

Farnoosh Torabi: Pat Kiernan, welcome to So Money. How are you, friend?

Pat Kiernan: I am well. Welcome, it's been a long time since we've talked. I'm glad to do this.

FT: Thank you. I'm honored to have you on the show and for listeners, you know, Pat and I go back long time ago. I started at New York 1 News (NY1) where he is currently and has been there for many years, the morning news anchor at NY1. Probably the most beloved anchor in all of New York, I could easily say. Anyway, Pat and I met, oh I want to say early 2000s, maybe like 2003. I started at NY1 as a junior producer and Pat was always a great mentor to me, great role model and so this is a really great sort of turn of events here now on my podcast, as I'm trying to take on this new project. And so, welcome Pat.

PK: You know what, Farnoosh, we have proud moments around the newsroom when you've done your morning TV appearances and we see you up on one of the national shows and you know everyone would gather around the TV, "Hey, Farnoosh is on."

FT: Oh, that's so cool.

PK: I mean there's some new people that don't really remember you but for those of us who've been there for a while it's a big moment for.

FT: Well, thank you. Even before I took the job at NY1, I had this feeling that, you know, you take on these jobs in your life where you just know you have to take the job because it's inevitable you're going to be at that job where you look back and you go, "That's where it all happened." And, for me that's really where it all happened, it was NY1. It was I've just come out of graduate school and it was like another level of learning, fast learning, fast-paced. You learned how to produce...

PK: To do everything and...

FT: Write, shoot...

PK: Non-union shop.

FT: Non-union shop.

PK: So, whatever they ask you to do, you're allowed to do.

FT: Exactly and you've been there for how many years now?

PK: Do we have to talk about that?

FT: Well, I just...

PK: Not because I'm dismayed that I've been there for the long because it's been a great gig but it just makes me seem old. I've been the morning anchor for 17 years.

FT: Wow. You are one of the most popular, one of the most beloved anchors in New York. New York Magazine, Gotham is always writing about you. I think there's like a whole vertical called Pat Kiernan on these websites. And so, first, it's just a silly question, I mean how does it feel to be so popular?

And, you're Canadian by the way, so it's kind of, you know, funny that the most beloved New York anchor is from Canada.

PK: Well, you don't have to be born in New York to be a New Yorker, you know.

FT: That's true. That's true.

PK: I mean I'm not sure when you cross over but there's a point of which...

FT: I think it's 10 years.

PK: Really it's just automatically 10 years?

FT: I think so. I mean that's my rule of thumb.

PK: You know, it's great, I mean if you are to look at it from an employment perspective, it's great to have a job where people expect you to be there. They don't want to see a substitute. They don't want you to take time off. They expect you to be there and, you know, hopefully your employer will value that when it comes time to set your working arrangement for the next year.

FT: Sure, there's definitely some brand equity in Pat Kiernan, but your work spans many, many platforms: radio host, game show host. You are actually co-host with Kelly Ripa on her show when Regis was retiring and they were looking for a replacement. How was that?

PK: It was fun. She's great and I went through an exercise in this past year looking for a co-host and it's really hard work to bring somebody new in everyday and get their rhythm and bring them up to speed on what's going to happen on the program and Kelly Ripa did that for a year and a half I think when they were trying to decide who would replace Regis. I was fortunate enough to be invited to do it 3 times and was one of the people in contention for it but, you know, I give her credit. She brings 100% every day and when they got through that process in a way that everybody felt like she gave them 100% of their attention along the way. So, it was great to be involved, I mean I met people who will get in touch from West and in Canada who hadn't seen me in years, you know.

FT: Oh, yeah.

PK: I woke up this morning and saw you on with Kelly.

FT: Yeah, your first grade buddies and your great aunt Judy, you know, everybody calls in and Kelly is phenomenal. She's a really hard worker. She's so genuinely nice. I've been grateful to be on the show a couple of times myself and it's unlike any other program because...

PK: You know that there are people in radio and television who are not necessarily what you see on TV, it's not the same when you get behind the scenes but you know she's the same person backstage or...

FT: She's the real deal. Yeah.

PK: Or, on cam or.

FT: And, I would say the same about Michael Strahan. I think they're a good pair and the show is wonderful. Well, let's get back to you, Pat. You're the star of our time together here and, you know, I wanted to have you on the show because for as long as I've known you, you've been a straight shooter. You're very practical and addition to that, this show is about money and you yourself have a work history in financial news. You were one of the anchors at the now defunct CNN FN where I was, by the way, an intern. I don't think our paths crossed there but I do remember my time there fondly. And, you also have worked and sometimes still do work for a business news network in Canada.

