

**EPISODE 256**

[INTRODUCTION]

[00:00:31]

**FT:** Hey everyone, happy Monday! Welcome back to another episode of So Money. Kicking it off this week with my good friend Michael Schreiber. Michael and I used to work together, well actually we went to graduate school together at Columbia, followed by some colleague work at TheStreet.com, and then later we kind of worked together at Credit.com and he is currently the Editor in Chief and Chief Content Officer of Credit.com. It's a website that serves as your credit advocate. It's also a resource and guide to make sure that you're fully armed with all the info and tools you could possibly want/need in order to fully understand your credit.

Wanna know how a late payment can affect your score? Need guidance on how to manage your credit? Or maybe you wanna see where you stand with your score? Credit.com has you covered and the content from the website is syndicated everyday across major media portals including Yahoo!, NBC, AOL, MSN, several others. Michael is responsible for leading the editorial and content team made up of more than 30 credit experts. He is an Emmy and Dupont award winning journalist — yeah just a couple of small awards. He's also a producer with 15 years of experience working in print, TV, online media, documentary work.

Prior to this role he served as Managing Editor of Mainstreet.com, the personal finance site owned by TheStreet.com. Michael, like I am, is also a fellow graduate of Columbia University's graduate school of journalism where he also served there as an adjunct professor in the multimedia department.

Several, several takeaways from our interview with Michael. You know, we're friends, so we kind of bounced around a lot and shared our experiences, shared experiences and different perspectives on things that happened simultaneously in our lives, such as me getting laid off from TheStreet.com. We talk about that day. Where was I? Where was he? He tried to save my job, it didn't work. Now we laugh about it, but of course at the time it was, you know, there were only heart palpitations. And we talk about details about his award winning documentary back in the

day when he did this award winning documentary "The Secret History of the Credit Card". There's a secret history? We talk about Mike's number one financial failure; it's the quote "the epitome of stupid", he told me. And finding your funnel; you're gonna have to listen to know what that means exactly, but I promise it's good.

Here is Michael Schreiber.

[00:03:01]

[INTERVIEW]

**FT:** Michael Schreiber, Mikey! Welcome to the show! Finally

[00:03:07]

**MS:** Thanks Farnoosh. I'm happy to be here.

[00:03:10]

**FT:** For those of you who don't know this, Michael and I went to Columbia together, graduate school for journalism. We were, I had the great fortune and privilege of being in your, in our hardcore class together. Like the RW1, which is your group attendance.

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**MS:** And you were, if I can say, the youngest person and also now the most famous person. Probably makes you the most resented person in that entire class.

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**FT:** [Laughs] Present company excluded, right? You don't resent me.

[00:03:41]

**MS:** I don't, no. Never!

[00:03:42]

**FT:** No you don't resent me.

[00:03:43]

**MS:** No I'm a big fan!

[00:03:44]

**FT:** Awh well, you know I have to say, you and so many others from that class, we're still really tight and that was one of the invaluable gifts of going to graduate school. I don't know if today spending six figures to go get your journalism degree is really "worth it", but for everyone it's an individual choice and for me, I'm so glad I did it.

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**MS:** Yeah. It was a great experience. I actually had experience in journalism before going to Columbia, and a lot of people who go to that school come from newspapers. I came from a newspaper. Other kind of professional journalism backgrounds, but decide they wanna go because they want to learn another skill. I went because I really wanted to learn documentary film making.

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**FT:** I was gonna say, I would've expected you today being a documentarian or perhaps the bureau chief for a major network. You fell into personal finance quite by accident. Can you maybe take us back to your career after journalism school, and kind of what led you to your current role, which is editor in chief and chief content officer at Credit.com.

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**MS:** Sure. So it started, after I went to J-school, like I said, I was a newspaper reporter before. And when I went to journalism school I wanted to get into TV, mainly documentaries. And after school I worked at ABC News for a while in a long form television unit, making documentaries but for other television channels. That's one thing that ABC always did, they would make like shows for Biography or Discovery Channel, things like that. And so I did that for a while and eventually I got a job at the New York Times, the New York Times Television, with a group there making episodes of Frontline.

And one of the episodes that I worked on was called the Secret History of the Credit Card, which at the time no one was that psyched to do that show because everyone was thinking, "How are we gonna show pictures? I mean how are we gonna make this a visually interesting documentary? It's plastic." And the people who I worked on that with, it was really two guys were in charge: Lowell Bergman and Dave Rummel were the main producers. And Lowell was the correspondent and you might recognize his name because he was the guy that Al Pacino played in the movie "The Insider", which was the movie about the tobacco industry and stuff like that.

