

EPISODE 845

[ASK FARNOOSH]

[0:00:35.6]

FT: Welcome to So Money, everybody. Friday, February 8th. I'm really happy that it's February. This is one of my favorite months; it's my birthday month and it's Valentine's month, not that I'm really into all of the material purchases of Valentine's Day, but I do love Valentine's candy. I don't know. I actually learned that the NECCO Factory that makes all of those Valentine candies that say like, "I love you," or, "Call me," or, "Text me," whatever, apparently they're out of – I don't know. Something happened There was some headline about how they didn't make them enough this year, or didn't make any this year, or they had to recall a bunch of – I mean, this is big news in my life, because I'm a big fan of Valentine candy.

Also February has been a really impressive month for me so far, because I really pushed myself beyond my boundaries in my professional life this month; to be honest, for the several months. I have been keeping this behind the scenes and haven't really shared the big news here and I'm getting to it, I promise. February has really been a pivotal moment for me. I'm celebrating my last year as a 30 something, actually starting next week. That's got me thinking and reflecting.

I'm really mostly proud of this project that I have underway launching in April. Some of you may have heard about it if you've been following me on Instagram. It's called Stacks House. Let me just plug it here for you, because I've been working on this for a long time and it's finally ready for its announcement.

Stacks House is a pop-up with a purpose. A lot of us have experienced these pop-ups, like using of ice cream of museum of pizza. Evan and I went to Candytopia a few months ago. Essentially, there are these experiences, right? You pay 38, 40 bucks or whatever to go and go through all these different rooms with all these different themes around a central theme of pizza or candy or color. Well in this case, it's going to be money.

Stacks House is a pop-up with a purpose centered around educating and empowering women around money. That is the big idea. It is launching in Los Angeles for an entire month in the month of April, which happens to also be financial literacy month. We launch on Equal Pay Day, April 2nd. I've also learned that it is the year of the pig, so savings pig. All the stars are aligning is what I'm saying. I'm really excited to bring this to market. We're going to start in April in Los Angeles, actually in the former museum of ice cream location. That's exciting, because a lot of people will already be familiar with that destination.

We will hopefully travel the country with it this year and maybe next year. We're hoping to get more inland to places like Minneapolis, Detroit, I see you. Lots of exciting things happening in Detroit, Austin. Really our goal here is to meet as many women as possible, have them go through the Stacks House house where you're going to learn how to save and invest and all the things, but also have a blast, because it's going to be a total Instagram playground.

Tickets go on sale in March. Why we are doing this is because we want to meet as many women as possible, me and my co-founders. We're going to learn about what your needs are. That will inform us to what to build next. Is it an app? Is it an index fund? Is it, gosh, I don't know. We have a lot of ideas, but we want to be certain that we're going forward with the right plan.

2019, we're dedicating this year to a listening tour, like having these pop-ups as a way to get into the country and meet our women and build something for them that is really precise. More on that to come, but you can follow us at stackshouse.com and on Instagram @StacksHouse. We're looking for volunteers, we're looking for ticket buyers, we're looking for brand partners, we're looking for collaborators.

If you just want to learn about how to come with all your girlfriends, go to stackshouse.com, e-mail us and we will be sure that you're the first to know about all the developments and we'll be getting in touch. That's my big news. Yay.

We're going to switch gears now, because this is a show about you. It's Friday. It's all about answering your questions. We have a lot of questions here from the gram, from my inbox and

we have a very special co-host today. She's a listener of this show. My favorite co-hosts are the listeners, because it's really nice to be able to connect with the audience one-on-one.

Even more than just a listener, Lindsay Bryan-Podvin is a practicing financial therapist and she hales from the Midwest. Currently negative 30 degrees there. I guess, I can no longer complain about the cold here in New York. She's definitely experiencing the worst of it. Happy to have you on our show. Lindsay, welcome.

[0:05:43.3]

LP: Thank you so much, Farnoosh.

[0:05:45.1]

FT: Thank you for coming, Lindsay. How are you doing over there?

[0:05:48.6]

LP: I am trying to stay warm. I'm seeing all my clients over video today, so everyone stays in their house and stays warm.