FT: What is maybe your financial philosophy, if I may ask? Maybe a money mantra that you adhere to that helps keep your money in check.

PK: You know, one financial philosophy is if you can grow top line, you don't have to trim expenses much.

FT: So, make more, don't save. Make more maybe is the...

PK: Well, it's good to save too but if, you know, you mentioned that I worked at CNN FN, I didn't do that, I didn't leave NY1. I figured a way to layer that on top of what I was doing in NY1. Same thing with the stuff I've done for Canada for a business news network when I did a show last year for CNBC called Crowd Rules that they cancelled after 2 episodes. But, you know, again that was an extra job that I managed to work in to the schedule. So, it's great if you can add that on because that's either money that can go straight into investments, straight into something you've been saving for and it doesn't have to affect your daily lifestyle.

FT: Yeah, I do that too. I compartmentalize my earnings sometimes because I also freelance and I have various revenue streams and it's kind of helpful to think of like 'this is my job that's going to help pay for my mortgage' or 'this is the job that's going to help us have a summer home if really want', you know just only for that.

PK: Right, it keeps you motivated on that, that you know, this is why I'm doing that. Here's the tangible goal. Yes, this extra job is keeping me up at night but I'm going to do it for money, I'm going to power through it and that money has a very specific purpose.

FT: And, you're fortunate in that, you know, while you do have to get up a lot earlier than most of us, you're on live at around 5am, you're done by, what, 10, 11, most days.

PK: Yeah. And then, I do have some flexibility and I realize that not everybody has that flexibility if you've got a job where your boss expects you to be in the office or out making calls 12 hours a day. You might not have the ability to add something on but it is a strategy when you ask about my financial philosophy that I have employed successfully.

FT: And, it's important in our field. I think in media it's important to be able to do as many different projects and experiment with different types of work as possible because, you know, media while it's an ever expanding world is also a shrinking world in terms of the kinds of jobs that you might be accustomed to. Maybe disappearing and new ones come and so you have to always kind of be one step ahead of sometimes even your employer.

PK: Yeah, I think networking that's a very clear example of why you want to have a broad network and work with all sorts of different people. It really applies to almost any business, not in the same way but it's very easy to sort of to get into your routine and not reach out and not have a professional network. And, you know, that never almost always comes back to payback in some way in the future.

FT: I agree. Well, let's talk money memories, as little Pat Kiernan growing up in Canada.

FT: This is the part of the show where I like to ask guests to take us down memory lane a bit to a moment in time in their life where they remember vividly a financial experience or something that they witnessed that really either shaped or influenced the way that they think and act with money today.

PK: Well, if you go way back when I ran a paper route in Calgary, I was an afternoon delivery boy for the Calgary Herald and it was, I think it was 450 a week or something, maybe it was 450 a month.

PK: It was kind of a lesson that I didn't really understand what the lesson was at that time but they had what they had called the prepaid option where somebody could just be billed by the office and then you as the paper boy didn't have to go around once a month and find them at home with the \$5 to bring you at the door. But, they never advertised this option, So, I was like, "Well, wait a minute. You know, I can increase my hourly earnings by basically decreasing the number of hours I spend on this job if I don't have to do this pain in the butt door to door collecting the money. So, I created my own promotion for the prepaid alternative. And then, "Could you just let them bill you once a year so that we don't have to have this conversation at your doorstep once a month?" And, it was great, so I got about half of the people signed up for the prepaid alternative that my Supervisor in my paper route was baffled by it and was like, "Nobody else has many prepaids as you, what's going on there?" I said, "Well, you know, this is unnecessary administration for my small business. You guys do the work at the office. You don't pay me any less for the paper. It means that I don't have to do this door to door collecting thing."

FT: And, how old were you?

PK: Twelve, fifteen.

FT: Twelve, always looking out for mainstreet, Pat Kiernan, you know, reading the fine print for everybody, putting it in bold and being like, "Listen folks, there's an easier way."

PK: Yes, exactly.

FT: I love that. I love that. Financial fail, Pat, this is where I ask my guests to be a little bit of an open book for us and vulnerable at times. Talk about maybe a time in your life where you didn't exactly have a proud money moment and what did you learn from it and what exactly happened.