Anyway, long story short, they made it very interesting and I was part of a team of producers on that and it ended up winning all sorts of awards. It was famous in the world of documentaries because I think they took this subject that everybody had familiarity with, everybody has credit cards in their wallets, but no one really knew at that time — this was around 2005 — no one really knew how they worked.

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**FT:** How do they really work? [Laughs] Maybe I need to watch this documentary. I'm like, "Secret History of the credit card?"

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**MS:** Yeah, well honestly I mean back then it was before credit card reform and there were all sorts of kind of practices going on in the industry. Things like negative amortization for example. Meaning that the minimum payment due was so low that if you paid at that rate forever you would never pay the thing off. There were certain things that are now not legal in the credit card industry after the Credit Card Reform Act. And so people were really interested in figuring out the real terms and conditions of their credit cards; what's in the fine print? And so it was real successful, it got a bunch of awards. It got an Emmy Award, it got a Dupont Award.

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**FT:** Did you go to the Emmy's?

[00:07:26]

**MS:** I did not go to the Emmy's — I'm trying to remember. This was so long ago. Did I go? I remember I got a plaque, like a certificate. It's in my office right now. And I'm trying to remember; did I get an Emmy? I definitely went to the Dupont Awards. But maybe..

[00:07:43]

**FT:** Which is the epitome of journalism awards. I mean, have they named a hallway after you at Columbia?

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**MS:** [Laughs] I think I get the attic, maybe the basement? I'm not sure! No, I get nothing. I haven't even finished paying off Columbia.

[00:07:58]

**FT:** Who do we have to call there to make that happen? [Laughs]

[00:08:00]

**MS:** [Laughs] I think I gotta finish paying off my student loans before I get anything named after me. That's what I tell them when they call me asking for money. And I'm like, "I'll consider giving you more money when I finish paying you the money I already owe you."

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**FT:** Yeah, that seems like an easy background check they could've made before they figure out who they're gonna actually cold call.

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**MS:** Yeah totally. Anyway, so back to this story. I did this documentary and then I went on to do other documentaries and other TV. I actually did some reality TV, I did a documentary about terrorism in Europe — that was another Frontline. I did a documentary with June Cross, who's also a professor at Columbia, about hurricane Katrina. And then eventually after working in documentaries and television for a while, which was mainly freelance. I was getting married, I wanted something a little bit more stable, and I decided to take a full time job at a Internet startup call TV360. And I worked there for about a year or two and kinda learned online media, built kind of these Internet television channels, essentially from scratch, working with a very small team. And we kinda learned everything as we did it.

And from there I wanted to get back into more traditional journalism, and that's where you come in. You referred me to TheStreet, where I ended up becoming managing editor of Mainstreet.com, which was the personal finance site. And I really wouldn't have probably qualified for that job had I not worked on that documentary about the credit card industry. Cause it was well known in the business, and I had a background. I had some personal finance chops as a result of that; I understood how credit and credit scores, and things like that worked. And so that worked out. I ended up getting that job and we overlapped there at TheStreet, you and I, for a few months.

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**FT:** A few months, and then I got the boot! Along with like 15% for the company. And so I was happy that I was able to bring you on board and then at the time I was very upset to get told that I couldn't come back to work anymore. But honestly, as everyone knows who follows me and I've talked about this, it was the greatest decision that I didn't have any control over in my life. Getting laid off, you can look at it two ways: you can feel sorry for yourself, which I certainly did for a little bit. But then you understand the opportunities that await. And I have had a wonderful ride since. So I'm happy to have been there, and I'm happy that they fired me I suppose.

[Laughs]

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**MS:** It's been amazing for you. I'll never forget that day though.

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**FT:** Yeah, yeah.

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**MS:** I'm calling you... you remember that?

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**FT:** Okay, let's just be honest here. I was getting my hair cut that day and so I was not in the office. Worst thing to be doing when they're looking for you to lay you off at your company. I was outside getting my hair cut, which by the way, they knew I was doing this, I was on air talent, I had to get my hair cut and I scheduled this and whatever. So I'm not this like diva that's like getting her hair done all day. But you're calling me and you're like, "You should really be in the office right now, Farnoosh." And I'm like, "Why? What's going on?" And you're like, "Just get over here!" And I knew then and there that I probably should just stay at the salon longer because there was nothing good that was gonna happen coming back to the office.

And sure enough, I was on my way back to the office when I got a call from HR and our editor in chief at the time saying, and I just knew. When they have HR on the phone, it's usually not to wish you a happy birthday. It's, "You're terminated." So that was my little layoff story.

