

EPISODE 723

[INTRODUCTION]

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FT: Would you marry someone if they told you they had thousands of dollars' worth of debt and a really bad credit score? All things you had no idea about. Welcome back to So Money, everyone. I'm your host, Farnoosh Torabi. What do you think? What would you do? I would definitely take a little bit of time to reflect upon this.

Our guest today, Kara Stevens was in this very situation. She is the founder of the frugalfeminista.com, and she has spent a lifetime, she says, overcoming the negative money lessons she learned in childhood to become a happy, successful and wealthy woman today.

Born to a mother who immigrated to the US from Antigua, Kara learned from an early age that money was scarce, and that she should never trust men ever. I had to ask, how does this play into your relationship with your husband today, Kara? What did she do when she discovered prior to getting married that her fiancé had \$19,000 worth of debt and a 550 credit score?

Kara herself is remarkable. She paid off \$40,000 worth of debt in two years. She's the creator of the super popular 5-day financial reset challenge, where she's led over 10,000 women reset their financial life. She's the author of *Heal Your Relationship With Money, Understand Your Why, Let Go of Past Financial Dysfunction and Make Peace With Your Money In Just 28 Days*.

Well, we got 30 minutes with Kara Stevens. I hope that we'll be able to walk away feeling more at peace with our money. I think we can.

Here we go, here is Kara Stevens.

[INTERVIEW]

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FT: Kara Stevens, welcome to So Money.

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KS: Excited to be here, Farnoosh.

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FT: I just finished sharing your illustrious bio with our listeners. I'm on your site now and you've got all these fun random factoids about Kara Stevens, a.k.a. the Frugal Feminista. I do this on my site too. I think it's really fun when people can learn other stuff about you, like did you know that Farnoosh was Sally Bowles in her 6th, 11th grade production of cabaret? You love reality TV.

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KS: Yes.

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FT: Who doesn't? I mean. You're vegan.

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KS: Ish.

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FT: Ish vegan.

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KS: I'm a fig vegan.

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FT: What does that mean? Where do you cheat?

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KS: I think I'm a situational vegan, where when I get home to my mom and – we're from the Caribbean, so when she cooks something like some curried goat, I can't say no. In all other venues, I can I can go without the meat, or the cheese and fat.

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FT: Cheese, dairy. Yeah. Wow, it's so limiting. It feels so limiting. You are an introvert, which I would never have guessed, because we met because you came up to me at an event recently in January at Blogger Health in New York City. Tell me about your introvertedness. How does that help you and sometimes how do you feel you wish you weren't an introvert?

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KS: Well I think the reason I was able to talk to you is because I wanted to meet you. I guess, some things just trump others. I think the benefit of being an introvert is that you actually look for meaningful connection, not to say that extroverts don't, but because you can get past a small talk – I know in our conversation, though it was short, we talked about just – we talk about relationships and money, and that's deep stuff. That's third conversation over teak talk. Instead of –

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FT: It's all for a state material.

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KS: Exactly, exactly. I feel that works to my benefit, because I mean, as an introvert I feel that I have a good handle on people. I understand emotions, because I understand my own very well, so I'm able to relate and empathize and share myself in a way where I feel like I don't have to put on too many pretences. I think that works for me.

Against me, sometimes I feel that I may not make the first move. I may be miss out on other conversations, because I'm so into one. Sometimes I feel you get what you get, so that's not necessarily a drawback, but that's what it comes with being an introvert.

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FT: Well when it comes to your financial life, you are very brave, you are very bold, and actually your subtitle for Frugal Feminista is be happy, be wealthy, be brave. Tell me about your bravery, and I know you have had a personal comeuppance when it comes to your financial life. You've had to reconcile a lot of your past and a lot of the belief systems that you grew up with in order to really embrace your financial freedom today. Along the way, talk about your bravery, what did you have to be brave about? Let's go deep. Let's talk about that.

[0:05:26.3]

KS: Well, I think that's a great question. I think sometimes like in a lot of families the idea of airing your dirty laundry is really frowned upon. In order for me to really help myself, even help my community, I had to be completely honest and transparent about some of the struggles that I went through. A lot of people know my story.

I grew up with my mom. She's a tremendous woman and I have so much respect for her. The fact that my father left us and he left us for us to fend for ourselves, my mom had to do everything in terms of being there financially for us and emotionally for us and that took a toll on her. Oftentimes, when it came up to finances she often had a very scary and scarce mentality when it came to money.