PK: So, probably ten years ago now in some nostalgia for spending more time in Canada, there was a ski resort where I learned to ski, where my parents had owned a nearby property for years, created a fractional ownership development where you could buy a quarter of a condo. So, I bought a quarter of a unit, 221, at Panorama Resort and I thought, you know, we'll get there once or twice a year and ski a little bit and then we'll put it in the rental approval the rest of the time and we'll not

end up paying a lot for our vacations there because we're going to make this money back from the rental appreciation and the investment at that time. So, it was all good on paper and then the government in British Columbia passed a tax change which said that if property was rented more than 30% of the calendar year, it was considered a commercial property rather than a residential property and it would be taxed at the commercial rates. So, immediately, the operator of this place said, "Okay, you can only pick 3 months a year that you put your property into the rental pool. But, it should probably be okay because if you pick the peak months you're going to get most of the money anyway." Well, I totally blew the calculations on the place and I think I ended up selling it for a 10% loss or something like that.

FT: I feel like you could have fought that though because you signed the papers and you were the owner prior to this lot changing. I feel like you should have been grandfathered into the way of old.

PK: Oh, we were such little people in that because it was a province wide change. It wasn't just targeted to this one development and I mean they could easily have said we're going to rent you around and take the higher tax rate but the higher would have more than wiped out any benefit from renting you around. Bottom line, that was, I learned a lesson in not confusing investment property with vacation property and we've purchased both since successfully. But, I've tried not to make one into the other.

FT: Yeah, well, we were talking earlier, we both live in Brooklyn and we both lived on the Upper West side of Manhattan. I did too for many years and it was a bit of a transition coming to Brooklyn but, and not to get too local here, but I think Brooklyn is pretty, it's pretty well-known around the world as kind of the new hot spot. When I was in Spain, for my honeymoon, they were selling Brooklyn t-shirts, so that felt cool. But, how do you like Brooklyn? I mean we were just talking earlier before we were live that, you know, we don't like to use the word investment when it comes to real estate when it's your home but, by golly, if you bought in Brooklyn any time before last year, even if you bought last month, chances are you're going to make a nice return on your purchase, not your investment.

PK: Well, look, we had the same success in Manhattan. We bought an apartment but it was a bit of a mess, expanded it, cleaned it up and sold it at a huge gain compared to what we paid for and then made the move to Brooklyn into a property that on a per square foot basis wasn't nearly as expensive yet gave us as much space for our family, similar commute to the areas of Manhattan where we needed to be. So, that was a good trade for us that our long time upper west side friends have, you know, sometimes a little bit of the Manhattan centric attitude. They're like, "You're moving where?"

FT: Yeah.

PK: We'll never going to get to see you there. And, honestly, it's really not that far.

FT: I know. Sometimes it's closer to where depending on where you have to go.

PK: But, you know, we're really happy with the move and what it allowed us to do because we sold a valuable apartment in Manhattan, bought a house in Brooklyn and we're able to buy the house, a vacation property as well and that was all at less than what we sold the apartment for in Manhattan. So, it was an analysis, it was a trade, it was a change in lifestyle for us and it was a good investment.

FT: Let's talk So Money moments. Let's flip it. We talked about a fail, let's talk about something you're proud of and already I can tell there's a lot of success you've had in your more recent real estate purchases. What else, what else are you really proud of financially that maybe took some effort, took some hard work, took some strategy that you can share?

PK: You know what, all through almost no effort of mine is rewarding is when you get into the job and the hour you get there you sign up for the company match and the 401k and maximize your contributions and maximize every dollar that they're prepared to give you. You know, as we said earlier, I'm 17 years into this job. There's a lot of money there now.

FT: Yeah. Even with the dip, even with the dip in 2008, 2009.

PK: Yeah. There's a lot of money there now. It's still growing, still putting in and, you know, we're capped at the Federal limits on how much we could put into that but still after all those years with the appreciation it adds up to a lot of money. When there you employees come in to our newsroom like you've got to do it. I know it's painful, I know they're not paying you enough right now but at a minimum. Get in there, grab on to that company match and that's free money that they're offering you and if you're not taking it from them, you're doing yourself a disservice 10 or 20 years from now.

FT: I have to say I use this story a lot because when I first started working in NY1 that was the first time I had been given the option of a 401k and it was my first day and I went in to HR to do my paperwork and I remember Mary, who at that time was in HR, she said to me, "You got to do the 401k." Because, actually, Time Warner had a very generous, at that time and probably still, match program and I really didn't know what she was talking about but she was so adamant and so firm with me that I just said, "Okay, fine, you know, I'll do at least up to the match I'm so glad that I did because when I left NY1, only maybe 2 and half years later, I had about 30,000 saved which I couldn't tell you there's no way I could have saved that much money on my own. No way. And, I was not, I've been very public about how much, how little I made at NY1, with the graduate degree, running the business unit, I made like 40 something thousand dollars a year, so to be able to save almost a year of salary in just 2 and half years and that's with appreciation and compounded interest but pretty phenomenal.

