much alcohol these days, though he did hand out mini-bottles of tequila as party favors at a celebration of his marriage to supermodel Karlie Kloss in 2018. Drinking is a habit he largely kicked in his twenties, in part to adapt to a gluten allergy—and in part so he could focus even more on work.

He eliminated his commute long ago: At the Puck Building, which his family owns, home is on the penthouse floor, a short elevator ride from the office. There he juggles two children under age 3 and competing schedules with Kloss, who is also an investor in fashion publication *W* and, in mid-November, struck a deal to buy the British fashion mag *i-D*. The pair had returned from a spring trip to Mumbai, where Kushner met with one of Thrive's shareholders—Mukesh Ambani, India's richest man—and Kloss participated in a Dior fashion show.

"My mom always told me the goal of life was to be happy to go to work, and be happy to come home," he says.

Josh Kushner and Karlie Kloss at a 2019 basketball game. Compared with his competitors, Kushner has been press-shy.
JAMES DEVANEY—GETTY IMAGES

He learned such lessons 22 miles from Manhattan, in the leafy suburb of Livingston, N.J., in the 7,302-square-foot home Joseph Kushner built for his eldest son, Charlie. There's a basketball hoop in the driveway where Josh, the youngest of Charlie and Seryl's four children, developed a love for the sport that would lead to his buying a minority stake in the Memphis Grizzlies in 2019. (If you want to see Josh in a rare unfiltered moment, according to one friend, attend a game and watch him transform into a raving fanatic.)

Josh's grandparents, Rae and Joseph, were Holocaust survivors; they met in Belarus, in a colony of Jews who had escaped Nazi roundups and were living in hiding. The couple made it to the United States in 1949, and Joseph became a successful carpenter. Charlie joined him in the early '80s in a real estate business, Kushner Companies, which Charlie still runs today; it operates tens of thousands of apartments and owns millions of square feet in retail and office space along the East Coast.

Charlie Kushner recalls his father working all but three days a year. In turn, Charlie and Seryl brought their children—Nicole, Jared, Dara, and Josh—to the office every Sunday. The kids visited family real estate projects, occasionally being pulled out of school if a particularly exciting deal was about to close.

Josh and his siblings became accustomed at an early age to rubbing shoulders with powerful people, and Josh learned the valuable skill of impressing those much older and more influential than himself. For a time, there was a revolving door of presidents, congressmen, and world leaders visiting Kushner Companies. When Bill Clinton came through town in the late '90s, Charlie told Josh, then 12, to introduce the president to the entire company. Josh prepared a speech and delivered it flawlessly.

Those powerful people later became bit players in a family tragedy. It turned out politicians kept showing up because Charlie paid them, or their campaigns, large sums from company funds, unbeknownst to his co-owners (who were also his siblings). In 2004, Charlie Kushner pleaded guilty to tax evasion, illegal campaign contributions, and witness tampering (in a scheme involving a hired prostitute).

Josh, who was entering his freshman year at Harvard, watched in shock as his father's behavior played out publicly in embarrassing tabloid stories. His mother was often in tears. Jared, then 24, stepped in as CEO of Kushner Companies and attempted to clean up the mess. Charlie eventually served 14 months in prison; Josh would fly down to visit him on weekends at a penitentiary in Alabama.

The scandal would have broken most families. It made the Kushners, who had always emphasized loyalty, even closer. But it also illustrated the perils of letting your ambition outweigh your scruples—and of seeking the public eye.

Carving a niche

Andy Golden remembers the day he met Josh Kushner, mostly because Josh didn't talk.

The veteran head of Princeton's endowment frequently found himself navigating gaggles of venture and private equity players who hoped the university might give them money to invest, becoming their limited partner, or LP. But at a 2010 happy hour for VCs in Cambridge, Mass., Golden recalls, “There was this one guy who was off further from the group, staring at his shoes. That was Josh.”

Intrigued, Golden cultivated a relationship. He found Kushner to be thoughtful and hardworking, despite having the kind of privileged upbringing that could make kids lazy. Kushner at the time was simultaneously finishing business school at Harvard and starting Thrive; he was also making angel investments in New York and had cofounded a social gaming startup, Vostu, that was gaining traction (it would later turn down a large acquisition offer, only to flame out).

Kushner was raising his first institutional fund, seeking $40 million. Golden decided that a $10 million investment was a decent price to pay for access to New York’s startup scene—and for a chance to mentor Josh, who he says reminded him of his own son. “Andy, I think in many ways, saw more in me than I saw in myself,” Kushner now says.

