**FT:** Gretchen Rubin, welcome to So Money. Wonderful to have you on the show.

**GR:** I’m very happy to be here. Thanks.

**FT:** Your new book is called ‘Better Thank Before’ and you’ve identified 21, 21 strategies [chuckles] that’s allowing readers to essentially learn how to make or break habits effectively once and for all. I guess the fact that you found 21 strategies is a good thing.

**GR:** Yeah, it can sound a little overwhelming like, “Oh my gosh! How do I deal with that?” But I think you’re right, it’s actually good because what it means as that in different situations with different habits a different times, we have lot of things to choose one from. You can pick and choose whatever appeals to you because there is such a range of strategies that might work.

**FT:** I took you 4 Tendencies Quiz on your website gretchenrubin.com and you have--you suggest that readers do this in order to sort of do this for reflection to then figure out how to best strategize, right, to achieve habits. And, there are 4 Tendencies that you have narrowed down; one is Upholder, the other is Questionnaire; Obliger; and Rebel; and I actually turns out a Questionnaire. I probably wasn’t too surprised to hear this because this is kind of what I do as a profession. Am I in a good place or bad place with this? What are the pros and cons?

**GR:** Well, right. The 4 Tendencies have to do with how we meet an expectation. An outer expectation like a work deadline or a request from a spouse and then inner expectations like our own desire to play guitar or our own desire to start a blog in our free time. And so as you said, there is the 4 Tendencies and they described how people respond different to outer expectations and inner expectations.

Now, Questionnaire is one of the largest categories. It turns out most people are either Questionnaires or Obligers. Questionnaire, that’s a great tendency because they are very focused on what’s makes sense. They hate anything arbitrary or rational. They wanna be convinced. They wanna believe before they’re gonna accept an expectation that’s being asked to them.

But, sometimes there is a negative like they have analysis paralysis where they want too much information. They want perfect information, which they can’t always get. Sometimes other people become get exhausted by the constant questioning and they’re kind of refusal to just say like, “Okay, we were making a decision. For better or worse, we’re moving forward.” Sometimes they can almost seem like crack pots because they will arrive at their own conclusion. That’s what they wanna do. They wanna do research and right their own conclusion and they might arrive at a conclusion that is very different from what the people around them think makes sense. You know, like my friend whose husband with cancer disagreed with their cancer doctor about what his treatment should be and so, kind of went off in his own direction. So, all of these have good and bad sides to them.

**FT:** And you’re an Upholder, I understand.

**GR:** Yes.

**FT:** And, you’re actually good at keeping habits which is what led you to wanna write this book is that you are what you say kind of part of the very small percentage [chuckles] of the population that’s actually really, really good of habit keeping. Is this in your DNA, you think?

**GR:** I do. I think with age and wisdom, we can learn to counter balance the negatives of our tendencies but I do think that we come into the world hard wired with a certain perspective.

**FT:** Why is it important to take his quiz, quiz about tendencies before beginning your journey toward developing good habits?

**GR:** What really what I found in my quest to understand habits is that, you know, there is this really strong impulse among experts to come up with the one-size-fits-all solution like, “Do it first thing in the morning,” or “Use cash,” or “Have a cheat day,” or “Do it for 30 days,” or, you know, that there’s one-size-fits-all and then we can only find that magic solution that would work for everybody.

And, that just seem to me to be obviously not true, I mean just looking around the world. I was like sometimes the same things don’t work for people. There needs to be an acknowledgment of the range but sometimes, you know, getting up in the morning and doing something sounds like a great idea on paper. But if you’re a night person, you can barely drag yourself out of bed until 10 o’clock to get to work, then going for a run at 8 AM is not a solution that’s gonna work for. So, you’re just setting yourself up for failure if you decide that’s the habit that you’re gonna try to form.

And so, the really important thing to do as you’re reading to the 21 strategies is really to look very hard to yourself and to say, “What’s true for me? When do I succeed? When in the past have I succeeded? What were the circumstances at a certain time that allowed me to do this?” For instance, a friend of mine said, “You know, when I was in the high school, I was on the track team and I never missed track practice but I can’t go running now.” And, that fascinated me because it’s the same person and the same habit but at one time, she could do it effortlessly and then at another time, it was very difficult for her. So, what was the difference?

And so, the 4 Tendencies is just one of many ways that I tried to help each person understand how they’re different from other people and how they’re like from the other people. Like for me, if I’m facing a strong temptation, it’s much easier to give something up altogether and for some, it helps them to indulge in moderation and this is just that’s true for you.

