

00:00 FT: Jen Hemphill, welcome to So Money.

00:03 JH: Thank you so much for having me.

00:05 FT: You are one of my comrades, one of my peers in the personal finance community. I'm so excited to share your work with this audience because I think you're doing tremendous, tremendous work helping everyone, particularly women, sort of get their finances on track, not just with regards to their spreadsheets and budgets, but really from a holistic perspective, looking at the emotions behind our financial decisions and what's holding us back internally, not just externally. You have a personal journey as well that brought you to this point in your career where now you're coaching people. What made you wanna pursue this? What was it in your own life that brought this to become now your occupation?

00:53 JH: Absolutely. Well, basically, it started back years ago where money was always an interest of mine, especially when my dad had a talk with me about it. But as we, my husband... We're a military family. So, my husband and I got married and we had a talk of where when we started to have kids, we had decided that I wasn't gonna work a 9:00 to 5:00 job. So, early on in our marriage, we went from two incomes to one and because of all the books I read... Because I'm a nerd when it comes to personal development and financial books. I read more of those than the fun books. That's a fact. So, in reading all those, I applied a lot of those concept and I had a lot of people, family and friends, who just asked me, "So what are you doing?"

01:42 JH: Because we went from the two income family to one income, plus having a kid and we did have debt and everything at the time, and we managed to, not only live our daily lives but we managed to do what we wanted to do. Obviously, within means. And so, that started my interest, but as a military spouse, you know, we move around a lot, so I didn't really dive into that until actually about, it might have been three years ago or four years ago when I started the certification, where in the military spouse community, my husband had sent me an e-mail that there's this... I don't know if you're familiar with AFCPE?

02:29 FT: No. Tell me about it.

02:29 JH: Okay. So, its an... Basically it's an organization where you can become an accredited financial counselor. So that's basically... So, I went through the program. I was one of the fellows and I went through the program and it hit me that I can do this. I've always been looking for something that I can move with me, where I don't have to start all over again. And it hit me that that was something that I can coach people on, via the phone and so forth and with the technology today. So that's what started that. Obviously, my background, as far as the experience I had with the success that we had in saving and managing the money with the little that we were making at that time and the questions that were asked of me. So, that's what started it all.

03:21 FT: And like I mentioned earlier, your advice, your coaching, doesn't just focus on the tactical. It's also about kind of the mindset shift that needs to happen. What do you notice too often with your clients that something that maybe a lot of us are dealing with or struggling with that is not uncommon?

03:40 JH: Right. They are really not in tune with their money roots, so what they grew up. And once we talk and we delve deep as to, "Okay, why are we having these thoughts? Or why are we

feeling this about ourselves and our finances?" then they have a lightbulb moment of things that... Their present as to why they're having those thoughts. So they can move forward. So, that's really the lightbulb moment for them.

04:10 FT: Well, I wanna dig deeper into this because it's not enough to just have the lightbulb moment. I mean, you might come to a realization like, "Oh! I'm cheap because my father was cheap and it's really ruining my relationship because I can't see beyond spending very, very, very frugally, sometimes at the expense of hurting people or being short sighted." But then, once you know where the root of that is, what's the next step? How do you reconcile that?

04:36 JH: Sure. We also start discussing as to what their wants because another thing that I see and I've experienced it and I've been guilty of this myself is that we get so stuck on following all this advice that the gurus give us but we forget to be in tune to our wants and where we wanna go. So we just get in this robotic, "Okay. I gotta save. I gotta pay off this debt," and forget about our "Why?" and forget about what is it that we want in life? What is it that we wanna accomplish? So that's the next step is we look into what is it that they want and be in tune with that versus, "Okay. The advice is I need to get out of debt". "Well, why?" "To free up some money." "Okay, yes that's great, but you gotta be really more specific". So once that debt is freed up and that money or that debt, yeah, and the money is freed up, what do you wanna do with that extra money?

05:37 FT: Mm. Well, speaking of money roots, we're gonna talk a little bit about your financial money roots. And before we do, let's talk about your greatest financial philosophy. In all the work that you do and all that you've studied and all the coaching that you provide, what would you say is your leading money mantra, Jen?

05:56 JH: Sure. And I'd just reference that as really being tuned into you and being clear on your "Why?"

06:03 FT: Be clear on your "Why?" So why I spend? Why I save? Why I'm in debt?

06:10 JH: Right. And "Why I want to get out of debt? Why I want to have more of the savings?" Those type of things.

06:17 FT: Mm-hmm. How often do you ask yourself that "Why?"