Another early believer was CAA founder Michael Ovitz, who met Josh through Jared Kushner, and felt the same paternal pull to mentor him. Ovitz started dashing off emails to titans like Marc Andreessen to help Josh build his network in Silicon Valley. Seryl and Charlie Kushner invested about $1 million in Thrive’s $5 million pre-institutional fund; the firm says they have not invested since and are not currently investors in Thrive.

Other LPs would take more convincing. One summer morning in 2014, Kushner scheduled a train trip to Connecticut. He had booked a meeting with David Swensen, the widely revered chief investment officer for Yale University. As he was about to board, his cell phone rang. Swensen’s office had called to cancel.

Kushner asked if the decision had to do with his father. It did: Swensen would not be meeting with the son of Charlie Kushner.

It was a blow that felt not only painful, but also wrong. It had been nearly 10 years since Charlie went to prison. Josh had forgiven his dad: He felt he had owned up to his mistakes and served his time.

Golden advised Kushner to move on, but he couldn’t. Hours after the snub, he sat down at his desk and sent an email.

"I am not ashamed of my father in any way," he wrote, according to multiple people who saw the message. "Everyone makes mistakes, and I love my father. I only have one father. But I am not him, and I have trouble understanding how events that took place when I was 19—and was not responsible for—are still impacting me. I respect your decision not to invest."

Swensen quickly messaged Josh back: He'd drive to the city to meet with him. Shortly after, Yale invested in Thrive. Swensen died in 2021, but Yale remains one of Thrive's LPs.

The early 2010s turned out to be a good time to take a chance on Kushner. No seasoned VC wanted to join Thrive when Kushner started out; his lack of a track record made the firm a tough sell. So he adopted a "hire your smartest friends" approach, tapping Harvard classmates Chris Paik and Will Gaybrick as early partners.

The team scored some quick wins. Text-messaging app GroupMe was acquired by Skype one year after Thrive funded it; e-commerce eyeglasses darling Warby Parker would later go public at a nearly $7 billion valuation. And Twitch, a gaming startup, would eventually be bought by Amazon for almost $1 billion.

Not all of Thrive's bets of the 2010s were successful; Thrive invested in e-retailer Fab and the much-mocked Keurig-for-juice startup Juicero, two infamous flops. While it made a smart early bet on trading app Robinhood in 2014, it held on to some of the company's stock post-IPO rather than return all proceeds to LPs. Robinhood has gone on to lose significant value. Another prominent investor, Union Square Ventures' Fred Wilson, has said that such holding-on-too-long moves are the kind of thing that LPs should fire VCs for.

"We know these companies well, and weigh each factor and make the call. We will not get every decision right," a spokeswoman for Thrive told *Fortune* in an email, adding, "We love Fred, but making this generalization is something we disagree on."

Golden, who has been an LP in every Thrive fund, says that regardless of missteps, the returns have been "phenomenal," and that Thrive is one of Princeton's top 10 largest and best-performing relationships. Thrive has amassed positions nearing 10% ownership in multiple companies that are now worth billions, including GitHub, Stripe, biotech data platform Benchling, and Kim Kardashian's Skims. Along the way, Kushner has dispelled doubts that his success was merely due to his Harvard ties and family connections, says David Tisch, another venture investor from a wealthy New York family: "Josh had access to capital and had access to a network and absolutely nailed it."

Getting into winning early-stage deals also involved good timing, Kushner and early employees say. They began deploying capital at the bottom of a long bull market, when the internet, social media, and mobile devices were transforming all industries. But Thrive also benefited from Kushner's low-key charisma. Older moguls wanted to counsel and guide him. Young founders thought he was the kind of guy you'd want to have a (nonalcoholic) beer with. Slowly and steadily, he seeded relationships that would pay off for Thrive years later—including one that generated its most important early deal.

Insta win

One morning in 2011, Kevin Systrom received an email from Ron Conway, one of the most successful investors in Silicon Valley. Conway wanted to introduce Systrom to a Brazilian entrepreneur. Systrom was toiling away on a startup called Instagram with a cofounder, Mike Krieger, who was also Brazilian, so an intro to a fellow countryman seemed like a win.

Krieger couldn't join, but Systrom met the founder for tea at Samovar in San Francisco's Yerba Buena Gardens. Their orders had already been placed when Systrom realized he had misunderstood Conway. The person across the table was very clearly not from Brazil. He was a lanky 25-year-old B-school student with a mop of bushy brown hair: Kushner. (Kushner's Vostu was popular in Brazil, hence the mix-up.)