I grew up thinking that there was never enough money, that I should never trust men with money in particular, I should never trust family with money, and that the idea of how we talk

about self-care now was something that was frivolous and frowned upon, and that happiness was also a luxury.

Growing up, I had this belief that you had to be very hard and be very serious in life. Those things served me well in terms of being a good saver in a lot of ways, and being seemingly ambitious, but there was no joy in my life. What I had to do, I had to – I went to therapy, I did a lot of personal development, a lot of introspection, journaling, retreats, in order to figure out well, why do I think this way?

When I saw my counterparts being able to have what seemingly seemed a healthy relationship with money, I had to think about what was it that they thought about money that I didn't think about and to what extent were some of my mom's beliefs unnecessarily true? Also to what extent did her money story impact mine, and to what extent was my money story different from hers, and what will I plead in separating the two?

That bravery came with just being honest about parts of your life that you weren't very happy with, that you weren't comfortable with, and having the wherewithal to go step by step to change it and sometimes it's a recursive process, where you may feel like you're moving forward and then you have a trigger.

Something happens, you have a conversation with say, my mom, or my father, or I have a – I started a relationship with a guy and then all these feelings that I was taught about money start flooding and sabotage that interaction. Then you pick yourself up and start again. I've been able to overcome a lot of those things just through a lot of self-awareness, talk, conversation and helping other women share their stories and see that they're not alone.

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FT: How did that your mindset wasn't right? I mean, you said that to some extent, growing up strong and having a hard persona that helped because you were able to save, but then you became unhappy. Is there a moment where you were like, "This isn't working for me."

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KS: Yeah, I mean, I got a lot of feedback in college. The one thing was that I never had a problem having a boyfriend, or having love, but it was inside the relationship where I began to see that something wasn't right, you know what I mean? It wasn't as loving and as caring as I would have liked it to have been. I knew that I wanted to be a different person.

I was aware that they were two different people that I could have been. I was more entrenched in the person that I had grown used to for survival, but I wanted to be the Kara that didn't have to survive that she thrived. In answering your question, there were various moments where I got feedback from boyfriends, or even feedback from girlfriends like, "Kara, you're super smart, you know what I mean? But you're always so tight, or close –" not tight in terms of money necessarily, but just tight in terms of affection, or sharing, or being open.

Also, I feel like synonymous with how I was treating money in a lot of different ways. Just very survival, austere, stoic when it comes to finances and emotions. I listen to the feedback, and even though I couldn't necessarily do anything about it, I could understand that there was some truth to it, because I also realized that about myself.

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FT: Then I also read that when you found out that your fiancé had \$19,000 in debt and a 550 credit score, you told him that you wouldn't marry him until he cleaned it up. I think that's great.

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KS: Yeah, Yeah. A great thing about that was that –

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FT: That's the old Kara, but it's being useful.

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KS: Right, because I had – but before then I had dated someone that we were at a different stage in our relationship, where I was asking him about his personal finances, but we weren't together officially, so I really had no business. I had learned the lessons that yes, I want to know where you are financially, but in a way that preserves the relationship, that allows and engenders communication.

The way I did it was that we had – it was our six-month anniversary and we were really getting serious at that time. We went to the Waldorf Astoria, and we were try just really figure out, because he was talking about marriage and things like that. I was ready at that time, because I a lot of those challenges.

I was like, because I'm still a very practical woman, I'm still very self-sufficient, and I still have these residual beliefs about relationships and commingling of any type of property and ownership, so I brought this book called *Hundred Hard Questions* and we went through the sections.

It was very structured. It wasn't out of the blue, or very emotionally-driven. It was just like, let's answer these questions. Then at the end of that conversation, I realized that wow, I loved him and that he had so much going for him, but this had to be reconciled. I gave him some time. I didn't pressure him, and he did what he said he was going to do and that's one of the reasons why I love him very much and why we work so well together as a couple.

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FT: You also have a book coming out called *Don't Let Him Touch Your Assets*.

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KS: Yes.

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FT: Tell me about that, because that title to me still feels very reminiscent of the teachings of your mom, like you can't trust men. What do you teach in that book and what's the balance?

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KS: I think that's a great question. I think the book is about dating and relationships. I go through the different types of men that I've dated financially, so that you can know some of the signs of men that have scarcity, or not so great relationships with money. While my background in terms of my mindset as growing up definitely gave me a particular lens, there's no financial identity that is completely dysfunctional.