When it comes to money, some people do better when they use cash. Some people do better when they use credit cards and people do better when they use online shopping when they they’re trying to control their spending. There’s a good case in this for all the strategies--they’re not universal strategies because different ones work for different people.

So, the 4 Tendencies is one way to understand aspects of yourself, but then can influence what might work for me. And in particular, like the Big Takeaway, I think of the 4 Tendencies is that for people who are Obligers, not as people who easily meet external expectations of them but they might have a lot of trouble meeting expectations for themselves. They key thing is external accountability. That is what works for me and so, just put in some kind of form of external accountability and you’re gonna do much better.

Like a friend of mine, who is an Obliger, and wanted to get her finances in order. She said, “Well, I kept saying that I was gonna do it, I was gonna do it, I was gonna do it.” And then, I made up an appointment with my really expensive accountant.

**FT:** [Chuckles] Right.

**GR:** And, I knew I had to get rid of it because I don’t wanna waste a minute of that guy’s time. And so, by building in that external accountability, she was able to get herself to do something. That have been frustrating her.

**FT:** Well, it’s like my gym. If I don’t show up for my session, then they automatically charge my account on top of like the fee that I’ve already paid to buy my package, so that keeps me accountable for sure.

**GR:** That’s interesting too because for you that helps, but some people as we’ve…

**FT:** A Rebel [chuckles]. Well for some people, paying almost makes them feel like they’ve done their job. Like what they’re paying for is almost the same thing as if I actually worked out. And so for them, they might need to have the feeling of that trainers disappointed if they don’t show up.

So, it’s also like the psychology of like what works for you. For some people, the idea of losing money is incredibly persuasive. They’re like, “I am gonna waste that money,” and it drives them nuts. And then, another people there like, “Ahh, you know, I’d pay for it.” It’s like I practically want myself. And so, that’s another thing is be very aware like if you’re trying to build an accountability, what kind of thing matters to you because people are very different and what’s gets them going.

**GR:** Yes, and actually on your blog, I noticed at one point you asked your readers, “What were some of their financial habits?” And, I read the comments and they were all over the place. What do you think were some of the best practices under saying that for everyone it’s probably a different strategy but, you know, just generally speaking for our audience who is listening in, wanting to know how to maybe install some good financial habits. What are the most common ones that are effective?

**FT:** One thing that it turns out is that when it comes to following your habit, how easy or difficult it is to follow that habit matters tremendously. This is what I call ‘The Strategy of Convenience and Inconvenience.’ So you wanna make it super convenient to do the things you want yourself to do and very inconvenient to do anything you wanna avoid doing. The easiest possible thing to do is to make one decision which is to setup some kind of automatic savings plan where you just you’ve done it one time and then you basically have to had a savings without lifting a finger. You don’t even know what’s happening. It’s just running in the background for into your savings account, into a college account, into travel, you know, splurge account or whatever it might be, so that’s a great thing to do.

And here is another thing, if you’re a person with trouble with impulse shopping online which is a lot of people from what I can tell, make it very inconvenient. So you know, they make it as easy as possible, oh you register as a customer, and then you just go one click, and you bookmark it, and it’s just, you know, from sitting down in front of your computer to making a purchases like 30 seconds. So, you make that--you wanna slow that down, so you want to erase your bookmarks. You wanna always go as a guest. You have to enter your credit card information, your shipping information every single time because the slower it is, you’re just gonna--you might be in the habit of doing it but just like making a little bit more difficult. That’s gonna really influence how attractive that is and people do the same thing when they’re shopping in person.

So, like don’t use a card, use a basket, or just hold things in your hand. Or, if you want something, what a lot of people do is create successes. They say, “Well if I want it, I’ll come back for it.” So like, “This is not on my list.” A lot of people used to list because that’s the way on my list or not on my list. But then like, “What I really wanted, I wanna go to all my shopping and I’ll go back for it.” And, a lot of people like they don’t remember and other like, “Oh, it’s not worth like put it back there and getting it.”

**FT:** Right.

**GR:** And, here is something funny. If you wanna shop, shop with a man if you’re a woman. Woman buy less when they’re man even though when they’re shopping with children.

**FT:** Oh my god! That’s so true.

**GR:** It’s certainly when they’re shopping by themselves or with other women. So like, bring a guy along and that will pick as faster as you are, the less you’ll buy. The longer you stay in that store, the more you touch and pick things up, and stores know that. You know, everything in that store is organize to try to keep you in there and get you to beat. Make it as easy as possible for you to put stuffs in your card. So, anything you can do that’s gonna make them harder.