"I very clearly remember going, wait a second, he's from New Jersey!" Systrom recalls with a laugh. "I'm not sure I would've taken the meeting had I not thought he was Brazilian."

Still, it was the start of a friendship Kushner would nurture. He checked in frequently to offer product ideas, holiday gifts of whiskey, and impromptu dinners (for which he would book same-day cross-country trips from New York). Systrom valued Kushner's advice—which became vital when, a year later, he found himself running the hottest company in San Francisco and wondering who he could trust.

Kevin Systrom, co-founder of Instagram, speaks during a panel discussion at SXSW in March 2019.
CALLAGHAN O'HARE—BLOOMBERG/GETTY IMAGES

"I was 28. I didn't know anyone in Silicon Valley, and I had all these big names fighting over big allocations in my company," Systrom recalls. "The one person who was consistently there anytime I needed to ask a question, or work on things, or just as a friend, was Josh."

When Systrom decided to raise a $50 million financing round, he took money from four venture firms. Three were premier Silicon Valley names: Benchmark, Sequoia, and Greylock. The fourth was Thrive Capital. (Kushner got the news from Systrom in Brazil, ironically enough, where he was attending a startup conference.)

Kushner was offered an $11.5 million allocation, which would have been about 30% of his fund, a risky amount to invest in one company. He invested $3.5 million from Thrive, then quickly set up a "special purpose vehicle" (SPV)—a one-deal-only fund that could include investors other than Thrive's LPs—to raise the other $8 million. The raise was successful—and then good luck struck. Just a few days after Kushner wired the money, Instagram sold to Facebook for $1 billion. The sale slightly more than doubled Kushner's investment, giving him a calling card that validated his acumen and his patience.

"I didn't quite fully grasp what a moment that was for him and Thrive," Systrom says now. "I didn't do it because I thought I was doing him a favor. I did it because he was clearly there all the time and working hard with us."

Killing it with kindness

Kushner has long declared that he doesn't just want to invest in startups: He wants to build them. To date, Thrive has created or cocreated more than a dozen companies, with more to come. In the incubation process, Thrive either comes up with a business idea and recruits an entrepreneur to run it, or teams up with a founder who already has an idea.

The first such company was Oscar Health, an insurance startup conceived by Kushner, for which he recruited his Vostu cofounder and business school friend, Mario Schlosser, as CEO. Real estate platform Cadre, dreamed up by Josh and Jared Kushner, was another. (Cadre was acquired this week by alternative investment platform Yieldstreet; financial terms of the deal were not disclosed.) The Browser Company, started by a former Facebook employee, Josh Miller, was yet another.

The incubator relationship requires Kushner to be even more hands-on, and it's here that his kindness and unflappability seem to make the biggest impression. Many sources for this story told me that they initially found Kushner's over-the-top politeness baffling or even odd. But each said over the course of years, the behavior remained largely consistent, so they deemed it authentic.

"He's extremely composed," one founder said. He went on to compare Kushner to the invisible, shape-shifting Boggart in *Harry Potter*, a character known for its mystique: "I don't know if anyone actually knows what Josh looks like not composed, because no one has ever seen it." Another founder said that after a decade of knowing each other, Kushner still signs off phone calls by thanking him for his friendship. Colleagues say Kushner tells them he loves them.

Perhaps one of the biggest secrets behind Kushner's success is his realization that in venture capital, where deal flow depends on founder references, it pays to not be a jerk and to instead play the long game. One founder, Josh Miller of the Browser Company, was surprised when Kushner returned a chunk of equity after he spun his startup out of Thrive because, as Miller says Kushner told him, it was the "right thing to do." While potentially costly for Thrive in the moment, the decision will pay reputational dividends for years.

"In Silicon Valley, you dismiss people who are kind as weak. It's a lot more difficult to be kind than it is to be a hard-ass."

CHRIS WANSTRATH, FOUNDER OF GITHUB

"In Silicon Valley, you dismiss people who are kind as weak," says Chris Wanstrath, founder of GitHub, another of Thrive's successful investments. "You need to be this hard-ass Steve Jobs type who yells at everyone and rips the clock off the wall and shatters it. I think it's a lot more difficult to be kind than it is to be a hard-ass. It takes patience, which wouldn't be a virtue if it was easy."

It's a trait Kushner has worked hard at, and one that distinguishes his approach from his father's and brother's. (Both have been known to go nuclear when crossed.)