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**MS:** No one would tell me! I was like, "What's going on?" I took it upon myself...

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**FT:** Thank you for trying to save my job, somehow.

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**MS:** I tried. And somebody said, "Well I guess maybe she shouldn't be getting her hair cut today." And I'm like, "She's on Air Talent, man! She's getting her hair cut for the company! How dare you?"

[00:12:03]

**FT:** "How dare you? It's in the budget, okay! It's a line item in the budget! Shareholders are well aware!" But we both left TheStreet at a point and then that's when you landed at Credit.com. And so tell us about your role there, and I'm also curious to learn from your perspective, what is of top interest right now from consumers when it comes to credit? What do we not know that we need to know more about?

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**MS:** Well okay, I'll start first by just telling you what I do here. Essentially when I came to Credit.com, we did a lot. We did articles, we did content, but it wasn't organized as a essentially a newsroom in the more traditional sense. So I had had a lot of experience at TheStreet and other places kind of working in traditional newsrooms and producing a regular kind of stream of content, especially at TheStreet. We were producing for Mainstreet like 50-60 articles a week!

And we really wanted to do that at Credit.com too, for a few reason. Mainly though because we wanted to be able to distribute content and essentially push content out to lots of third party sites that would take our content in the same way that they take the AP any other kind of content syndication network.

So we're kind of a content syndication network focused on personal finance credit and debt issues. And the reason why that's a great thing for us is because as these companies take our content, big portals like Yahoo!, MSN, AOL, ABC, CBS, and about a hundred different sites now take our content, they link back to us. And it's a way for you to put your stuff out there in a way that serves the interests of the reader, cause it's a traditional journalistic operation with all of the kind of standards and practices of any other journalistic operation. Objective fact checked, edited, well researched, and written stories.

And as we push that stuff out there we're able to attract new readers and viewers to Credit.com who engage with us over time. So it's really a way to, when you think about it from a business perspective, broaden the top of the funnel. Just more and more people come into contact with you as an entity, as a media entity, as a consumer, financial education entity, all these things happen as a result of being able to push out content and good news. And we do a lot of news, we do a lot of ever green content and stuff like that.

So that was really the idea whey I came to Credit.com was to build up...

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**FT:** To be the funnel mastermind.

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**MS:** The funnel mastermind. Yeah, that's — I should put that on the business card: "Funnel Mastermind"

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**FT:** Funnel Mastermind™

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**MS:** Funnel cake. [Both laugh]

[00:15:04]

**FT:** But humor aside, what you have — the skill set that you have now as running Credit.com, their editorial strategy, but also their content distribution strategy, share with us. Cause a lot of my listeners are in the blogging world, or they're online entrepreneurs, or they're interested in engaging more with an online audience. One tip you can share about building your audience engagement; maybe it's finding your funnel? How do you find your funnel, Mike?

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**MS:** [Both laugh] That's a few double entendre. I feel like...

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**FT:** I didn't think so! I'm asking you a question.

[00:15:42]

**MS:** You definitely did.

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**FT:** You have a dirty mind!

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**MS:** [Laughs] Find your funnel; I did a talk about this at FinCon last year. FinCon is a conference for personal finance bloggers and writers and stuff like that, and it was all about content distribution. And there are a lot of really important parts: there is establishing kind of a regular editorial calendar, and standards. To me, getting your stuff out there is all about the relationships you have with people. So they know you, they know that you do stuff right, that you're not getting paid by people that you write about, that you're fulling transparent, and that you're doing it in a way that is on the up and up, and that your readers can trust what you're doing.

And I mean, when I say "not getting paid by people that you write about", everybody has advertisers, but you can't do a story about the five best credit cards for \_\_\_\_ and then the number one in somebody who has written you a cheque specifically for that purpose. All joking about journalism school aside, one of the things they teach you in journalism school are the ethics of essentially creating content. And that's really important.

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**FT:** Absolutely. And that actually gets people in a lot of trouble. The FCC and FTC are both cracking down on this and I think it's more ramped now with Instagram and Twitter and Facebook now people are promoting things on there that's not an article, but it's still an endorsement of some kind, even if it's just a few characters, it's journalistically unethical and unethical for other reasons too. I mean you just need to be transparent.

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**MS:** Yeah. Absolutely. So I think that's a big part of it. It's kind of creating good content in a good way, and then doing out reach and building up relationships and saying like, "Alright, well here's a place who's audience I like, who I would love for this audience to be away of my existence, and figuring out what kind of a hole you could fill for them. So that's essentially what we do, you know?