**FT:** Alas because my--it’s so true what you said about men because if I go shopping with my husband who is not really excited to go shopping with me, you know, and he doesn’t ever say like, “Let’s go home,” but I can just sense.

**GR:** Yes.

**FT:** That he’d rather be some place else and that internally makes me like just try to be more efficient.

**GR:** Hassle.

**FT:** Yeah, hassle. Exactly.

**GR:** Yeah.

**FT:** In the book, you discussed how practicing abstinence. In some cases, can be easier than moderation. Can you explain that for a little bit? Because I thought that was really fascinating and how does that maybe apply to someone who is trying to achieve a financial--a good financial habit like spending less or getting out of debt.

**GR:** Right. Well, so this is a very interesting strategy because it really depends again on you. You have to rely on yourself. For some people when they’re facing a strong temptation, it’s easier to give something up altogether than to try to be modern and I am definitely of standard. If there is something--if I don’t wanna eat ice cream, it’s easy for me to say, “I’m gonna eat any ice cream,” or “I’m gonna eat any Halloween candy,” and not eat any. But, if I try to have a half a bowl of ice cream or I try to have like two big bite-sized pieces of candy, I can’t stop. Or a friend of mine said like, “I can have no wine, or I can have four glasses of wine. I can’t have one-and-a-half glasses of wine.”

And, this has to do with a strong temptation because most of us can be a moderate with a mild temptation. Like “I’m not that into wine,” so I can drink a half of glass of wine. I don’t care. S o that’s it. And moderators, by contrast, they kind of get panicky if they told they can never have something, so they do it better when they can have it sometimes a little bit. So a lot of moderators, I don’t know why, this is like the thing a moderators is they keep like a bar of fine chocolate in their desk and once if they eat a square of fine chocolate. I mean I will eat that candy bar. It will just leave me haunting until I eat the entire candy bar. I could never do that but that’s a moderator. And so, this comes up a lot with food, but it also comes a lot with shopping and technology. These are places where many people find it usually hard to abstain.

So if you have trouble managing online shopping, just say in yourself, “I’m only gonna shop in real life.” Or, if you have trouble like you get carried away when you’re actually in a store but you find it a lot less enticing the impulse shop online. Say, “I’m gonna really buy everything online that I possibly can as a way to just get something out of my life.” Or, maybe there’s a whole category of things that you’re like, “You know what? I’m just gonna stop. I have so many clothes. A lot of them still have the tags on them.” Just like I’m not gonna buy anymore clothes until I absolutely positively cannot live without a new hat or whatever, you know, new mittens because I’m freezing or I’m going to the beach and I don’t have bathing suit that fits. You know, really say, “I’m not gonna do any of it,” because for a lot of people, it’s just easier and people often say like, “Oh, you’re so self-disciplined. That’s why abstaining is easy for you.” I’m like, “No, it doesn’t have to do with discipline,” because if you’re this kind of personality, abstaining is easier. It’s the lazy way.

You’ve given up altogether, you know, like, “I’m just not gonna--I’m gonna buy lunch at work. I’m only gonna bring my lunch every single day. I’ll never gonna eat out because I just way too much money buying lunch at work.” And then just say like, “That is it.” I’m just done making that decision. I’ve made my decision and I’m just gonna go all the way into it. And for a lot of people, that’s easier. It sounds good to me in ending but it’s actually easy.

**FT:** Yeah. So, this particularly works best for things that are real weak spots, right?

**GR:** Yes, yeah.

**FT:** Right, yeah, okay.

**GR:** Yes. Because if it’s something you’re kind of lukewarm about it, it’s easy to be moderate like I never like potato chips. I’m like, “Nah, I have a few.”

**FT:** Yeah.

**GR:** But you know, you put your girl scout cookie in from of me, “Man,…” and then…

**FT:** Thin mints, man.

**GR:** Yeah, that’s kind of go ugly real fast.

**FT:** You’ve talk in your blog also about can you tell me. I’ve stocked your blog. I’ve…

**GR:** No, that’s actually--yeah.

**FT:** I searched the word money and just see whatever Gretchen has talked about money and you talked a little bit about this, you know, Paul Sullivan, he’s fantastic writer for the New York Times. He actually has had new book about wealth and he wrote an article citing brat clients actually who had I’ve worked with in the past on studies about their very stories that we tell ourselves about money and kind of 4 Money Scripts that we all kind of inherent or take on with our lives and kind of it becomes the story of the script that we tell ourselves when we are unable to say commit to good habits or whatever.