[0:05:56.2]

FT: Yes, good, good. Don't leave your house. Yeah, stay indoors. Don't be brave. First of all, thank you for coming. Really appreciate you as a fan of the show. I'm honored to know that you are in the audience as someone who is so accomplished in the world of financial advice and therapy.

I got to ask you though, how did you arrive at this world of money professionally? What drew you to this space? It's not everybody who grows up thinking, "Hey, maybe I'll be a money therapist."

[0:06:22.6]

LP: Yeah, I certainly didn't know this was a thing. Growing up, I like many people ended up here in a roundabout way. I had always had an interest in personal finance myself, but also wasn't interested in going at it from a finance route, so I just thought, "Oh, it's not on the cards for me. I can't do that."

I pursued a career in social work and in mental health and specialized in working with people with depression and anxiety. I worked in a bunch of different settings. The thing that kept coming up as an issue that I felt like I didn't have a good response for was money issue. As a social worker, you're trained to help people with their money issues by problem-solving how they can pay their bills. Helping them call their energy company and getting on a payment plan.

Or as the therapist side of it, you're supposed to sit back and say, "Well, how does that make you feel?" Either one of those really felt enough for me. I felt like I was doing my clients a disservice. I stumbled upon the world of financial therapy via Google and found the financial therapy associations who, I know you're familiar with, and the financial social work group. Right now, I am certified in financial social work and we'll be moving down the financial therapy association certification shortly. That is how I got here.

[0:07:59.2]

FT: Fantastic. All right. I have to ask you in all of your work, what has been, Lindsay, an issue that has stumped you, like a client comes to you with a situation or for some reason you just are perplexed. I'm curious, because we harbor a lot of these emotions around money. In some cases, they're very extreme. Has there ever been a situation where you have felt like, "I don't even know if I can help this person."

[0:08:25.2]

LP: If it gets to be something where I feel like I'm in over my head, the beautiful thing is I can always say, "Hey, that sounds outside of my scope." Let's find somebody else who can help you out a bit more. In my work, I do a lot of financial literacy. If somebody is asking me a really complex question about finances – I'm not a certified financial professional, so I would always –

[0:08:50.1]

FT: Or even just their emotions around it, right? I guess, that's what I'm more curious about is how do they – people who are so overwhelmed, so despondent that they can't even open their bills. This is real people out there. I've met them.

[0:09:02.3]

LP: Oh, yeah, yeah. You're right. That is not uncommon. One pattern that – I don't know if that perplexes me, but it keeps surprising me every time it comes up and I don't know why it does is this woman who is really super successful on paper is doing really well and yet has that knee-jerk reaction to not wanting to open her bills, or not wanting to look at her 401k. I think a lot of women are told that money is dirty, or gross, or greedy. There's still this disconnect of the last few years of people saying lean in and really work hard and climb that corporate ladder. Yet, we don't people and encourage them to be excited about their race and excited about their money and that it's not gross, or bad, or dirty. Money is a tool and it can be super empowering. That's something that comes up again and again, that I hope starts getting addressed, but continues to come up.

[0:10:08.4]

FT: If you have a question for Lindsay, check out mindmoneybalance.com to learn more about her. Also I'm curious Lindsay, how did you discover this podcast?

[0:10:19.2]

LP: I discovered it because I'm a big podcast nerd and I was looking for more money-related podcast to listen to. The opener of your show just stopped me in my tracks and hooked me and then I've just been binging ever since.

[0:10:34.1]

FT: All right. Yeah, I guess it was worth it to hire that voice-over artist. I did have a lot of fun with that script. Thank you for pointing it out. What else do you listen to? What else should we be listening to in the money podcast space?

[0:10:46.9]

LP: I like Death, Sex and Money, because then we get a little of everything outside of the money. I really have been digging By The Book Podcast, with these two women who live by self-help books. They do some money-related ones. It's a fun way to participate from afar. Those are the good ones. Then I also love – I think you just had her on, but The Secrets of Wealthy Women; that has been another podcast that I've been obsessed with.

[0:11:18.9]

FT: Yes, Veronica Dagher. I got to check out By The Book. That sounds really fun living vicariously through others. All right, we have a lot of questions today, many coming from Instagram. From the website, we also have an audio question and I hope we'll be able to get to everything. I know that your specialty, Lindsay, is money therapy. Some of these questions while they may sound technical, I feel as though there is a bit of an emotional underpinning to these questions.