PK: Right and so that's no miracle recipe for success, Pat Kiernan financial success, but I just think it's an important lesson and even though I know what the compounding power of that money is and what the company match does, still want to get those statements now. I'm like, you know, it's real money now.

FT: Awesome. Well, do you have habits that are money habits, Pat, because my next question is 'what's maybe a routine financial act, behavior, step that you take that, again, could be super practical'? I mean, like for me, one of my habits is I just, I follow smart people on Twitter that have great financial wisdom to share in 140 characters or less and for me, and often there's a link, but that for me is kind of a daily way of staying in touch with money and, how to manage money well. So, what's something that you do?

PK: Okay, so two things, one on the investment side and one on the spending side.

FT: Sure.

PK: On the investment side, I've been obsessive lately about reading local real estate listings. The best advantage you can have in a real estate investment is knowing something that not everybody knows. So, I feel like if you can have a geographic area ideally near you where you're travelling everyday and you can just take notes about that and see an opportunity where somebody else might not see this quickly as you, you may be able to get into something earlier than everybody else and, you know, that ultimately may be worth 10 or 20 or 30% in an investment. So, I look very closely at what's happening in Williamsburg and Greenpoint, Brooklyn because that's my turf these days and I feel like now I know enough about that market. When I see something come on that looks like a potential investment I know it and I can sniff out, you know, which things are overpriced and which things are underpriced. There's not all this money that I'm able to throw at real estate investments but the ones that we've made I've made carefully and I think they've been well priced because I knew what to look for. So, I do always try to educate myself on that. The other thing, on the spending side, is I love my monthly trip to Costco. Because, we were in a neighborhood where there're a lot of midsized supermarkets within walking distance. They charge you a fortune for staples. The paper towel and toilet paper and Ziploc bags are twice, three times as expensive as they are at Costco. So, you know, I like to drive the car to Costco, load up on that stuff, throw it in the basement which I have now that I moved from my Manhattan apartment to a house in Brooklyn.

FT: I was going to say, you need the space, you need the space. I long for a Costco membership, but I think I'd have to like carry everything on my head in order to make it work in terms of space.

PK: But, it makes me feel good about money because, you know, we can at this point afford to pay whatever rent some place down the street is paying, but it doesn't mean you should, it doesn't mean you should stop caring about that dollar that you can save. So, I like to buy my Heinz catsup but at quarter the price.

FT: What's something you won't buy at wholesale though? I mean I think perishable sometimes can be very wasteful if you don't finish it right and if it goes to bad or sour.

PK: Yeah, I'm troubled by that but...

FT: It's still cheaper.

PK: No, from the saving the earth point of view, it is bad that you buy more than you can use before it goes bad but it feels like you're, you know, you're beating the system. Their racket is trying to charge you, you know, \$3 for each croissant you buy and you go to Costco and, you know, Costco's legendary for its good quality on these stuff. It's not like they're cutting corners with quality. But, literally like something that's \$3 a serving at a local bakery, the same thing of comparable quality at Costco, you're going to get a dozen of them for 4.99.

FT: Yeah, one thing that I do get at Costco through my parents' membership is formula for my son. He's an infant and it's ridiculous, I can save like 30% on formula.

PK: The diapers was why I got into my Costco routine because it was such a saving. You know, just load them up in the back and you know.

FT: Awesome, alright, we're almost done. Before we go, we got some So Money fill in the blanks. And so, what I do here is I start off a sentence, you finish it first thing that comes to your mind. Ready?

PK: Oh, okay.

FT: Okay.

PK: Okay, I'm nervous.

FT: You sound skeptical. Okay. The one thing that I spend my money on that makes my life easier or better is _____.

PK: Probably taxis.

FT: Yeah, are you an Uber guy or you're a New York City cab guy?

PK: No, I use the Uber a lot, that they've been badly behaved and I need to go on to Lift as well because they are very big competitors and they better and I don't say, I take the subway. I'm probably on the subway twice a day but like 10 o'clock at night if I'm at an event. There's just a moment when I'm like "You know what, I'm just going to pay the \$19 and just get in the cab because I'm done."

FT: Yeah.

PK: And so, that's probably something that I spend that I shouldn't but I do.

FT: Well, if you won the lottery tomorrow, say a hundred million dollars, besides taking more Uber rides, what else would you do?

PK: Oh, it's a good question. I really like my job, but I would probably negotiate like a part-time thing.

FT: Yeah.

PK: I'd probably try not to get up at 3am 5 days a week and maybe like try to scale that back to 3 days a week.

FT: Or, maybe just a weekly Pat show.