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**FT:** So what's the hot-button credit issue these days? I mean FICO just came out with a new score, I think it's a FICO score 9. I don't see so many ads now for "get your free credit score here" because I feel as though it's just become ubiquitous?

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**MS:** Yeah, it's true. I mean Credit.com gives away two free credit scores and we have this whole credit report card where we give letter grades explaining what the credit scores mean and all sorts of stuff. There's this modelling software that tells you what your score will be if you start paying your stuff on time or reduce your debt. So there's good technology there, but the reality is that people are able to get their credit scores from so many different places right now that it has created some unforeseen consequences. So you can get your credit score from your credit card company. Various credit card companies now give away credit scores. FICO has a program called "open access" where they make credit scores available through like different credit card companies and student lenders also are giving away credit scores now too.

What a lot of people don't realize is that they have more than one credit score; they have lots of credit scores. There are lots of credit score models. So when they're getting credit scores from all these different places — from their credit card companies, from their student lender, from sites like ours and other free sites — they might be thinking, "All these credit scores should be the same. Why are they not in agreement?" And it's because there are so many different models and these different models of credit scores are fed from different data sources. So all of the credit bureaus, Experian, Transunion, and Equifax feed into these models and they all have different data.

The credit score that you get from one provider is likely to be different from the credit score you get from a different provider, and that can be really confusing for people. They're getting their credit card bills around the same time each month and they're seeing different numbers out there. So to me it's kind of like, it's a well-intentioned movement meaning that all these financial institutions are giving away free data. And that's transparency, and that's great. But at the same time, because of how complicated the system is, I mean credit scores were never really meant — when they were first created — to be these consumer-friendly tools. They were always meant to essentially make the lending process easier for financial institutions.

But now because consumers want them because consumers became aware of them, the institutions feel they have to give them away and let people know. Bernie Sanders, in fact, over a year ago introduced a bill that would make credit scores free through a government mandated site, which is a tricky thing. It's another well-intentioned idea, but credit scores and credit reports are very different. As you guys know, we're each entitled to a free credit report once a year though Annualcreditreport.com. That's a federally mandated site, it's the law. You go there, you enter your information and you can get one of each reports from Transunion, Equifax, and Experian once a year for free.

It would be very hard to replicate that kind of thing for credit scores because there are hundreds of credit scores! Which one do you...

[00:21:57]

**FT:** Right. Who do you choose to go with?

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**MS:** Which one you gonna give away for free? I mean if the government were to choose one, it would essentially be like giving the thumbs up to one credit score provider, which is — do they really wanna do that? It's tricky.

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**FT:** To make whoever's listening, like it's getting a little like [Laughs] upset.

[00:22:13]

**MS:** Is this [inaudible]?

[00:22:14]

**FT:** No, no, no. I'm super, I'm there with you Mike. I'm like so nerdy. But I think I guess the good news, or at least the better news is that it doesn't matter that you have a 731 from FICO but then a 733 from some other source. Or even within FICO you might have several different scores. Because as long as it's all within a range, if you're above 700 or above 720, you're good.

[00:22:42]

**MS:** Yeah. As long as you're looking at the same range. Most FICO scores are 300 to 850. There are certain other scores, like Vantage Score used to be like 500 and 990 I think. I could be wrong on that. And then there are other scores that have different ranges. But you have to just know where you are, what percentile you're basically in. If it's in the excellent percentile for that given score, or if it's in the good or whatever. I mean that's one of the good things about some of the sites, including ours [plug,plug], that it kind of tells you where you are relative to that range and other people. So you can see kind of exactly what this kind of random number means. And that's important because you're right, people are always gonna get confused.

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**FT:** Yeah I guess the people who are like really anal about their credit scores, and I wanna just, "You know, relax. As long as you're in this particular range, you're good to go." And I think even as we're recording this on September 14th, I tape ahead of time and we'll air this after the Fed meeting, so I'd be curious to see how much more traffic you're gonna get to Credit.com in the next several weeks as a result of people — I mean I just got asked from the Today Show to do a piece on what rising interest rates will mean for the credit environment.

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**MS:** You should totally bring me on the Today Show.

[00:24:05]

**FT:** Yeah okay! Let's tag-team it. [MS: Laughs]

Let me ask you this, Michael. Let's transition now to the So Money questions. I love talking about credit. I'm actually gonna dedicate a whole episode to credit soon. Maybe I should have you back on for that.

What is your financial philosophy Mike? Would you have one? A money mantra?

