

EPISODE 129

[INTRODUCTION]

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FT: Hey everyone. Welcome back to So Money. I'm your host Farnoosh Torabi. Today's guest is Elle Martinez. She's a personal finance blogger and online entrepreneur. She is the founder of Couplemoney.com, and a weekly podcast called Couple Money Podcast. And on the podcast she teaches couples and families how to live on one income and have fun with the second. She also shares information about what matters most to couples, looking at spending more time on what they love, and less time on the financial manocha. Also, in addition to Couple Money, Elle has been a contributing and guest writer at sites like TurboTax, GO Banking Rates, LendingTree, and Yakezie.

Three takeaways from our interview: The biggest money mistakes couples make and how to have a productive money meeting with your partner and why asking "why?" is one of the most important questions when it comes to getting out of debt.

Here is Elle Martinez.

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[INTERVIEW]

FT: Elle Martinez, welcome to So Money. How are you?

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EM: I'm doing so well. How are you doing today?

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FT: Thanks for asking. I'm doing great. We are recording this the Monday after the Mother's Day.

We're both mothers and I was happy to hear that you got some rest. I also took a two-hour nap. I did not even apologize, I just left the room.

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EM: You deserve it.

FT: We were outside with my in-laws and my sister-in-law, my husband, my son and I was like I just left. I didn't want to bring attention to myself so I just went and took a nap for two hours and that was the best gift anyone could have given me.

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EM: That really is. Just to have time for yourself and time just to recharge when you have a little one or in my case, two little ones, that is a precious time that you don't often get.

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FT: Yes, and you are juggling so much, Elle, on top of being a mom. You are writing everywhere. I see your bio line in so many places – TurboTax, LendingTree, Yakezie, GO Banking Rates, your own site Couplemoney.com, you've also got a weekly podcast which I'm really excited about. How is that going?

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EM: It is a learning experience and I love it. As you know, one of the best things about having a podcast is talking to interesting people about topics that matter to you and to others. So, I'm learning so much every time I interview someone.

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FT: Now you've decided to make couples and money your niche. Why?

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EM: I think there's a lot of material about personal finance in general, but I didn't – at that time when I started – find a lot that addressed the emotional part with money and couples. At least my experience and with my friends is that you have two complete personalities and it seems like opposites attract. How do you find that balance between taking care of your finances and also growing your marriage? Because I think you can do both, but I do know that it does take some effort.

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FT: What's the biggest problem you think couples face when it comes to money?

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EM: I think the first thing is a system that couples have. Everyone has a different style and money isn't intimate topic and how we handle money before, we get married and how we handle our money afterwards can be a 180-change. I think sitting down and finding a way to appreciate and use both of your talents is absolutely crucial.

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FT: We're going to talk a little bit more about your personal experience with money and maybe even how you manage it in your own relationship. But before, just one other highlight that we should celebrate, that later this year you'll be at FinCon 15. I will, too, and you'll be giving a presentation. Tell us about what you'll be talking about.

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EM: Well, I'm so excited about that. I'm going to be a part of a panel and we're talking about build your business and brand with a mastermind group. That's something that I started taking seriously I think, towards the end of last year as we're about to have the baby, of course. Life

changes seems to happen in groups and it's been a tremendous experience so far. The group that I'm in is just so supportive, so encouraging and they push you. You have to have that kind of push professionally, personally, everything and I just want to share that information with others.

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FT: Masterminds are on a hot streak right now. I've been asked to join a few in the last few months myself and I know that there are some really successful ones out there. For those of us listening who are like, "What the heck is a mastermind?" Can you share a little bit like three tips? Basically a mastermind is a collection, a group of like-minded, like goal-oriented people, probably best to be from different parts of the world. You don't want everyone who's a financial expert in the mastermind but maybe that could work. I don't know. But it's important to get a diverse group and then you hear each other's accountability partners, you have meetings. In your experience, what are the best ways to structure this and to make it successful?

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EM: I would and I was invited into this mastermind but I would say when you assemble your group, it's almost like you are dating. You are looking for a relationship that is mutually beneficial and supportive. Like you mentioned, you're not looking for a carbon-copy person that's in the exact same niche doing the exact same things. You do want some overlap because you want some common ground. But when you put together a team, you'll notice that there are those that are much more analytical, very good at organizing, there are those that are more encouraging and when you are hitting a tough spot, they're the ones that you contact. I think you have to establish your roles and part of it does happen organically but at least start with some ground rules that you can all agree with. From there, you can grow.