Kushner isn't immune to frustration, and he reserves his most anxious feelings and cutting deliveries for those who know him best and are not his founder clientele. Hints of it can be seen in occasional emotionally charged calls or emails expressing disbelief or disappointment—much like the one he sent Swensen. Schlosser, his Oscar cofounder, recalls being so struck by Kushner's phone calls to investors who passed on funding the startup that he quietly recorded a video of his friend in action. Kushner would flail about the room, arguing that the investors had made a costly mistake.

"He would give this whole 'You're going to miss out' speech," Schlosser says, describing the performance as "masterful."

Still, Kushner is careful to display appropriate professional restraint. In more than 35 interviews for this story, no one cited a hostile exchange with Josh.

The years Kushner spent cultivating relationships paid off in 2016, when Donald Trump, his brother's father-in-law, was elected president. It was a moment that could have reputationally sunk him, given the left-leaning mindset of many tech founders and employees. Founders and friends began to dump Jared, who would be heading to the White House. And Josh's startup Oscar had a business model that depended heavily on the Affordable Care Act, which a Trump presidency put at risk.

Josh Kushner (right) with Jared Kushner and Ivanka Trump in a 2013 photo. The brothers part ways on politics, but remain very close.

PATRICK MCMULLAN—PATRICK MCMULLAN/GETTY IMAGES

Behind closed doors, Josh made it clear to team members where he stood: He did not support Trump. Jared would divest from Thrive as an LP to avoid any perceived conflict of interest. At Oscar, the company held weekly all-hands meetings, where Kushner answered a range of questions about his family's new affiliation with Washington. "He would say that he was loyal to his family but that he also had a different political position than the administration took," Schlosser recalls. "It never became a problem that people didn't believe Josh."

In many ways Josh's wife, Kloss, helped convince the public that the two brothers weren't politically aligned. She posted images of herself and Josh together at the Women's March in 2017 and, years later, tweeted that she had tried to persuade Jared and Ivanka to stop the Jan. 6 insurrection. Josh would back-channel to his brother when frustrated, as when Trump imposed a ban on Muslims entering the U.S., and support other initiatives, like the Abraham Accords strengthening Arab-

Israeli ties. He spoke regularly with Jared throughout his White House years—as he still does today.

Josh's intense protectiveness of his family was a persistent undertone in our conversations. While I spoke with his parents and his wife for this story, Josh did not want me to speak with Jared at all. (I made numerous calls and sent multiple emails and text messages to Jared over the course of my reporting; he never responded.) On a four-mile walk near his office, I asked Josh his feelings about his family and his political differences with Jared, especially in the context of the insurrection and Trump's 2024 presidential campaign. He replied at length—but only on the condition that it not be for publication.

He later emailed me a statement that was on the record:

"I love my brother dearly. Anyone who has an issue with that is not someone I care to have in my life.

"I did not support President Trump in either election, but I am proud of Jared's accomplishments, specifically in criminal justice reform and Middle East policy. These two things are not a contradiction to me.

"Jared and I sometimes disagree—that hardly makes us unique as siblings. Sharing perspectives makes us both better informed. We live in a society where very few people are willing to sit and truly hear other perspectives, but I think our country could stand to do a bit more listening right now. I know it has made us stronger as brothers."

A culture shift at Thrive

Today, Thrive Capital's 65-person office in New York brims with stylish millennials who buzz about the latest tech-industry trends. For many, joining the firm involved a monthslong or even yearslong interview process. Hiring a bad egg—or even a mediocre one—is a matter of extreme paranoia for Kushner: One high-performing intern's job offer was rescinded when it was discovered she had been rude to the office assistants. Nabil Mallick, Thrive's head of portfolio impact, says his own interview process took eight months, even though he's known Kushner since business school. “You can fake it over a 30-minute interview, but you can’t fake it over 20 hours,” he says.

Job interviews consist of cultural-fit conversations, case study questions, dinners, breakfasts, and coffee meetings. The firm targets highly motivated creative types with less than four years of investment experience, believing it’s easier to teach people venture or technology than how to strategically think, partner Kareem Zaki says.

Thrive has two weekly deal flow meetings, where partners vigorously debate startup investment opportunities and weigh whether to cut a check. If the majority is not in favor, a deal does not happen, and even Kushner can get overruled. “We can’t make the right decision every single time we’re looking at an investment, but we can have the right conversation,” Kushner says. “The way to have the right conversation is to have the right group of people around the table who feel empowered.”