I can from having those experiences, I have been able to suss out men that definitely may want to not work, or men that are very wealthy but then very selfish in terms of generosity and things like that. In the book, we talk about – I call him Morris the miser. This is a man that definitely has lots of money, but it's very financially abusive and controlling to women and my experience with him.

I talk about Tuan the deadbeat, which is a guy that is very charming but has no ambition. Then I talk about also Karim the career killer, who is more –

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FT: Karim the career killer.

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KS: Yes. He's goes hand-in-hand with Morris the miser, and he doesn't want his women to work. He can control –

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FT: Next.

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KS: a lot of the – Yes. The last one is Andre the extravagant, who a lot of us in this live your best life materialistic world want him to be very handsome, very extravagant, very lavish but, he is living and drowning in debt. I set you all up, so you go on these speed-dating rounds with these men just to figure out what their money mindset is in one way, but also what their financial accounts may possibly look like, their retirement accounts, their savings account, their approach to investing, property ownership, credit score.

I give you these archetypes for you to see that when you're dating, dating is as much about getting to know someone emotionally, spiritually, sexually as it is financially. Then I set you up on these speed dates in order for you to meet and prepare yourself for what I call Raheem, the responsible. By the end of having gone through these dates, you begin to see that okay, these are the things that I may want to have in a long-term relationship with someone that I can truly build a life with.

I talk about and I about Raheem the responsible in two ways; Raheem right from the start, which is someone who was lucky enough to have had a financial background, where his parents taught him to have a healthy relationship with money, or you have Raheem the reformed, who may have had his slips and drips and dips, but understands that he's rebuilding and has a plan.

It's not necessarily – it is definitely informed by my previous experiences, but it comes from a place of a deep love for love, and a deep love for relationships, and a deep understanding of how money plays a role in solidifying or destroying marriages and relationships.

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FT: I love that, and probably a good book for some guys to read. I want to hear from you, because you yourself had this deal breaker in your own relationship, which was clean up your debt, get your better credit score, or we're not getting married. What are some other deal-breakers you recommend for women, financial deal-breakers when they're dating?

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KS: When they're dating. I mean, I think that's an interesting question, but you also have to understand where the woman is coming from. I think she has to know what her financial identity is first. Does she identify more as a saver, or as a spender and understanding the benefits and drawbacks of having that identity?

I think a man, though that when you're dating and I guess – if you're not really looking for anything serious, it doesn't matter, you know what I mean? If it's something that you really say, like this – I'm looking for a serious relationship, something committed, where we can really build together, I would definitely talk about to what extent, how much debt do they have and then what's their plan for it.

Because some of us, you talk about HENRYs, which are high earners not rich yet, like the people that go in to medical school, become dentists, pharmacists, they may have a lot of debt, but they also have the potential to earn. Having a bigger picture of what their plan, what their debt is, what their plan is in terms of being able to repay it is extremely important.

Also in terms of deal-breakers, so if a man doesn't have a plan, or I think also if a man doesn't complete what he starts, like if he has a history of starting things and not finishing things, more than likely, you're going to have yourself a problem with people for committing, or to building up for say a down payment on a home, or if you say you want to start a business, how much it really takes to see things through and just not the honeymoon phase, but when it really – when stuff really hits the fan, are you able to really stick through with your goals?

If you notice that in your dating relationship that your potential mate doesn't really follow through with things that they say, especially if they're big goals, then you're going to have a problem long-term with ever really building something up together. I would say look out for that.

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FT: You got me thinking, because all of this is really important to learn and hopefully you're in a relationship where there is communication, even if the communication isn't great, or you're not

hearing what you want to hear, at least you're talking. Sometimes people just don't open up about money. Do you think that that can work itself out as well?

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KS: I don't think anything can work itself out, unless you actually put effort into it. That's with anything. Sometimes, I think you have – someone has to be the leader in one way, whether it be you gradually bring up the conversation here and there, like maybe you pose a question saying, “Hey –” I was talking to, say my girlfriend and she was talking to her fiancé about their debt and I was really fascinating the way that they started their conversation, something small like that, that's really low risk and can't put some on the D friends. What are your thoughts about that? Maybe we should do something like that.

There has to be some type of goal and an outcome desired and then you have to work backwards. If the person is very squeamish about the topic, think about ways to make the goal more bite-sized and benchmarks a little bit smaller, so you can reach your goal, if you understand what I'm saying.