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FT: Yes, very true. You got to have those rules and boundaries. I've had to break up with a mastermind in the past. As you said, it's like a date or dating.

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EM: Yes.

FT: Elle, let's talk about your financial philosophy. You've been in the space now for about seven or eight years?

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EM: Yes.

FT: And before this, you were working in operation management, supply chain management in the banking sector. So, to transition now to writing about personal finance specifically for couples, I want to talk a bit about that transition. But first, let's discover your financial philosophy. What is it? What's your money mantra?

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EM: Believe it or not, it has nothing exactly to do with numbers. It's remember the "why." I say that because as we worked through our finances, hearing from others, I used to be that person that would say, "Okay, when you talk about money, you have to know exactly where you are. You have to know the numbers." That's important but it's not as important as establishing why you want to do something and reminding yourself. For example a lot of couples, one of the first goals they have is to get out of debt. Why do you want to get out of debt? Sitting down and talking about that and then constantly reminding yourself is a way for you to be on the same side. So, it's you and your spouse against the debt versus you guys fighting each other over, "Who got us into more debt?" That kind of relining.

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FT: Yes and it's important to have a higher purpose because we understand the benefits of being out of debt. We get that, but really to mobilize ourselves to go from the couch to actually getting out of debt and be debt-free. You need a carrot. You need something motivating, some

sort of silver lining to it all because it's a process getting out of debt. It's not easy, it's very discouraging. It's easier to say, "I can't." But to have a reminder of the why, I think is really important. Did you and your husband have any debt when you got married?

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EM: There's a story with that.

FT: We like stories on So Money.

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EM: Before we got married, one thing we knew for sure we wanted to do was talk about where we were financially. At that time when we started dating, we were both in college. He was a year ahead of me. When we were engaged, he was just out a few months, graduated and I would say we lived the same lifestyle so on the surface, I thought we were exactly on the same page with finances. But when we sat down and looked at the numbers, I was the one in debt. I had the credit cards, I had the car loan, I had some student loan and then on his side, he had one semester's worth of a student loan that he was going to pay off as soon as the grace period was over. That was an awkward money chat and something I completely understand when people tell me they're afraid to talk about the numbers. But that was something that taught me that there's a different way to live with your finances and to handle finances.

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FT: Who would you say is better at managing money in your relationship and why?

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EM: I'm more proactive. You always hear there's a saver and there's a spender. Most people I see, "We just spend on different things." He is very analytical and he's a software developer. So the very small details, he's absolutely good with. Once I'm energized on something, I want to set

it up, I want to get it done. So when it came to automating our finances, I was the one to set that up.

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FT: Have you ever had a failure? You talk about in the beginning of your marriage not being about one that was exactly financially buttoned up, but then in general, would you say you ever had a huge financial failure?

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EM: I would have to say that buying that car, my old Jetta, was a financial failure because at that time I was a working college student on a limited budget. Previously I was doing really good. I was buying these cars for \$500 or \$1,000 until they broke down. I just drove them. They weren't fancy at all. But my grandmother had passed away and I think just the emotion between that and just the stress of everything, I felt like, "I deserve to have something nice. This car I could 'afford' the payments." I went ahead and I bought that. One of the signs should have been that they wanted me to have a co-signer. But I didn't see that and that was looking back an emotional decision that basically was a weight around my neck. I had a car payment that I was stuck with, I had to make sure that I always focus on having work while going to school because I had that loan.

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FT: You said something interesting, it was that you felt as though you deserve that car. Right?

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EM: Yes.

FT: I hear this from people occasionally, people who are living to the edge. They are spending just as much as they make, there's really not a lot of wiggle room and they have really nice shiny objects, they have nice things and they're struggling because they're not able to save. But

then there is this undercurrent of this feeling like entitlement. Like, "I should be able to have these things because I work hard and clearly, I make enough money on paper. But it's not working out for me." I like to highlight that entitlement aspect of that situation. Where does that come from? What is the root of that you find off perhaps in counselling couples, or working with couples, writing about couples?

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EM: I think as you point out, it's a lot of people, they do work hard. They are trying to make ends meet, you feel frustrated and you kind of want something to make you feel better in a sense. For me I had to learn that there are long term benefits. I can feel better, I can have accomplishments for things that aren't so short-sided. Not so much with the cars and the fancy stuff. But being able to take care of my family, having savings because if someone has a rough patch, I can help them out now. So, I've replaced the objects now with I guess I would call more freedom and more flexibility. To me that is a much more rewarding goal to work towards.