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**MS:** Do I have a money mantra? I probably should have prepared something, right?

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**FT:** [Laughs] But you're so good on your feet, why even bother?

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**MS:** Yeah so I think my money mantra is like, get into the fetal position under your desk and hope that nothing goes wrong. I mean — No I'm just kidding! [Both laugh]

[00:24:40]

**FT:** Always bring your sneakers.

[00:24:42]

**MS:** Yeah [Laughs]. No I think my money mantra is talk about it. I think, and I can only speak about my own life. You know my wife Vanessa, and I think we have a system that we're supposed to do — and sometimes we do it well, and sometimes we don't — where we really talk about what's going on in our lives financially. And it's not easy or fun, usually, but to the extent that you can talk to your better half and if you don't have a better half make time to really go over the details and the menusha alone or with some sort of partner in crime in one way, shape,

or form. That's good. Don't just kind of think that it's under control and you're doing what you gotta do. Even if you're right, it's good to check. You know what I mean?

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**FT:** Absolutely.

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**MS:** And talk about it. I guess that would be my very simple...

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**FT:** Keep it real, yeah.

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**MS:** Keep it real. Don't just, you know, don't get stuck in the cycles. And you gotta stop and look every once in a while.

[00:25:49]

**FT:** Take us back down memory lane. I know you grew up in, I believe, Maryland?

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**MS:** Yes.

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**FT:** Chevy Chase, Maryland. I actually didn't believe that was a town. I'm like, "The Chevy Chase?" What came first, the actor or the town?

[00:26:03]

**MS:** The town came first. I've read this before; people used to tease Chevy Chase about this. I read that somewhere a long time ago. But yeah, the town came first.

[00:26:13]

**FT:** And so very affluent part of America. What was your introduction to money, a memory that you had that now as an adult you look back and you're like, "Wow, that was a big learning lesson," or something that just to this day has stuck with you?

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**MS:** My parents had a talk — my parents got divorced when I was in high school, at some point in high school. It was a longer process than I would've like. And a lot of, I think, the issues in our family centred around money and having different expectations. And without getting into the details, I think that when you're in a relationship it's inevitable that the two people are going to have different approaches to money. And sometimes they compliment each other, and sometimes they can make life difficult and usually for most couples I think it's both. So I think without offering any solutions to that, because I don't have tons of solutions except for my mantra, which was "talk about it", I really learned how important money can be in a relationship because of the impact it can have just to how people behave towards one another in ways that have nothing to do with money. You know what I mean?

There are times where if I'm stressed out about money I can turn into a complete asshole about stuff that has nothing to do with money. And I think I learned that from a very young age that money can just impact your relationships, your psyche, your way of being in ways that we're not always aware of. It's not easy to control, and it's definitely a work in progress.

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**FT:** Who's better with money? You are Vanessa?

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**MS:** I think she is. Yeah, she is.

[00:27:56]

**FT:** Yeah.

[00:27:56]

**MS:** She's just better at — A) she's better at record keeping and stuff like that. I mean, if I wasn't married to Vanessa I would... [FT: Laughs] My home situation would be a disaster! Like it was a complete disaster! Ask her to tell you sometime about what my apartment was like before we moved in together.

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**FT:** Let's not talk about that!

[00:28:17]

**MS:** Yeah, not on the air anyway.

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**FT:** Wow! Send me a picture or something.

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**MS:** Yeah I think I burned all those pictures.

[00:28:23]

**FT:** Right [Laughs]

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**MS:** It's partly Ed's fault. He was my roommate at the time, but the two of us together did real damage. But I would say she's good at, she's really good at keeping records, maintaining kind of a real eye on the ball. Just making sure that we know what's going on, that's being documented. And I think then kind of the behavior adjustment part is stuff that you have to do in tandem. So keeping the records is only important if you're taking action based on them. And so that stuff you have to do collaboratively. And when two people are really busy and have to make kind of financial decisions often on the spur of the moment, then sometimes that doesn't happen as well as it should and I'd say that's stuff that we have to work on collaboratively. I don't think I'm particularly great at anything.

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**FT:** Well speaking of not being particularly great at that, what's a financial failure that you've experienced either long time ago or recently? And it doesn't have to be this cataclysmic event. It just has to be something that you're not super proud of, but it was a good lesson, hard lesson learned.

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**MS:** Financial failure. Alright, here's one. This is like the epitome of stupidity. I remember once I kept on getting tickets. I was living in Brooklyn and I had a car and I parked it on the street. And I kept on getting tickets and I knew I had to pay the tickets, but for some reason I just decide not to pay the tickets. I don't — it was this out of sight, out of mind thing. It was obviously before we were married. Vanessa would never let this happen. But, although we were late with a ticket recently, so that's funny!