Sometimes when people are grappling with money, it's really about confidence, it's about having the willpower to see things through. Our first question is from an anonymous person on Instagram who has a question about the 401k. The question is what do you think about not investing in my 401k for a couple of years? Here is why. She says, "My husband and I are living in the San Francisco Bay Area and trying to aggressively save a \$200,000 down payment for a home. Our goal is to save about 30% for a down payment and we will be even moving in with my parents to help with these savings. Is this a good strategy?"

Lindsay, I guess she's looking for some permission to avoid investing or to put it aside for a minute. San Francisco, it's no secret that housing prices there are ridiculous. There are people living in San Francisco in droves right now as a result of the cost of living. I think something like 200 people are exiting San Francisco a month, largely due to housing costs.

I'll start with my thoughts here, I think the 401k is a really special vehicle for saving for retirement. I mean, there are definitely some drawbacks in terms of sometimes the investment choices within the fund or not, the best, or they could be on the higher end of fees. There are benefits, such as potentially a company match.

To the extent that her company might offer a 401k match, I would say try to invest still up to that point, because that's free money. Then that's going to compound, and I think in the long run, you will look back and be thankful that you stuck with it. There's also the tax benefit to the 401k, right? The contributions up to a point are tax deductible.

That's a savings. You're saving for retirement and then perhaps also saving on your tax bill, which again can then help you to just save towards this home down payment. My advice really is to try to still keep your 401k in the picture. It may mean not being able to save as aggressively for this home down payment, but dial back by however much you need I'd say, but still stay in the 401k game. What do you think, Lindsay?

[0:14:03.9]

LP: Yeah. I'm very much with you to stay in the 401k game, especially up to the point of the match. In a situation like this, I would encourage the writer and their husband to check in with why it's so important to put that much money on a down payment for a house. I mean, to the point where they're moving in with their parents, on the one hand it's pretty admirable that they'll give up everything to save some money. On the other hand, I can't imagine that it's super healthy for a relationship for you to move back in with parents. Just checking in with why that number, why is that so important and seeing if there is any wiggle room there.

[0:14:43.0]

FT: I like that. I think that's a really valid question. What is it about owning your own home that's so important to you? Why this much money? I mean, San Francisco is expensive, so it's not like, I don't know, can they even save for less for a family of four? Perhaps. It may mean living a little bit further away or in different parts of the area than you initially had mapped out. We're not

saying it's not an important thing. We're not saying it doesn't have value, but might want to do some exploring around what's fueling this desire to be a home buyer, especially in San Francisco where home prices are so high.

Do you really know what you're in for? What are the tradeoffs? Perhaps they've already done a lot of this work. I would assume they have thought about these things, but I think never a bad exercise to revisit the why behind this goal. Is it still aligned with your needs and your wants and your future plans? If you do take on this big expense, because it's not just the down payment, right? When you own a home, you also have to pay the mortgage and the taxes and the maintenance and all of that. What are you going to necessarily have to tradeoff for this and do you really – are you okay with that?

Good luck to you and thank you for sending in your question on Instagram. It's my favorite way to connect right now on social media. I'm not really on Facebook and I'm on Twitter sometimes, but that's mostly where I just try to test out my humor, because you know Lindsay, I dabbled in stand-up comedy last summer.

[0:16:18.4]

LP: Yay. I heard.

[0:16:21.0]

FT: It was a lot of fun. I miss it. I haven't really been able to get back on stage in the last several months. Twitter has become my platform for just my stream of consciousness/attempts to make up jokes, which sometimes fall very flat, but I am okay with that. Anyway, if you want to cheap laugh, go to Twitter @Farnoosh. Otherwise, go to Instagram @FarnooshTorabi and send me your money questions. Are you on Instagram, Lindsay?

[0:16:48.9]

LP: I am. Yeah. I'm @MindMoneyBalance and I am just dipping my toe in the social world. I'd been off social media for almost a decade and I'm actually – when you said Facebook, it made

me laugh. I'm currently banned from Facebook, because they thought I was a bot, because I haven't been posting. Then when I started getting back into the world they were like, "You're doing too much too fast. You must be a bot." I am definitely on Instagram, but not on Facebook.