Data is increasingly an important part of Thrive’s decision-making. Two years ago, the firm hired analytics expert Anuj Mehndiratta away from Blackstone. At Thrive, Mehndiratta and a team of six have built what they call the firm’s “operating system,” where anyone inside the company can get incredibly detailed views of performance metrics of current and potential portfolio companies, including a host of information that’s not publicly available. The insights have given Thrive conviction to lean into some deals, such as with OpenAI—Kushner was able to see the startup’s usage and revenue exploding on his own dashboard—and to avoid others.

Round-the-clock labor is still the norm. “Work is life!” Kushner told me more than once. Karlie Kloss remembers storming to the office one night at 11 p.m. in the early days of their relationship, in disbelief her new boyfriend could still be working. Kushner was there, toiling away with his team. The only break the Thrive crew gets is on Friday night into Saturday, when Kushner unplugs for Shabbat.

“You get a little bit of money and a little bit of access if you are

given it. You get a lot of money and a lot of access if you earn it."

DAVID TISCH, VENTURE CAPITALIST AND FOUNDER OF BOXGROUP

Mallick once spent six weeks commuting to San Francisco from New Jersey, immediately after the birth of his second child. GitHub had fired three executives, including its CFO, and Mallick stepped in to fill the void. "My wife was very mad at me," he admits.

Zaki went on 28 trips to California in one year to establish inroads with West Coast founders. "We would message people and be like, 'I'm in town if you'd like to meet.' But we weren't in town. If they said they were available, we would just fly there," Zaki says.

Zaki and Mallick are among Thrive's most senior leaders, but it's worth noting they're under 40. Kushner, at 38, is the oldest of his nine-person investment team. That means there isn't much benefit of hindsight at Thrive. When I joined one of the firm's monthly lunch-and-learns, it was led by one of the few people who could provide that: Thrive's executive chairman, Nitin Nohria, a former Harvard Business School dean in his sixties. (Kloss calls him Kushner's "Yoda.")

The gathering was attended by more than 40 staffers, about half of them women, almost all casual in jeans and sneakers. Kushner (who was again wearing the Mr. Rogers sweater) sat in the back. With Nohria at the chalkboard, we reviewed a case study in which a startup had experienced exponential growth and now was navigating its "messy middle" phase.

That phrase could apply to Thrive today. At an offsite in 2022, Zaki presented an urgent issue: If the firm kept growing at its current pace, it would not have enough internal resources to properly support all the founders in its portfolio. Thrive has spent the past year staffing up, adding 24 people since 2021. But it also faces a bigger challenge: It needs to prove it's a firm that can last as a frothy venture market threatens to deflate.

A venture bubble?

Roelof Botha is the lead partner at the most storied venture firm in Silicon Valley, Sequoia. Like Kushner, he is the scion of a powerful family whose outsize reputation helped drive him to make something of himself. Thrive and Sequoia have been both competitors and collaborators on startup funding rounds. Botha has had Kushner to his home for dinner; he has also been a Sequoia partner since Kushner was in high school.

Botha worries that the amount of money raised by venture capitalists is far out of proportion to the number of good startups that actually exist. “There just aren’t hundreds of companies worth [tens of billions] in scale being built every year,” Botha says. The result, he says, could be an extinction-level event for the venture industry, in which many firms fail. His conclusion: The playbook that worked for the past 10 years of growth may not work for this next decade. “Do you have the right structure?” he asks rhetorically. “Do you have enough associates and partners? Those are the sort of questions I imagine Thrive is wrestling with.”

Kushner is already wrestling with the stresses of a market that has recently been unkind to tech investments that aren’t AI plays. Sometimes, of course, those stresses create opportunities. Late last year, Stripe found itself in a cash crunch, needing to raise billions of dollars for a tender offer at the same time that its breakneck rate of revenue growth was beginning to slow. Thrive had invested in Stripe’s 2014 Series C round; now Kushner, Zaki, and Thrive’s investment team kicked around the pros and cons of going bigger. Kushner saw a new financing round as a chance to boost his stake in the best of the new breed of retail payment “acquirers”—at a huge discount of about half Stripe’s prior valuation.

“We were very conscientious of the fact that it was a difficult moment” for Stripe, Kushner says. “But difficult moments are when you want to show up.”