PK: Is it bad?

FT: No, just like a weekly Pat Kiernan show, that you come in, you know.

PK: Sure, will you it that.

FT: Well, NY1 has a, there's the, what is it called, like the, it repeats, right? They have the Wheel.

PK: Yeah.

FT: So, you could come in and this is how little I remember now because it's been so long but you could just do like come in on like a Friday at 2 o'clock in the afternoon, tape your hour long Pat Kiernan week long show and then I'll just air all weekend.

PK: Okay. Sure.

FT: I'll negotiate, I'll negotiate and I'll only charge you 10%.

PK: Okay.

FT: The biggest guilty pleasure that I have that I spend probably too much money on is _____.

PK: Travel.

FT: Travel. Where have you been recently?

PK: The kids had a weird holiday that not many other schools had the first week of October, so we went to Rome and London.

FT: Oh, nice.

PK: And, I feel like, you know, my girls are 10 and 13 now and there's not too many years that they're home and available to travel with us so I feel like if we're going to spend money on that, now's a good time to do it.

FT: That's a great gift. Okay, right now do you have your wallet with you?

PK: I do.

FT: Can we open it and see how much is in there and what you're going to spend your money on, probably?

PK: I just went to the ATM.

FT: I don't ask all my guests this and I'm thinking of retiring this question but I just thought I would...

PK: When someone, one of us gets held up on the street.

FT: Well, too many people were telling me they just have credit cards. They don't have any cash.

PK: I have \$280, 282 actually.

FT: Whoa. I think you're the guest with the most cash in their wallet.

PK: I wish that I was guest with the most in that asset.

FT: So, well, that's a lot of maybe lunches and cab rides and that goes fast in New York. Believe it or not.

PK: Yes.

FT: Yeah.

PK: Yes. You know I have a friend that works at the bank and they have the default button on the ATM that quick cash or whatever, 20, 40, 60, 80.

FT: Yeah.

PK: And, they're like, in New York City we triple those amounts.

FT: Yes. Oh, yes.

PK: Because, as much as you'd like to just take out \$20 at a time. That's one cab ride and you're back at the ATM again.

FT: Yeah, I say there's a \$20 tax just for leaving your apartment. That's what I always say. Okay, when I donate money, I like to give to _____ because _____.

PK: So, I like, this is a very probably a common ground for us. I like things that have a financial theme to them, financial literacy charities and things like that have been something that have been close to me. And, it's not the best organized area of the charity world. I feel like there're bigger national organizations in that space and, you know, there are charities that are working on, you know, types of medical research and so far I feel like there could be more financial literacy organizations and more national scope programs in that area. But, I do like to donate to things like that.

FT: And, this is the last question. I'm Pat Kiernan and I'm So Money because _____.

PK: What does that even mean, Farnoosh?

FT: Well, yeah, I'll translate. I'll translate. It means, I've got it going on financially or I'm a financial role model. It kind of, haven't you ever seen Swingers?

PK: Yeah. I know that they used the phrase So Money in Swingers.

FT: It's different, of course, than the way we use it on the show but it just means, I've got it going on, in this context, financially.

PK: Because I'm always looking for the next thing, not content to just let things stand as they are.

FT: Good answer and you're living that truth. I mean you're everywhere. You're not just at NY1 but, you know, tell us all the places we can find you in the new year.

PK: Well, I'm on NY1 every morning if you're in New York City. If you get a chance to see the new movie, Annie, I'm interviewing Jamie Foxx's character on the street.

FT: Get out. Awesome. That's awesome.

PK: And, you can always find a rundown of some of my favorite stories from the internet and the newspapers at my website, which is called PatsPapers.com.

FT: Love it. And, we should mention, we didn't mention this, what you've made famous is in the papers which I think a lot of other stations have tried to mimic, not to the level of success that you have with it but the essential is you go through the local papers and sometimes national papers and highlight kind of your favorite stories and for people who are on the go in the morning, who don't

have time to be reading, it's kind of like Twitter but it's Pat, telling you what the highlights of the day are in terms of news. It's cool.

PK: Right, on first glance, it seems like we've run out of news and we're just reading the newspaper to fill air time but in fact it is a service to you, the home viewer.

FT: Yes, it is and it's a fun, as a consumer, as a viewer it's super fun, so thank you for that and Pat's Papers is the website. We'll have that of course on so many podcast.com Pat, thank you so much and happy to say that we're kind of neighbors now. It's pretty cool, both in Brooklyn.

PK: I will look for you on the subway, Farnoosh.

FT: Thanks, Pat. Have a good year.

PK: Okay. Thank you.