06:21 JH: Actually, when I sit down and do our finances, I sit down every twice a month and just check in and to see what's going on with our finances, "Are we on track? Do we have to adjust some things?" Because you know, a budget... You know, you have to be flexible. And so... I can't say I do it every two weeks, but when there's something that's not going as it should or maybe we... I thought we should be progressing faster in one area, then I ask myself, "Okay. What's going on? What is the 'Why?' in all this?" Because what happens is once you ask, when you're in-tune to yourself and you're clear on your "Why", it creates excitement. It creates motivation and it creates a drive to really conquer those financial goals. Does that make sense?

07:10 FT: Yeah. Absolutely. A lot of times, the "Why?" is driven by guilt.

07:14 JH: Absolutely.

07:15 FT: Can you talk about that? Because I think that's a large part of our culture is that sometimes we feel some guilt associated with spending, especially if we're not the bread winner in the relationship. I talk with a lot of couples, I work with a lot of couples where if there's disparate income, one partner inevitably feels emotionally torn and guilty about spending their "Family money".

07:37 JH: Right. Definitely. Especially amongst women. There's a lot of guilt when it comes to spending money. And that's why... Another reason why I'm doing this because a lot of... Depending on your relationship, one is actually the one that manages the finances, the other one doesn't. But I believe that both parties have to be in tune, have to have a clear picture of what's going on with the finances. If both parties have a clear picture and are involved in some way, then that guilt is gonna lessen.

08:16 FT: How do people find you? At what point do they typically come to work with you? When does somebody need a money coach?

08:24 JH: Basically when they're ready to take action. Because of the field that I am in... Because it's a... It's an interesting situation. People need to make changes with their money, but because maybe of their mindset or maybe they see their financial situation is not at the point. They have to look at that and then, of course they find me online and I have a consultation... A free consultation that I do where we look at where they're at now, where they wanna go and see if it's a good fit. Because obviously if there is not enough money... For the service, I'm not gonna push them or drive them to, "Hey, sign up and I'll coach you", but I can give them free sources and freebies that I have that can help them to do those things, some of those things themselves.

09:14 FT: What was money like for you growing up? What kind of culture did you grow up in when it came to money?

09:21 JH: Well, it was... Basically from a humble background and I grew up in Columbia... I'm from Columbia so I grew up there, part of the time. And it was more, in hindsight, that mindset was very... It was negative. It was a mindset of my parents of, "Okay. We can't afford this." I've always... I've always heard a lot of that. But, I remember, it was, I think some time in high school when my dad sat me down and we talked about money. That was really, for some reason, that's the memory that I always go to, that I think about, is my dad sat me down and basically he wanted to talk to me about credit cards, which was pretty good timing because what happens when you go to college?

10:09 JH: Well, I might age myself, but... When I went to college there was always students raising... That was a way to raise funds for the organization was getting you to apply for a credit card and they would give you a t-shirt. But, he had sat me down to talk about credit cards and basically all he said to me, "They're not bad. If you use them, just pay it off at the end of the month because if not, you're gonna be paying a lot more." So, that's really, and that was like a light bulb moment of, "Oh wait a minute! I really need to start thinking about money more." Where I need to be more in tune of, "Okay. What do I need to do?" So that way I don't get... Because I knew of the experiences that they had and I did not want to put myself in that experience.

10:57 FT: What was the most, I guess, influential money experience you remember growing up watching your parents? What did they teach you? And maybe it wasn't that great of a memory, but it was a very important one?

11:11 JH: I have to say it was that one, when my dad sat down because that's what I really, for some reason, I remember that so clearly. I can't remember how old I was, but I remember that day and I can visualize him and I can visualize the room, just how he just talked to me, "Listen, if you're gonna apply for a credit card debt, " he talked to me about that. He tried to... He talked to me about making sure that I balance the checkbook, and he also talked to me about the... Just the importance of saving and if I apply for any type of loans, just to not... To pay it off as fast as I can, to not wait till the term of the loan. So basically not pay the minimum payments.

11:49 FT: You know my dad gave me a similar speech and I... What did I do? I went and I got a credit card and started spending and just paid the minimum and...

[chuckle]

11:57 FT: Graduated with a few thousand dollars in credit card debt and I learned that lesson early on, fortunately, and I had time to make up for it. What would you say was your biggest financial failure? Even though we get the good advice, we don't always follow it, right? So, what would you say was your kind of one big financial mess up?