And, I’m curious now to kind of shift the conversation to more about Gretchen’s mindset when it comes to money and you said that what best defines you is money vigilance. People who are cautious about spending. They pay debt promptly. They’re the ones who may refuse to spend for no rational reason but so, being money vigilant and then you also say you’re underbuyer.

**GR:** [Chuckles] Yes.

**FT:** Is this something that you learn in your environment growing up. I know that a lot of being a good habit keeper is part of your DNA but what about when it comes to money things? Did you have good role models growing up?

**GR:** You know, that’s a very good question. I mean my family never talked about it like--but there was just a lot of consciousness of like value, and being responsible, and but I certainly never knew how much money we had as a family. I got my allowance first sporadically because I would forget to ask it before my father will forget it to give it to me. I certainly earn a lot. I was very conscious of trying to earn as much money as I could. So, it’s like mode loans and had summer jobs.

But, I think something like being under--so, an underbuyer [chuckles] is for people who really hate to shop and really hate to spend and a lot of them, they’ll end up in situations where, you know, like I want to have gloves in time because I’ll put it off as long as I can, or my kids wanna have something because I’m like maybe we don’t need it just yet, or I’ll buy one tube of toothpaste. It’s like, “Well, I need to buy three tubes of toothpaste,” because, you know, you’re gonna need more like underbuyers are always looking not to buy.

And overbuyers are kind of like, “This could come in a handy,” or “This could be a good gift for somebody,” or “I’ll get it in three different colors,” or “I’m going on a trip, so I need like 10 different things. I’m starting running, so I need like reflector thing, and extra shoes, a book about running.” So, that I think I was just born with just this kind of this like of a whole process. And yeah, but I mean--so, I think if anything I just sort of unconsciously absorb my family’s values and attitudes about it not through kind of explicit conversation.

**FT:** Do you have a financial philosophy or money mantra? And in terms of mantras, do you think those are helpful when we’re trying to establish habits, good habits?

**GR:** Absolutely, I think the more like if you can have some succinct phrase that just rattles around in your head all the time, I think that’s really useful. One of the things, I often do if I’m studying a subject because I tried to do like a manifesto where I try to distill my top beliefs or my top conclusions until like 10 short phrases. Because I think the more that you do that, the more like--if it’s very easy to have it thought, it just runs through your head.

So like for me, my biggest mantra is to be Gretchen and I’m constantly thinking, “Well, be Gretchen…,” is that, you know, I’m trying to decide to do something, “Be Gretchen,” is this Gretchen. And with money, you know, as an underbuyer, I really have to encourage myself to buy because I don’t like to and that’s very inconvenient because a lot of times, I don’t have the things that I need. And so, I have to really like, you know, I remind myself, “If you know, you need it. Buy it now,” because my instinct is often like, “Well, I’m right here in front of a drugstore with 10 minutes to spare,” but “Maybe I’ll buy it tomorrow.” It’s like, “No, buy it now,” like it get it across off the list.

And like closed shopping, I used to feel, “Well, I should only buy few things at a time,” because I don’t wanna like go overboard and I realized, “I really don’t like closed shopping.” So, if I’m actually in a store, I should buy every single I think I can possibly use because that way you won’t have to come back, you know, for longer time.

One of the things I’ve tried to do far better than before. One of the habits I’ve tried to acquire was the habit of throwing away any garments that had a hole in it and I could not do that. I’m like, “Oh, there’s one more good wear in the sock,” or “Oh, if I wear this t-shirt or this sweater. Now, you’ll see the hole.” You know what I mean, that’s the underbuyer like they just--they hate to shop, so then a lot of times, they kind of get surrounded with things that don’t really work or aren’t really suitable because they’re like, “Oh,…,” you know. Like I told to somebody I was opposed to Kleenex for a long time because I’m like, “What have a dedicated product?” Like you could do it with a toilet paper. You’re really like that is really insane and then, I’m taken to another brands, “Oh of course, I hate conditioner. Hair conditioner,” like, “Who needs that?” You know.

