

EPISODE 118

[ASK FARNOOSH]

[00:00:33]

FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. Thanks for joining me on a weekend, Saturday, May 9th 2015. It's great to have you on the show. Hope you're having a fantastic time - not working hopefully - listening to this podcast, doing something fun. Maybe out for a run, walking your dog, driving somewhere cool. We've got a lot of questions to answer today, but as it is Saturday, we wanna kick off the episode with a shout out. I wanna thank a new reviewer on iTunes by giving them a free 15-minute Money Session with me. This week we're gonna thank joesant324. Joesant324, he says:

J: "Awesome financial insight. Farnoosh is really engaging with her guests. Love the personal touch in the interviews and hearing about failures and successes of the interviewees. So glad I subscribed. It's given me the opportunity to really reflect on my own personal finances in a way that I have never been. Thanks Farnoosh!"

[00:01:36]

FT: Well thanks Joe. Hey, email me farnoosh at somoneypodcast.com, and let me know that you heard your name on the Saturday episode, that you were the "Joe" that left the kind review, and we will connect. I'll send you my booking calendar and we'll schedule a free 15-minute Money Session, and we'll talk about whatever is on your money mind and what you're having some issues with. And hopefully I will be able to help you. And as a reminder to everybody, this is something that I do weekly. So if you're wanting to maybe connect with me one-on-one, leave a review on iTunes and hopefully that Saturday I will read it out loud, and you will be selected.

Let's turn now to my inbox and see who has been writing in. Looks like we have a question here from Mabel. She says:

M: "I'm a huge fan of the podcast. It's actually become a favorite. I love it! Keep up the amazing work.

I'm a female entrepreneur living in New York. My business focus is teaching stock market investing to beginners. However, I need a little help with my target market. I am torn between targeting the business to females or having a more "general" appeal and targeting to beginners in general. I already have two names registered one for each target group, but I am having a bit of a challenge choosing one side. What would you recommend?"

[00:02:50]

FT: Well I think that having a niche is one great way to differentiate yourself. So if you can teach beginning investing, which is already a relative niche, and then even narrow that down further to women. And if you have specific strategies and approaches for women, that might be a great way to really differentiate yourself and use that as a competitive advantage. If you already have a lot of women coming to you, then this may not be a big stretch. But I think that as I've learned from a lot of successful marketers, and business owners, and entrepreneurs on this show, it is helpful sometimes to really be very specific. You can't please everybody. And sometimes when you're too general, it's really hard to stand out from the crowd. So I would say, if you're very interested in helping women and you feel like you've got a really interesting perspective on investing for women and there are women already coming to you, then that may be a really smart way to carve out this market. So good luck to you.

Oh and you have another question. You say:

M: "I would love to know who designed your website? It's beautiful! I want mine to have that option for people to enter their email when they visit, but not sure where to begin finding someone to build a nice website for me. I know you've mentioned Elance as a resource on your podcast. However, can you offer some specific resources for where I can get my webpage "revamped" at a low cost, if that's even possible?"

[00:04:21]

FT: Well it depends on your budget obviously. There are some web developers and website designers who will work with a low budget, and there are others who demand a lot. And I've worked with everyone. I've worked with people who are starting out and they don't charge a lot, and then I've worked with people who are a lot more developed, established, and they demand more money. But I would say if you really wanna know my specific, the specific people who have helped me, my Somoneypodcast.com was designed by my brother, Todd, who is not for hire right now but he did it for me as sort of a favour. And Liz Theresa - I'm gonna shout out to Liz now - Liz Theresa is my developer and she helps me a lot with all things technology, frankly. So Liz Theresa, if you want to know her, just got to Liztheresa.com. T-H-E-R-E-S-A.com. And Liz, if you're getting a lot of emails this weekend, you'll know why. It's cause I totally announced you on my podcast. Liz is fantastic and she can do everything, all of it, and she can help you if you need to get a really pretty, beautiful site up with opt-ins and get some people signing up for your newsletter.

Phoebe writes in. She says:

P: "I'm starting grad school in the fall and will be taking out federal loans to help me pay, but I will also be using my savings instead of taking out other, private loans. I'm a saver by nature, so the thought of spending this huge amount of money is very scary. How can I remind myself that this is a wise investment - I'm not taking out crazy amounts of loans? And how can I get past the anxiety of the situation?"