Yeah, I don't think anything in life that you want can be put on an autopilot way of getting it, because you'll never get anywhere, especially if it's really important to you. I think there's all types, there's ways that you can be extremely encouraging, motivating and goal-oriented in making sure that communication happens.

I think it's also understanding. I think, well not so much a deal-breaker, but it's definitely something to look out for is to what role does your potential spouse have other financial obligations that will definitely impede your goals together? There may be some family you may have – they may have a relationship with their family members, where they're the family ATM. They're bailing out cousins, they're co-signing on loans, they're co-signing for cars, they're the ones that pays medical bills. That's very hard to overcome in a lot of ways, unless you talk about it and you have a plan.

Because in some relationships, it may be that that money that should be going toward the building of your family is being placed in other people's pockets, and that's a very hard situation

to come into, because you never want to come between someone in their family, but it's also making that person aware that if they want to have their own family, there's certain financial boundaries that have to be established and honored and then having conversations with family members in a respectful way that maintains the relationship, but also clearly lets them know that there's going to have to be a shift in how finances are run in the extended family, because their new priorities.

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FT: I love how you put that. There's going to have to be a shift, small little shift. Yeah, it's so complex, isn't it?

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KS: Even especially if you come from different cultures. Say you're an American who's married to someone whose culture is very much more less individualistic and more like, "What do you mean? It's a pot that everyone gets to take. From it doesn't matter if I'm the one putting in more, it's still a family." There's a lot of conversations that have to happen, or agree to disagree, or certain things that just be non-negotiables.

You have to come up with your own code of financial conversation and your own financial culture to mesh the cultures, because there's nothing necessarily inherently wrong with Americans' beliefs about money and individualism, versus another culture's beliefs about cooperative economics. There has to be a meeting place if you're going to live together and thrive together.

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FT: Yes, your own relationship culture, financial culture. You're also a proponent of earning more versus spending less, which I also love. Tell me how you came to this philosophy.

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KS: That's a great question, Farnoosh. I think because when I realized that the world wasn't so scarce and so scary when it came to money, I realized too that saving is a great strategy in wealth building, but it will only take you so far, because if you'll make a certain amount of money, you can only cut back on certain things until it begins to make you unhappy, in terms of things you have to sacrifice to save more money. There's always a cap on how much you can save.

When it comes to earning, there's no cap on how much you can earn, especially if you decide that entrepreneurship is something that you want to do. For me, I realized that that was the best way for me to continue to reinforce this belief that the world is an abundant place, that actually have more control over things and I thought I did, and that you can have a great amount of joy in life and it doesn't have to be mutually exclusive from the amount of money that you have.

It took a while for me to realize like, "Hey, there's not only one way to be wealthy. You could definitely be wealthy through saving and through –" I have the Frugal Feminista, meaning that I'm careful about spending, but I'm not cheap when I'm not extreme about cheapskate beliefs. I realized that if you decide that earning money is more compatible for you to feel more abundant, to feel like you have more control, then you should do it.

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FT: You said there's a limit to how much you can save. There's really not a limit to how much you can earn. Speaking of spending and maybe the Frugal Feminista has a good answer for this. I bet you do. This question comes to us from our sponsor Chase Slate, what is something, a big-ticket item right now Kara that you are saving up for.

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KS: Does it have to be extremely – it's not a necessity. Actually I'm saving for an interior designer.

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FT: Oh, that's a good one.

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KS: Yeah, because my husband and I, we are definitely simple people and we have a small home, but I want it to be completely beautiful exactly the way I want it. I'm not an interior designer. I admire them, but that's not my strength and I really don't have really any interest in going shopping and doing those things. I want to have my home exactly the way I want it and I want some person to actually do it that's a professional. That's one thing I'm saving up for to have an interior designer.

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FT: Of course, then you have to pay for the furniture too.

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KS: Yes. Yup, yup.

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FT: There's the service and there are the products. That's a great answer. Yeah, that's certainly big ticket. What's your timeline for that? Is that something that's going to happen in 2018?

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KS: Yes. I had the idea since last year, and also when you have a little one, you want – she gets into everything and draws on walls and things like that, so you have to make sure she's a little bit older. I started the idea last year. I'm having conversations and doing some research about who I may want to work with and putting my ideas on Pinterest. I actually started an account for interior design. Now it makes me even more exciting, because I've named it. I did say 2018, so we have about nine more months.