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FT: It's priceless having freedom. I find that also when you start to make more money and continue to live below your means at the same standard, you really start to appreciate the value of the dollar a lot more and the things that you thought you wanted when you are living, when you had the cash strap existence. You realize you didn't really care for them now that you actually have the money to choose how to spend.

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EM: You look back and you don't have as much joy from those objects and also you realize what kind of car you drive isn't as important as you think it is. I'm not saying drive a jalopy or a beater, but look at your long term goals and now for us, we actually don't have any car loans. We buy our cars with cash.

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FT: Yes. How did you learn about money, Elle? Describe your upbringing a little bit for us and let's transition now to talking about your biggest money memory as a kid growing up?

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EM: That is a good one. I got a lot of people, pieces from different parts of my family, like I would say my grandmother definitely was a frugal woman. She taught me to be content with the things that you have around you. My parents, I would say taught me to find whatever work or whatever career you go to, make sure you love what you do. My father is a graphic designer, my mother was a teacher. For me that was a big thing no matter where I worked at, I wanted to enjoy what I do. That stuck with me. They also encouraged me to work to try out different things and I was a kid that had 20 different businesses at any time. I did the recycling run all through the neighborhood to get some cash for that. I would actually put on – believe it or not – these bike stunt shows. I thought I was Evel Knievel. I had no talent, but I would do that for the neighborhood and it's just something about generating money by myself, doing something that I enjoy kind of stuck with me.

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FT: Well, perhaps as an adult when you were working in supply chain management, not to say you weren't happy but perhaps you were wanting a different kind of career, you transitioned over to full time writing. How did that happen for you? What was the Genesis? At what point were you like, "I can't do this anymore."

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EM: What happened was I took the job in Raleigh. That was one of the decisions we have made as a couple that we were going to move out of Norfolk Virginia and whoever got the job, we'd go there. I did enjoy the work but there were certain parts to the job I did not like. I'm definitely one of those independent workers, you give me a goal and I'm going to achieve it. I don't like being micromanaged. I kind of felt like that and my husband noticed that. He was looking for a job and he finally found one with software development that he really enjoyed, and he saw that I was unhappy. He knew that I was working on the side, not blogging but creating content for a friend

who had a web design company and he said, “Why don't you try this out? Why don't you make the leap? We have some savings. You're really good at writing and it's something that you enjoy because you're doing this on the side and on top of having a full time job.” With his support and knowing that we did have that safety net, which is why I always stress, “Give yourself that freedom. Cut back where you can so you can take this risk and make these leaps.” I transitioned into that and I haven't looked back.

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FT: I love that. Wasn't that a little scary though at first?

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EM: It was for me. You have this idea, or a myth, or this fantasy that anyone who is an entrepreneur or solopreneur is a risk-taker. To a degree, that's true, but a lot of these successful ones I noticed, they don't just jump in blind. I knew that there was a chance that this would fail and having that income was important to me because I wanted to make sure that we get out of debt. Making that leap, I was nervous but having my husband support and running the numbers and talking about it, I got excited and just went ahead and made that transition.

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FT: I'm interested in asking freelancers how you go from finding one job to the next and how much of a hustle? Is it really, or do you get to a point where people just find you?

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EM: I think there does come a point where people do find you. I think it is absolutely crucial that you give the very best whatever assignment it is to the people that you have a contract with, or your clients, and when you're done and you know that they are satisfied, go ahead and ask, “Do you know anyone else that could use my talents?” Don't be afraid. I was at first but as my husband pointed out, you are helping someone else. They are very happy with your work. Why aren't you putting yourself out there and just ask? What's the worst they're going to say? No?

But at least they know that you're looking for work and they will pass on. That was absolutely essential for the first few years.

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FT: Yes, for sure. All right, let's talk success. I asked you about failure and now let's talk about some successes that you've had or one So Money moment, Elle, that you are really proud of?

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EM: It's kind of related to being a solopreneur, but making the leap into more projects for my business versus taking on outside clients, especially right now we're in the middle of another life transition. We have our second child. She's three months-old. Looking at the practicality of working from home and meeting up with people and raising the girls, we saw that it would be in our best interest for me to have more control. So, that meant taking on new projects like the podcast where I can have a schedule that works around my family and that's very important to me. I feel like that was a huge win. We saved up for it because as you know, a podcast, it is free to publish but if you want to do something good, you have to invest in it. Your time, your talent and yes, some money. That to me was a huge financial win and something I discovered that I really love and really enjoy.