So I just put it out of my head. I literally...

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**FT:** You were in denial.

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**MS:** I was in denial. It was like I was in the fetal position under my desk hoping that this wasn't real. And you can do that. It's easy to do that with little things and big things. And so I did it and I must've gotten three or four tickets cause anyone who knows about opposite side of the street street cleaning in Brooklyn knows that it just sucks and you have to..

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**FT:** Mondays and Thursday, and Tuesdays and Fridays.

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**MS:** You have to be really on top of it, which is why I live in the burbs now. Anyway, I eventually walked down to my car and it was gone. And not only did I have to pay back the tickets, because it got towed and impounded, it was like a \$500 fine. And I remember I was really angry about it and I was on the phone with my mother about something else and I just griped about it, and she laid into me. Like she might have called me an idiot [laughs] on the phone.

[00:31:18]

**FT:** Yeah. You're like, "Mom, can you believe they like towed my car. I mean I only didn't pay my tickets for the past two years."

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**MS:** [Laughs] Yeah, pretty much! And she was just like, "What are you thinking?" And I just remember that was a good lesson for me. I've never done that like that again.

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**FT:** You were afraid. You were just, yeah.

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**MS:** It wasn't the only time. I remember in college when I first had a credit card, I just decided to not pay the bill. Like [Laughs]..

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**FT:** This is more common than one might think, people just thinking, "I'm not gonna pay the bill." Whether it's cause they don't think they have to or they don't have the money and they just wanna pretend it doesn't exist?

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**MS:** What I think it was is that I was in college, living on my own for the first time in my life, and I was like, "No one is the boss of me, including these credit card companies. I'm just not gonna pay. Like, sorry. Screw you guys." And then...

[00:32:16]

**FT:** "Who do you think you are?"

[00:32:17]

**MS:** [Laughs] Yeah! "I'm the boss of me now!" And then I got late payment after late payment, I was like, "I don't care. Whatever." And then eventually I paid the stuff off. Oh I remember, it went to — one of them went to a debt collector and I was like...

[00:32:32]

**FT:** Um, did Credit.com check your credit before they hired you?

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**MS:** By the time I got to Credit.com...

[00:32:37]

**FT:** You were good.

[00:32:37]

**MS:** I was good. Although, when I did that Secret History of the Credit Card documentary, we all checked our credit scores. And at that time it was the first time any of us had checked credit scores. Back then, 2004-2005, no one was doing that back then. But we all did it and I saw all this stuff that I'd done in college on my credit report.

[00:32:58]

**FT:** Gulp.

[00:32:58]

**MS:** Yeah, it was hilarious.

[00:32:59]

**FT:** What was your score? Did you know then? Did you have a score?

[00:33:03]

**MS:** I think I started to come back by then and it was in the low 700's.

[00:33:07]

**FT:** Wow!

[00:33:08]

**MS:** It wasn't great.

**FT:** Time heals.

[00:33:11]

**MS:** It does, it does. But I remember feeling like — at one point one of the credit cards went to a collection agency and I think I did a deal with them where I saved \$50 or something, like I didn't have to pay the whole debt cause you can negotiate with debt collectors. They've paid pennies on the dollar for this debt, so if you pay them half of what you owe, they usually make out fine and you make out fine. Except for you don't make out fine because now your credit report has this negative item on it, which stays on there for seven years and all of your interest rates on all your other stuff can go up. It's called "universal default". That's one of the other things that people don't know about is that you can have a problem with one credit card and it can impact the interest rates on other loans.

**FT:** Oh yeah. For sure.

[00:34:00]

**MS:** And so I learned the hard way.

[00:34:02]

**FT:** All good context, and content, as now running Credit.com.

I'm gonna skip the success story because we're running a little bit out of time, and I'm also more curious about your habits. Your financial habit, number one, that you practice? Now you did

mention that you are very communicative with Vanessa and that really helps you with your finances as part of your money mantra. Just get help, talk about it, don't go it alone. But what is one thing that you do, maybe on a regular basis, that's very Mike that you do that helps you at least, maybe not manage your money, but maybe make spending decisions? Would you ever have a thought process before you buy something?

[00:34:45]

**MS:** Yeah. I'm trying to think. I mean listen, I'm not — everybody needs to splurge every once in a while. But you just have to ask yourself — what I do — "is this a nice to have, or need to have?" There are certain things that you need to get, and then you can always — let's say you need a new headset for your phone or something like that. You need it. You use it all the time, it's something that you need to have for productivity, and you've decided it's something you need. Well there are lots of headsets out there. There's \$20 headsets, there's \$300 headsets.