12:15 JH: Ha! It's a big one actually. Remember we're a military family. So, that's key in this story, but we bought a home, okay? And I think in hindsight, I think we bought it on emotion in the sense of, you always hear you're losing money if you rent, put that money instead and purchase a home. You're always told that real estate, it's a great investment, which it is, but what happened, we moved and granted we had a back up plan if we moved, we would, we did the research, we could rent it and we wouldn't have a problem renting it but then, this was in Arizona back in...

12:55 JH: Oh, I don't know, it's 2004, 2005 somewhere around there. The market crashed. So here we are, still fairly newly married, we're not anywhere near there. The tenants actually left 'cause we were planning on selling the house but the good news is we were such good savers that we didn't go into debt, we were able to deal by that, when the house was on the market and be able to pay the rent. That we were paying plus the mortgage and be able to live fine and not get into debt. So, that's the good part is that we were able to not get into more debt. But it was definitely... For me, definitely a money fail.

13:41 FT: How did you make ends meet? I mean, tell us little bit about the struggle, 'cause we wanna know.

13:47 JH: Sure.

13:48 FT: So we don't ever do that ourselves.

13:50 JH: Sure. Its just basically great, good money management where you take a look "Okay. This is what we're making," and again, we had already put some things on autopilot, so the savings was on auto pilot. So we were fortunate to have a good cushion and savings and really not spending beyond our means, we really had to tighten it up and make sure that we weren't spending beyond our means. Obviously, it can be a sacrifice because not only this, Farnoosh, we didn't and actually... I forgot that I haven't mentioned this. This wasn't the only time that we bought a home, we did it again several years later and guess what? The market tanked and here we go again, and we got

moved. So those are two times that we did it, but it was the big, the savings and it was the money management that we had in place. I'm not sure if that's specific enough.

14:53 FT: And probably... No, well, I mean... Because you're a military family, how did you engage in the financial planning? I imagine your husband might have been away some of the time. How did you keep communication open?

15:05 JH: Sure. Well, in our family, I'm the one that manages the finances, you would probably be surprised if I didn't, right? But yes, there was definitely communication 'cause in our relationship he's the spender, I'm the saver but then again, of course I can be the spender sometimes and it was just the communication of, he definitely got into the habit of "Hey I wanna buy this", or "I need to buy this, can I do it?" That type of thing, so it's definitely clear communication, we know what we're dealing with, what we're in and communicating with each other as to what we can do, what we can't do.

15:44 FT: What's one thing you argued about that you recall that was maybe a sticking point?

[chuckle]

15:50 FT: Or many, but maybe even one that really stands out.

15:54 JH: Sure. My husband is a man of big heart, huge heart and he loves to help people. And so, basically, it boils down to helping family, financially, because sometimes families need help, and because we were, for some reason, always the ones in a good financial position or to say, we were always sought to for help. So, that's basically one we had to really communicate on that, 'cause not that I'm not generous but I knew exactly what we were dealing with financially and can we lend or can we give this money to family, so that's basically one that I can say.

16:43 FT: Yeah. Alright, let's talk about success. What would you say is your proudest So Money moment?

16:51 JH: I would say is putting our system, and by system I mean, we've opened up several years ago, several savings accounts to fund the things that we enjoy and put it on autopilot. So basically, we know we like to travel, so we look at, okay, every, estimate, how much is it gonna take us to make two trips or three trips or whatever the case may be, whether there are many getaways or a bigger trip. And then we also, we break it down and look at, okay, how much is it gonna cost on airfare, if that's necessary? How much is the lodging? All those... Spending money, food, all those costs and we estimate on a yearly basis, how much we're gonna spend.

17:38 JH: And then from there we come up with a monthly number, where every month, of course we look at our budget and see if that fits, and we automate that. We've also done that, where we started one for our car because taking out car loans, the cars depreciate so much that... I'm not a big fan of that, I don't like taking out car loans. So therefore, we've set it up so we look at, okay, how often do we wanna buy a car, again? So, is it every three years? Every five years? And then look at how much do we wanna pay for a car. And then from there, figure out how much can we put away monthly to achieve that. So therefore, if in five years we want a new car we don't have to worry about that. Makes sense?

18:22 FT: Oh, yeah, absolutely.

18:23 JH: So for me, that's the most exciting where I had this "Aha" moment. I'm like, "Why didn't I think of that? I'm sure other people do it."

18:30 FT: Really, because it's about not just compartmentalizing, but probably the visual benefit of seeing that particular goal become achievable, to have that savings really grow in a very specialized way...

18:45 JH: Absolutely.