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FT: Isn't it great? It's at a whole different way of learning and communicating. I think that listeners really appreciate. They do appreciate the effort. I hear from listeners all the time saying, "Actually, slow down, Farnoosh." Or, "You're working too hard." That's always nice to hear and I used to say that everybody should write a book. Everyone's got a book inside them whether it's your life story or something that you've learned over the years that you want to share and it doesn't have to be a 300-page book but it could be a little mini book or an eBook. Now I'm like, "Everyone can start a podcast."

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EM: You know, there are so many facets to doing a podcast. There is of course the interviews which I absolutely love. It gives me excuse to also read more. I love also the backend, the more technical aspects with the audio. I'm learning something new every week. I'm trying something different with the podcast because I want to make it better and then just the big picture about finances and learning other people's stories. I know I started to help out others but I feel like we've been helped so much by this.

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FT: Absolutely. Well, you and your husband seem to have a lot of good habits down in terms of speaking at each other about money, looking at the numbers, asking the why, remembering the why. What would you say is your number one habit that helps keep your finances and check that you would like to see more people do?

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EM: I would say our money dates, which sounds so nerdy. Personal finance blogger-like, but when that first discussion where we found out where we stood financially, yes that was completely awkward and I felt just to be honest, embarrassed that I had so much debt. But at the same time it was so freeing to be so open and honest with someone. It also allowed me to see a side of him I hadn't seen before. He was very supportive. When we got married, it was no longer my debt, it was our debt.

So I encourage especially the couples, talk about money. You do not have to make it a sit-down with the spreadsheets moment. Have a glass of wine, relax, go to the coffee shop and again start off with your goals and your dreams. What do you want to do? Because you're going to have personal goals. We're still two people. Even though we became one, we're still two individuals. You're going to have family goals and then you're going to have your professional goals. That is a wonderful way to bond together and to find a common ground that you can work towards.

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FT: Just to ask a few more specifics about the money date as you are the money and couples expert, how often do you have these dates and how well-prepared do you come to these dates?

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EM: I would say first of all, it's going to change just like the way you talk when you were first married, was one way now. We've been married eight years so there's a comfort level there. I would say just sit down. We would have these hour chats where we would be just about money, but now honestly, it's like 10 minutes every other week. Just every paycheck to make sure everything is fine and then we're more focused now on actually our purpose. Within the next year we hope to get another house. Sell this townhouse and move to our bigger home. When we're talking about projects that I have for work and some goals that he has. It used to be 80/20 focused on the numbers but now it's the opposite. Now it's focused on the goals and then okay, household or housekeeping, what are the numbers? Where do we stand now?

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FT: That's interesting that you pointed that out. That the longer you're married, the more you know more about each other. These meetings don't have to be hours-long, that they're just more check ins.

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EM: Yes. I always say if you have a money chat and it starts getting tense, do not feel bad. Just break it off. You can always come back the next day because sometimes those first or those initial discussions, since money can be so emotional, it's okay to diffuse it by taking a step back. I think people feel like they have to attack it and that's not the point. When you build up your marriage and you work together, you're going to be so much more successful with the numbers. Always put your marriage first in that context and when you have cooler heads, then you can always work through the harder problems.

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FT: I love it. All right, Elle, are you ready for some So Money fill in the blanks?

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EM: Okay, I think I am I got my coffee.

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FT: Okay, good. I haven't had my coffee yet so you're doing better than I am. If I won the lottery tomorrow, the first thing I would do is _____.

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EM: Actually I think I would gather my mom and a few of my closest friends. I was thinking maybe starting a foundation to give to causes that are important to us but also, I discovered something new like social impact lending, which I'm interested in where you're looking for something sustainable that -

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FT: Benefits society?

EM: Yes, something similar to Kiva and also something like where you're investing in businesses that basically make a profit but do well for the community. A mix of different things but a little foundation.

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FT: That's wonderful and maybe you go on a vacation or something. Right? You do something for yourself.

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EM: I think I would find an excuse to own a few homes around the world. I don't need big homes. I just have a summer home.

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FT: A little pied-à-terre.

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EM: Yes.

FT: One thing that makes my life easier or better is?

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EM: I would say I need my bedding and my shade curtains. I need my sleep. I will spend money. When we go to hotels – I'm not kidding – I will look at the tags like, “Oh my goodness. This is such a comfortable pillow. We have to get this.” And I love a good night's rest. I think that is essential and when you become a parent, it is crucial, so I will spend money on that.

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FT: You just made me rethink my bedding.