[00:35:23]

**FT:** And you just bought a Beamer; so was that a "nice to have" or a "need to have"?

[00:35:27]

**MS:** It's a lease..

[00:35:28]

**FT:** It's a lease to have!

[00:35:29]

**MS:** [Laughs] It's a lease to have. Nice one Farnoosh! Definitely getting my car [Laughs] on the show. Yeah that was definitely a "nice to have". I mean I decided to go for that one for a lot of reasons. We had a crazy year. Actually, and this kind of gets into — this is kind of another money lesson. But my dad had a traumatic brain injury and we've essentially spent the last year,

eight months or so, taking care of him. He's been in the hospital essentially consistently for eight months, and had to — my sister and I and my wife have had to figure out how to deal with his finances and just take care of his entire life. And there's all sorts of stuff that's come up. From the sale of the home to just like a house full of stuff, to how are you gonna pay for care for an extended period of time? All this stuff.

I will say that my background in personal finance has informed what I do and the decisions that I make there in a big, big way. But I think the car, just to get back to that, was probably that purchase was made to some extent because I was like, sometimes you make purchases because you feel like you're going through such a shitty time and you want something to make you feel good. And I think that, if I'm really honest, like as stupid as sometimes I feel about that that's probably what's happening there. But I like driving it and I can afford it.

[00:37:13]

**FT:** Yeah you like driving it, you can afford it, and if you can't, well it's a lease and it'll be up soon anyway.

[00:37:21]

**MS:** Yeah exactly.

[00:37:22]

**FT:** And by the way, this is gonna be my first explicit interview on So Money. I'm not gonna edit out the curse words. I'm just gonna mention it on iTunes. [Laughs] It'll have the "E" next to it like a rap video, a rap music CD or something.

[00:37:38]

**MS:** Oh great.

[00:37:40]

**FT:** Can you tell how long it's been since I've listened to music? I just called it a "rap music CD".

[Laughs]

[00:37:44]

**MS:** Rap music CD! Do you like the hip hop Farnoosh?

[00:37:48]

**FT:** Oh man! Are the Hanson Brothers still a thing?

[00:37:56]

**MS:** They're good. Hanson, those guys actually are still a thing. And that's actually a really interesting money story. I can't believe I actually know a Hanson Brother's money story!

[00:38:04]

**FT:** What?

[00:38:05]

**MS:** Yeah they started, I think they started their own label. They got tired of the music business.

[00:38:10]

**FT:** Oh, good for them!

[00:38:11]

**MS:** They created their — and they're pretty funky. I'm a musician, and I have to say, pretty soulful stuff. And they wanted to get out of the business of having, I think, record labels telling

them what to do and things like that. I listened to a podcast about this I think a year or two ago, so I could be wrong about all of this. But if I'm not mistaken, the Hanson's have some lessons about how to become an independent artist in a world where for musicians, and almost like any kind of content creator, it's becoming more complicated. Although there are lots more opportunities to go directly to the consumer because of essentially the Internet being this amazing distribution tool that anybody can take advantage of.

[00:38:56]

**FT:** Well I'm so glad I inserted Hanson Brother's into that bad joke, cause now I know so much more about the music industry works. Thanks for that Mike.

[00:39:05]

**MS:** No problem.

[00:39:06]

**FT:** Let's do some So Money Fill in the Blanks and then I'll let you go, I'll cut you loose.

[00:39:10]

**MS:** Okay.

[00:39:11]

**FT:** If I won the lottery tomorrow, let's say \$100 million, I just knocked on your door and dropped of a bag, the first thing I would do is \_\_\_\_\_.

[00:39:18]

**MS:** Probably just pay off all the debt, all the student loan debt, any other — the mortgage, all that stuff. And just be free and clear. And then, fully fund college, do all the basic, and then figure out a way to have the most fun as a family for the rest of our lives, I guess.

[00:39:39]

**FT:** I love it. And I'm always free to hang out, by the way.

[00:39:42]

**MS:** Yeah. We'd invite you guys over. That decision making process!

[00:39:47]

**FT:** [Laughs] My one expense that makes my life easier or better is \_\_\_\_\_.

[00:39:52]

**MS:** That car, I think. That one pops to mind because it's fun to drive something that's like a new toy and all that stuff. But I think there are lots of little expenses that — think about all the apps that you bought that make your life a little bit easier. The subscription to the music service that takes care of you on your train ride, or whatever it is. I think there are lots of things that we pay for now that accomplish that, but they're almost like micro payments. They're like \$5 here a month, \$7 there, and they do add up is I guess my word of caution about that.