On a Sunday evening early in 2023, Stripe cofounder and president John Collison was in the car when he got a call from Kushner: Thrive was in for $1 billion. What followed was a two-week blur, as Kushner and his team worked the phones—and their frequent-flier miles—to round up financing for an SPV to lead Stripe’s round. When the funding came together this March, Thrive invested $1.8 billion—the largest check Thrive had ever written—and about $1 billion more than any other firm. “Josh is very much dancing to his own tune,” Collison says. “And venture is an industry where that is the opposite.”

“Josh is very much dancing to his own tune. And venture is an industry where that is the opposite.”

JOHN COLLISON, STRIPE COFOUNDER AND PRESIDENT

But other contrarian bets aren’t paying off as well in a choppy market. In 2021, Thrive changed its regulatory status so it could invest in areas where venture firms don’t traditionally roam—including owning common stocks. This fall, public filings revealed that the University of Texas pension fund, an LP, had written down the value of its Thrive investment by 31%. That markdown reflected the plummeting stocks of Carvana and Robinhood, in which Thrive’s newest fund holds big positions.

Kushner also needs to prove that he doesn’t just nurture talent—he can keep it too. Thrive has seen a string of partner departures in recent years, including Chris Paik, Will Gaybrick, and Jared Weinstein, who date back to the firm’s couch-surfing days, and Miles Grimshaw. Twenty- and thirtysomethings, of course, tend to career-hop. But Kushner also hasn’t historically structured his firm in a way that has incentivized partners to stay.

In venture capital, partners are typically paid in part through “carry”—a percentage of any investment gains, typically 20%. Each of Thrive’s full-time employees, from assistants to partners, receives carry and has shared in the firm’s profits. (Management fees paid by LPs can be another factor in VC compensation.)

Kushner is the sole internal owner of Thrive’s management company, which is not typical for a VC firm. The structure has its benefits, like enabling quick decision-making. But as much as he strives to run a democratic shop, when push comes to shove, every other partner is a junior partner compared with Josh. Ambitious staff members who want more authority and autonomy—especially after a decade or more at the firm—have sought it elsewhere.

If Kushner is intent on building a firm that lasts for generations, he may have to create more official seats around his table. I ask him what will happen to Thrive if he gets hit by a bus tomorrow. He admits it's a good question with no clear answer.

Pedigree

Charlie and Seryl Kushner greet me on the 50th floor of 767 Fifth Avenue, in a corner office that's bathed in natural light and covered with family photographs. Not many journalists are invited here these days, and the couple's anxiety is palpable. Seryl is wearing a long black dress, as if mourning our interview before it even starts.

The Kushners tell me they're proud of their youngest—hardly a surprise. Josh is methodical, patient, and kind, they say. Charlie's assessment of Josh is particularly poignant, given his own troubled past. "We're very proud of his accomplishments, but we're even more proud of who he is as a person and the way he treats people," he says.

I ask where they think Josh will go from here. They tell me what others have told me but Josh is too polite to tell me himself: He'll become the world's top venture capitalist.

I leave thinking less about that ambitious goal than about what success means as a VC today.

For all of Kushner's hard work and likability, it's fair to wonder whether his achievements are ultimately a reflection of a unique approach to tech investing, or simply the benefits of connections, access, and capital. Many of the sources that I spoke to said that Kushner is not necessarily the best investment picker they've ever met, nor does he stand out as the undisputed smartest person in the room. He has an eye for promising startups, and a good sense of what makes a quality team and product, but none of that is exceptional in the world of venture capital.

Kushner himself ascribes the firm's success to humility, hustle, and thinking counterintuitively—not for the sake of being radical, he says, but because identifying norms and trends that have run their course makes it easier to see the next big thing. Ignoring the pack and the noise is a core Thrive value, Kushner says: "We have our blinders on and block out the echo chamber."

Still, there's no denying the unique assets that Kushner inherited by virtue of pedigree. The family history has been a burden at times, leaving him little or no room for reputational error. But the opportunity to schmooze powerful people and persuade them to entrust you with their money is one most twentysomethings don't get, no matter how smart or charismatic.

In the end, an investor's assets and advantages matter only if they help them get results. And so far, Kushner has performed.

"You get a little bit of money and a little bit of access if you are given it," says David Tisch, Kushner's fellow New York VC. "You get a lot of money and a lot of access if you earn it."

This article appears in the December 2023/January 2024 issue of Fortune *with the headline, "How did Joshua Kushner get $3.3 billon?"*

Rankings

40 Under 40
Most Powerful Women
100 Best Companies
World's Greatest Leaders
Fortune 500
World's Most Admired Companies
Global 500
See All Rankings