I can begin to feel really good about why I'm maybe doing more work. I'm just not working to save. I'm working to have a beautiful home. It just gives me more excitement to get through the whole process.

[0:25:52.8]

FT: Perfect. You're visualizing it, you're compartmentalizing it, you're doing the research, you have a timeline. Wonderful. All right, what is a habit that you have, a financial habit that really helps you maybe in your relationship, or just in general help you manage your money well?

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KS: What I do is I actually get weekly text updates about my – specifically my business account and my savings account, but I just get weekly updates to see how much I've saved and how much is there, which is good for me. Also, what I do is I just pay myself first. Because I told you like – we talked about my previous mindset, as long as I pay myself first and I have long-term, my retirement, I have short-term, my budget and my bills, that I can feel comfortable to splurge more, because everything else is taken care of.

Those two things; the seeing what I have on a weekly basis shows me that it's growing, the network is growing so I don't have to be afraid, and then two, once I pay myself first, I can logically say I have extra money to spend on myself, someone else, whatever it is without feeling any type of financial guilt, or anything like that.

[0:27:14.5]

FT: Or uncertainty. Sometimes you spend you're like, “Can I really afford this? Is this going to compromise my savings, or my retirement?” The truth is like you said, if you take care of the big tent pole items first, like savings, retirement and paying yourself first, then whatever's left, enjoy it. It's a smaller amount of money at that point, you can keep it in a running list in your head of how you're spending and how things really stack up against other expenses.

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KS: Absolutely. I think even the idea, I think for me is the idea that I could spend that gives me freedom. I don't you always even have to spend it. I think that's where the beauty is, because sometimes people feel, because they can't have it, they'll just feel the sense of scarcity and they just want to spend just to spite that feeling. The idea is that if I have it, I have the option to spend or not to spend, but it's always there and it's always mine. I think that's something that keeps me from not splurging for splurging sake, splurging when I really feel like I really, really want this, or I really, really want that.

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FT: Before we have you go Kara, I want you to talk all about *Heal Your Relationship With Money*. This is your most recent book. Tell us a little bit about some of them maybe lesser-known ways for us to do that. I know that sometimes people don't even realize we have a relationship with money.

[0:28:41.1]

KS: Yeah, I mean, just all the things we were talking about, like my stories about my mom, the stories that we all carry with us about what we think money can and can't do for us, and the book really helps you begin to understand what your money why is. Why do I spend, or why do I chronically hoard money? Why do I seem to give and give and give and never keep for myself?

This book really helps you dig deep into those money narratives and money stories from your childhood and your adolescence to really uncover, "Am I still allowing maybe a 17-year-old, or a 5-year-old to control my finances?" A lot of times, we are. This book allows you to really go through 28 days of different, what I call life work exercises, for you to really uncover, "Wow, what is my financial family tree? What are my values? My common values and how should I be aligning my spending to those?" Once you begin to see those things, you really begin to say, "Wow, this is how I want my new relationship with money to thrive and to grow in that particular way."

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FT: That's really cool how you put it like, "Do I really want to let my 17-year-old self manage my money? Or antiquated values of my mother manage my money?" Because that's also part of it too is how we were raised. That's a really interesting way of putting it. 28 days, can we really transform in 28 days?

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KS: I think you can. I think that sometimes you're just waiting for that last thing to push you over the edge. Sometimes these 28 days, if you do the – each week has a goal. Week one is about really uncovering your financial past, your emotional past related to your finances. I think that does a lot of healing and a lot of decluttering emotionally. The women that I've worked with in my community and in my Facebook group, they just send me these letters about them crying and they sometimes take the day off work the next day, because they have more to process. There's a lot of work that can be done in 28 days. The great thing about a book is that you can read it over and over again. It may be two times the due to 28 days, but you'll get it done.

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FT: Kara Stevens, thank you so much for joining us. I have to ask you to finish this sentence. We didn't get to any of the other fill-in-the-blanks, but I do want you to answer this. I'm Kara Stevens. I'm so money because _____.

[0:31:12.5]

KS: I'm optimistic about what money can do for me and I'm also realistic about what it can't do for me.

[0:31:19.9]

FT: Thank you so much again. We'll be looking out for all your books. I know you have so many offerings on your site at The Frugal Feminista, so we'll be sure to promote that on the website. Please come back. I'd love talking to you.

[0:31:35.2]

KS: I would love to come back.

[END]