[00:40:35]

**FT:** The one thing I wish I had known about money growing up is \_\_\_\_\_.

[00:40:39]

**MS:** I think because my parents clashed about money so often I just had this kind of skewed idea of it's importance. And I think I probably thought it was more important and less important

than it really is in different ways. I just don't think I had a good appreciation for how to manage it. We'd have to spend a couple hours in therapy to get any more precise than that, but I think you learn so much from your parents. And I'm not bad-mouthing them at all. I learned a lot of good things about money from my parents too, but I think overall I probably just like had a slightly skewed understanding of what place it should kind of have in your life. I think that's still, and maybe that goes for everybody, you know what I mean?

[00:41:31]

**FT:** It's a work in progress.

[00:41:32]

**MS:** Yeah, I don't think I'm special in that way. I just think that we don't have a great system in this country for educating kids about money. It's not part of, you know, there's no financial education school really, not systematically. And I think that leaves it to kind of families who have learned in any number of ways how to do deal with money and may be more or less communicative with their kids as a result of not having any formal training themselves. So I think we're all left to kind of our own devices and so I guess I wish there was a little bit more financial education in my life. Not just by them, but in the schools.

[00:42:10]

**FT:** For better, for worse, we're left to our parents and our families to help us learn right from wrong. But at the very least you acknowledge your context. And you're like, "This is what it was, and I'm gonna take from what I can, learn from that and leave behind the stuff that I don't like."

When I donate I like to give to \_\_\_\_\_ because \_\_\_\_\_.

[00:42:33]

**MS:** Well you know, I was on the board of a charity called "Seed Artists" this past year and I still am actually. And we put together a jazz festival in my town, Montclair, New Jersey and for me I

gave some money too, but I gave a lot of time. More than money, time and expertise and stuff like that. And I guess that I like to give to places where I can see the impact. In this case I really could. We put together this festival that ultimately benefited various organizations having to do with jazz education and arts education and helping kind of — there are a lot of aging jazz artists who really don't have a lot of money and need support. And I mean a lot of them don't have any retirement money. And so you could really see, I guess the impact, both for the kids and the seniors who are being helped by this. And I got to participate in something, I was creative and so for me it kind of had all of those things and I had the time to do it. So that's what I liked about all of that. I don't know, that's not the clearest answer but...

[00:43:49]

**FT:** No, I know what you mean. And it's important to feel as though what you're contributing is really making a direct impact because a lot of the times it's possible that it does not. It goes to pay for overhead.

[00:44:03]

**MS:** Yeah and there are great sites like CharityNavigator where you can really see if it's being — to what extent the money is being used for administrative costs versus actually helping the people it's supposed to help. But for me it was just nice to be able to participate in the helping. Some places you just have to write a cheque, and that's fine too. But for me it was great to see it all in action.

[00:44:28]

**FT:** And now you have the memories.

[00:44:29]

**MS:** Totally. It was a good show.

[00:44:31]

**FT:** And last but not least, I'm Michael Schrieber, I'm So Money because \_\_\_\_.

[00:44:36]

**MS:** Because I know Farnoosh Torabi! I knew here way back when.

[00:44:40]

**FT:** [Laughs] No, something else! Give me something else!

[00:44:41]

**MS:** Ugh come on.

[00:44:43]

**FT:** We already know that!

[00:44:45]

**MS:** That was a good answer though, because you created the So Money. I remember when you actually first came out with this book.

I'm So Money because I think I'm working hard and getting a little bit better every year. I'm not revolutionizing any — and I'm speaking personally. It's a work in progress for all of us. Those of us who work in this business, those of us who are just struggling to get better, and I think I am getting better every year. I think each year's a little bit better than the previous one. Not that there aren't setbacks within those years, but I think if I look at the continuum overall, it's a nice line up and to the right.

[00:45:33]

**FT:** It's a nice curve, yeah. Thank you so much, Michael Schreiber! Really, you're one of my best friends, so really it's an honor to have you on the show, to learn more about you, your financial mindset and also to share with the world all the good work that you're doing with Credit.com and educating people about their credit health. So good luck to you, continued success, and I'll see you by the pool or somewhere.

[00:45:58]

**MS:** Yeah! This is great. I love this podcast, you are fantastic, and keep doing what you're doing.

[00:46:04]

**FT:** Thank you Mike.

[END]