[00:06:03]

FT: Alright, Phoebe. This is what I would do. So it's a lot to think to yourself, "Man I'm taking out tens of thousands of dollars in student loans." Because prior to this maybe you had like a \$500 credit card balance, and now you've got like 30, 40 - I dunno but we're talking grad school so it's not gonna be like \$5,000, it's gonna be in the 5-figures, closer to maybe 6, or debt. So what I would do is, fast forward it and think, "How much is this really gonna amount to per month for me once these loans come due?" So do the math, figure out what they'll be on a monthly basis. What will be your financial commitment to these loans once they become due? And I think that'll put things in a much better perspective for you. It'll allow you to actually see how this is gonna fit into your budget in the future. So rather than thinking, "Oh my gosh, I'm taking out \$30,000 in

loans," actually find out how much this will boil down on a monthly basis once they come due. Maybe it's like 4, 5, \$600 a month - depends on the interest rate - but that may seem a lot more, just digestible. So I would just say, do a little bit of forward math and imagine how that might fit into your overall budget. And if you feel as though it's gonna be too much to take on, knowing what this will amount to now might be very helpful because you might be able to make adjustments in your lifestyle and your living expenses to make more room for this once it comes due. So that's my advice Phoebe, and congrats and good luck in grad school.

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Nicole writes in. She says:

N: "Hi Farnoosh! My husband needs some term life insurance and I wondered if you have any companies you'd recommend for simply shopping for it yourself on the open market - outside of a job. Of course there is the Internet, but with something important like this, I don't want to shop blindly. Thank you very much, Nicole."

[00:08:03]

FT: Nicole, I don't make specific recommendations very often when it comes to financial institutions, insurers, lenders, but don't "poo-poo" the Internet. The Internet is a great resource when you know what you're looking for. But I will say that when I looked for life insurance for me, I used an insurance broker and there are people out there that will help you do that kind of market research. I don't have to tell you who the big names are in the insurance market, it's everyone from State Farm, to MetLife, to Geico, Liberty Mutual, Aflac - I mean the list goes on. Honestly, I don't have any sense of who's better than the other, but I will say that it's worth it to do an Internet search to type in the basics of what you need and see where the best rates lie. And if you want extra help, you might wanna work with an insurance broker who can help you broker the best deal. So good luck, and I'm glad you're looking for life insurance - your husband's looking for some term life insurance - it's important.

Now we have a question from Andrea. She says:

A: "I really love the organic feel of your interviews. I'm just wondering whether or not you provide your guests with the So Money questions beforehand? Also, do you do a pre-interview to develop a rapport with your guests?"

Thanks so much for the great podcast!"

[00:09:24]

FT: Well thanks Andrea, that's a really sweet question and I appreciate the compliment. Yes, the answer is yes. I do have a prep-packet that I send guests ahead of time. Sometimes I forget, I do. I call guests usually 5 minutes before we go to tape and I'll say, "So, do you have any questions for me? I assume you've read through the questions in the packet," and they'll go, "Um, I didn't get a packet." And I'll say, "Oh my gosh I'm so sorry, I forgot." But typically I have this 2-pager, 3-pager that lets them know what the questions are gonna be ahead of time, as well as some other housekeeping notes. And as far as pre-interviewing, I don't pre-interview. I don't have time, I don't. I do a daily show and it's really time consuming and exhaustive in terms of a lot of the preparation, but I don't pre-interview because largely I'm interviewing people who are already media savvy. They've done interviews in the past, I know them - a lot of these guests - so I feel confident having them on. So I feel pretty good about my guests.

Of course in the future, if I book someone who has never been on any interview-style show, I probably would just spend a few minutes on the phone with them. But I do like to touch base at least 5 or 10 minutes before the scheduled podcast recording so that I can just see how their day's going, and get them comfortable, and let them know how it's gonna go. The beauty of this show, and of course all podcasts for the most part I think, is that it's not live. So if anyone is having a bad day, or messes up, or they wanna re-record, we totally can. So I permit that with all my guests. I say, "Look, if you hate the way you said something, just say 'Scratch that, start over', and we do." Because we all - I've even had those kinds of days.

To answer your question, yes I do send the prep-packet often. I dunno if you can tell sometimes, if you can tell that a guest knows what to expect or not. And I appreciate guests that come prepared, I really do. I'd rather they come prepared than - you know I asked them, "What's one thing that makes your life easier or better," and I get crickets for like 3 minutes. [Chuckles] And

I'm like, "Really?" Don't overthink it. That's my thing, don't overthink it. Every guest is awesome, and I think you for listening.

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FT: And that is a wrap. Thanks so much for tuning in everyone. Hope you have a wonderful rest of your Saturday. Thanks for all of your questions. If you wanna ask me a question for upcoming episodes, remember it's really easy. Just hope onto Somoneypodcast.com, click on "Ask Farnoosh" and send me your question. I usually get it within minutes or seconds, and I answer it typically that following weekend. Thanks again for tuning in. I hope your day is So Money.

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