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EM: You should try. It has made a huge difference for me.

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FT: I might follow up with you after this and find out what the brands are. What brand name pillow do you have? Sleep Number makes some pretty awesome pillows. I know they're known for their mattresses but their accessories are also fantastic and their sheets are divine.

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EM: They do. When we moved to our house, I may have put certain things on that list, so I could get a good night. Like, “Here are the pillows.” So I have to pull that up where our registry was.

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FT: That's a unique answer. I've never had anyone say that before but I love it. I'm going to write that down. My biggest guilty pleasure that I spent a lot of money on, maybe a little too much – besides your down comforter – is what?

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EM: Okay, this sounds weird. Books. I'll tell you why and I'll tell you why it backfires. I love to read. I've always done this and we have a very good library. But all the books I want to read are always on hold and it is like 25 or 30 people ahead of us. I will buy Amazon like crazy. I have a whole card of books. The reason that backfires is by the time I get to those books, it probably would have been the same as the weight with the library.

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FT: Yes. I don't know. I'm really excited to hear that your library is hopping. Now I know how libraries – they're really making a comeback, but there was a period of time where I felt as though people were really neglecting the benefits and resources that were at the library. It wasn't just a place to drop your kids off and maybe take out a really old book. This is where you can do everything now.

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EM: They really have become like these media centers and they're almost like their own community centers, or at least the ones around my neighborhood.

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FT: Yes. I've had people call in to this podcast from their local library. The wifi is that good.

EM: Oh, nice.

FT: I'm not sure where they're doing it from. Hopefully I'm not disturbing people around them, but I'm also a big Amazon shopper. I will admit as a parent, too. Like everyday, there's something coming whether it's diapers, or formula, or anything, all of the above.

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EM: Yes. I'm an Amazon mom, but they have such good deals on diapers. I will say that.

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FT: Yes, they do.

EM: And then you do get those discounts. So, take advantage of that.

FT: One thing I wish I learned about money growing up is _____.

EM: I wish I learned more about investing. I was very fortunate that one of my bosses – I think it was early 20s – talked to us, literally sat down the office and talked to us about the importance of investing even a certain percentage to get the match and why that is essential to do now rather than later. That was really good. I just wish I'd known that earlier because time is really such a huge advantage. That's something I wish I learned sooner.

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FT: Well, it seems like you got it soon enough, that tip. Right?

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EM: Yes. Yes. That was good. I wish I put more in but you do much you can when you have the time.

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FT: It's something that I tell millennials all the time. There's this sentiment when you're 23 that, "I have the rest of my life to save." That's sort of true but I tell you, when I talk to people in their 30's and 40's and older, the biggest financial regret often is not having start it sooner to save, or saving as much. There you go.

When I donate money, I like to give to _____ because _____.

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EM: I would have to say DonorsChoose is one of my favorites because I know the difference teachers can make. I'm a daughter of a teacher, I have a lot of family in education profession and I see them literally work 12 hours a day because they want to do right by the kids they take care of. I love also how DonorsChoose literally own the classroom level and you can pick the projects that you feel would be the biggest impact.

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FT: I love that. I was just part of a contest. I was a judge to pick one of the best – there are a bunch of teachers out there who want to start financial literacy programs in their schools. So they all had different pitches and they have them on DonorsChoose. A lot of them were already funded but on top of that, there was a contest that was being held that I was judging where we ranked them from one to 10 and the top winner got \$50,000 on top of what they had asked for to further develop their idea. There are so many great, great initiatives on DonorsChoose. It's worth browsing at the very least.

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EM: Yes, and I feel like just the idea that you can search for what matters to you – it could be the subject matter, it could maybe a high-need school, or if you want to just give locally, you have that power. I love anything that can connect people to others on their passions, is a fantastic way to give up your money.

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FT: Absolutely. Last but not least. I'm Elle Martinez and I'm So Money because _____.

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EM: I have a purpose for my money and I want to help others do the same.

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FT: I love it so much. Thank you so much, Elle. Tell us where we can learn more about you.

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EM: Well, you can see me at Couplemoney.com and also you check out the podcast every week. I put out a new one at Couplemoneypodcast.com.

[00:33:48]

FT: We will check that out. We'll have all the links for everybody back at Somoneypodcast.com. Elle, thanks so much and I'm going to so wish you a happy Mother's Day because everyday should be Mother's Day.

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EM: So true. Thank you so much. I really enjoyed it.

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FT: My pleasure. Thank you so much.

[END]