**FT:** Oh, but apparently, it’s all you need. I was talking to hairstylist.

**GR:** Okay.

**FT:** And, he’s like dip shampoo.

**GR:** Don’t bother shampoo [laughs].

**FT:** Don’t buy shampoo, just buy conditioner and condition like two or three times a week and that’s week. He’s like we’re in an environment where we are cleaning our bodies way too much.

**GR:** Interesting.

**FT:** And oh yeah, he’s like, “You’re gonna hate it at first,” because you’re gonna feel like, you know, you’re gonna feel something is missing but your hair is gonna love it, and you’ll save a ton of money, and it’s actually better for your hair.

**GR:** Isn’t that leveraging?

**FT:** That’s my So Money tip of the day.

**GR:** Oh good. There you go. She is an underbuyer. I’m like she one last product spot.

**FT:** Right, just investing in really good conditioner.

**GR:** There you go.

**FT:** There you go. So, we’re almost wrapped here Gretchen and I want to you to ask you a few rapid fire questions that I asked to all my guests. First thing that comes to you mind.

**GR:** Oh [chuckles].

**FT:** Yeah. Okay, so if you won the lottery tomorrow, what’s the first thing you would do?

**GR:** I would get a two-hour massage.

**FT:** [Chuckles] Alright.

**GR:** I love massages.

**FT:** What is one thing that you spend your money? I know you’re an underbuyer but if there is one thing that you spend your money on that makes your life easier or better. What would it be?

**GR:** Office supplies. I love office supplies. My younger is exactly the same way, so yes, like excellent pens, cool Post-It notes, clips, you know, that kind.

**FT:** Container store [chuckles].

**GR:** Yeah, yeah, yeah, right. I love that stuffs.

**FT:** Is there a splurge that you cherished that you love? Maybe you’re a big fan of massages, but is there a splurge that is something that is in your life something that you have it?

**GR:** Well perfume, I love perfume and it’s funny because that’s a good thing to have as a splurge item because if you really love perfume, you really want perfume that you really really love and there’s a lot of perfume that’s just kind of mediocre. So, it’s hard to find a perfume where you smell it and you’re like, “Oh my gosh! This is an amazing perfume.” And so then, it’ sort of self-limiting because there’s just not that many perfumes that I love so much that I really wanna wear over and over and over again and wanna buy it.

But then when I do buy it, it’s just as pleasure, you know, for months and months of years to come, so it’s a wonderful. You know, I put on perf--even I work by myself, so I don’t have to worry about like disturbing people in the elevator or something like that, so I put on perfumes sometimes two or three times a day.

**FT:** [Chuckles] And, it’s the scent, right, the scents are so visceral.

**GR:** Yeah.

**FT:** It can take you back and I remember like the perfume I wore in high school and sort of I’m remembering all these moments. I love that. I love that.

**GR:** Yeah, yes. I held on.

**FT:** One thing I wished I have known about money growing up as an adult now is…

**GR:** I wished I had known more about compound interest. Compound interest is very powerful like--and the younger you are, the more important it is. So, I wished I’d really--it took me awhile to bill like, “Wow! That is really--that’s a really big deal.”

**FT:** So then, you’re trying to encourage all millennials to start doing it. Even if it’s just 20 bucks a week like, “Do not do it.”

**GR:** Yeah, oh my gosh! Yeah, it’s amazing!

**FT:** I know. When I don’t need money, I’d like to give to [blank] because…

**GR:** I like to give to organizations that either I feel like you’re gonna make a big impact or that are important to people whose values and judgment I trust. So, that end I give to an organization because a friend is involved in it and I’m like well they’re if they’re caring up about it be volunteering their time and they will be raising money for it but I know that it’s probably gonna be something that’s valuable.

**FT:** I love that. And then finally, the show is called So Money which is really attitude, right, that you have it together financially. I’m So Money, I’m Gretchen Rubin and I’m So Money because… I give you a chance to brag here.

**GR:** Oh, because I finally figured it out the secret about how to have better habits [chuckles].

**FT:** Yes, yes, yes, yes [chuckles]. And soon, we all will too, so pick-up this book. This is called ‘Better Than Before’. I’m predicting a number 1 New York Times bestseller here.

**GR:** Oh, how are you nice? I hope you’re right.

**FT:** I have a good feeling about that.

**GR:** That would be So Money.

**FT:** Yeah. Everybody, go to gretchenrubin.com and fill-out that tendencies quiz. You’re gonna learn a lot about yourself. Thank you so much Gretchen for the work that you do. Best of luck. Wishing you continued success.

**GR:** Oh, thank you. I’m so enjoyed talking to you today.