18:45 FT: Is the motivation. Yeah, totally. Okay. Habits. What is your biggest, your best financial habit?

18:56 JH: Checking in with our money every couple of weeks. I go through and look at everything and really hone in as to, "Okay. Oh, wait!" because I'm not perfect, I sometimes overspend more than I should and so I really look at those things and see if we have to adjust. But I always know how important it is to be flexible and not to get frustrated 'cause that's what happens with people, is they get frustrated and they just, "Oh!" give up, but it's really important to be flexible with your money.

19:30 FT: Absolutely. Okay. Ready for my So Money "Fill In The Blanks?" Don't over think these. These are just an opportunity for you to, kind of, reflexively... Is that a word? Reflexively? To just give your instant answer to these questions and you can fill the sentences as we go. So, if I won the lottery tomorrow, let's say a \$100 million, the first thing I would do is?

19:56 JH: Oh, my goodness! Can I put a whole bunch? 'Cause... Definitely travel. I've always dreamed of vacation homes in different countries. Another big thing is funds for the financial literacy movement in schools because I think there are some schools that it's required, but there are still a lot more that we can do in our high schools and in schools in general, where they can have a good curriculum for financial literacy. And also another important thing for me is domestic violence shelters and education for those women to really know how to manage their finances.

20:37 FT: Excellent. What would you buy for yourself? Let's go crazy now for a second. What would you do for yourself? 'Cause all of these are wonderful things that you would do, and I sense you're an incredibly selfless person, but what would you do for fun? I mean, let's be honest, you have a \$100 million, there's a lot to go around.

20:52 JH: Vacation homes in different countries. I did say that.

[chuckle]

20:56 FT: Okay, good.

20:57 JH: Definitely, 'cause I really... We like to travel, but just having, you know, we think of... We love... I haven't been to Costa Rica, my husband has and he just loved it and he's gonna take me. Can you believe it?

21:09 FT: Oh, man!

21:09 JH: It was a travel trip, but he just really fell in love with that and we had actually looked... He had looked at a house that was for sale and just the thought of just being able to go and just relax in a home of your own, granted, it's a lot of upkeep and whatnot, but in different destinations, that would be awesome.

21:27 FT: Yeah, for sure. One thing that I spend my money on that makes my life easier or better is?

21:34 JH: Daycare for our dog. We have a chocolate lab, who is high energy. So, if we don't give him the attention that he needs or he's not able to blow off that energy he goes a little crazy, so that daycare is worth every penny.

21:50 FT: I have to say, I really thought you were talking about a kid first, like daycare for my...

[chuckle]

21:56 FT: And then you said "dog" and...

[chuckle]

21:58 FT: I had to...

21:59 JH: Yeah, they have daycares for dogs, for sure.

22:01 FT: Oh, my gosh! And I don't wanna know what that costs. Should I wanna know?

22:06 JH: It really depends on where you're at, but it's a little less than boarding a dog on a daily basis. So, it just depends on locale 'cause where we lived at before it wasn't as much as it is here, but I think it can vary anywhere, maybe a full day from 20 to... I don't know, \$50 a day. Something like that.

22:32 FT: Alright. Well, if you're a high energy dog, maybe that's...

22:35 JH: Oh, it's worth it.

22:35 FT: It's worth it. My biggest guilty pleasure that I spend a lot of money on, maybe too much money by some people's expectations is?

22:46 JH: I love workout gear. I love working out. So, when I see the workout pants that are nice, workout tops. Fitbit. I love Fitbit. And yeah, that's basically my guilty pleasure.

23:01 FT: Are you a Lululemon fan?

23:03 JH: No. Actually, an Under Armour. I love a lot of their stuff.

23:08 FT: Alright. One thing I wish I had known about money growing up is?

23:13 JH: Mindset. How the mindset and it's obviously nothing that people talk about much, but how much the mindset affects how you treat your money.

23:22 FT: When I donate money, I like to give it to blank because?

23:26 JH: Fisher House. It is an organization that supports military families. So it's basically like a Ronald McDonald House, in how I see it. They might correct me. I'm not sure, but it's for military families. They're located all over the country and they just do some amazing, amazing things.

23:49 FT: And finally, I'm So Money because?

23:53 JH: I'm really having a blast helping women become So Money.

23:58 FT: Yes. Well, thank you for doing a great work that you do. Everyone check out jenhemphill.com if you're interested in working with a money coach, you are fabulous. Thank you so much.

24:08 JH: Thank you so much for having me, Farnoosh.

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