[0:17:17.3]

FT: Wow. Facebook really knows how to identify those bots, doesn't it?

[0:17:21.3]

LP: Right. Yeah, I know.

[0:17:23.0]

FT: Oh, my gosh. Don't even get me started. All right. Moving on, Miranda on the So Money website is asking – just to remind listeners, there is a button on the So Money website, Ask Farnoosh, click on it and a window will pop-up for you to send in your question. You can also leave a voice mail there.

Her question is about investing and she says, "I don't have a lot of money to throw around. I'm married. I'm 30-years-old. I'm a graphic designer, currently trying to focus on bulking up my savings account." She's also got a student loan of about \$18,000, but she's still trying to dip her toe into the investing world.

First of all, just want to give her a lot of credit for that. She has about \$10,000 in an IRA, where it's largely comprised with index funds, great job. She's a little challenged. She says she can only contribute about a \$150 a month to this IRA, so she just wants to know how well to take advantage of investing without really being able to invest so much, wondering if she should diversify my IRA, or take advantage of other investment options.

Well first, I want to say this Miranda. I applaud you for really trying to create the holistic approach to financial management, given all of your responsibilities of student loans and you've

got your bills and all that, and I would say it's very commendable carving out a little bit every month to save, or rather invest in an IRA, I think that's really great.

Truly, I mean what you're exhibiting here is a commitment and a consistency to this habit of investing and that's really what's most important when you're first starting out is just really just doing it regularly enough, where it becomes a real part of your financial strategy. It's not an afterthought, it is a real big part, or small part of your investing strategy. Even if you don't have a lot of money in the beginning, it's just really great to get started and get going.

I don't really have any other advice for you other than perhaps as you start to make more money, dedicate that increase in salary to allocating more towards the IRA. Look within the IRA to make sure that the funds that you're selecting and you did mention a lot of index funds are low fee, like they're not carrying more than a 1% expense ratio. I think Lindsay, what she's really looking for here is maybe just some encouragement, right? An emotional boost.

[0:19:50.5]

LP: Yeah, definitely. I mean, when I look at this question and I hear this question, I just hear a person who's trying to do it all and yeah, it's amazing that she's working on paying off her debt and contributing to retirement and bulking up on their savings account, so certainly checking in. I operate from the mindset of there is no one perfect way to do thing. There is different schools of thought that say you need to pay off all your debt, or you need to have your savings account be X much. Really, I would encourage Miranda to say, "What's going to make me feel the best? Is it going to make me feel the best to have to really put my money towards knocking out that student loan? Is it going to feel really good for me to have a bigger savings account? Or is doing this right now doing a little bit of each feeling the most beneficial?" Checking in with what's feels right.

Obviously, I wouldn't recommend changing around much with the money piece. I think it's a great idea to put more money towards retirement as that income comes up. I mean, she didn't mention here about a raise, but if she's been at this job for four years, Miranda, maybe go in there and get that raise.

[0:21:02.5]

FT: Yeah, go make some more of that money. I'm all for that.

[0:21:04.7]

LP: Yes, yes.

[0:21:06.9]

FT: A question here from Gabriel. She says that the podcast has really allowed her to take investing seriously. Another question here about investing and Gabriel reached out on Instagram. God, I love that. If there's anything that I hope that people will learn from this show is that investing is not rocket science. To get your money to actually work hard for you, you have to put it in some investment. Especially women, because we definitely suffer from an investment gap; we have the earnings gap and so while we're trying to combat that, I think it's also important to have these other big conversation around investing; putting our money to work, because we're living longer than men and we will need more money than the men. Really the best way is to invest it over the long run. Thank you Gabriel for bringing this to our attention.

All right, so the question is about again, feeling a little defeated here Gabriel, because she has made an attempt to invest in the stock market. It's been about a year and a half, but she's only experienced a simple return of 1.2% on her initial contribution. She made 72 bucks, meanwhile invested over \$5,000. She's not really seeing the money grow. She's comparing it to a savings account where she's getting a 2.25% yield and she's wondering, "What am I doing wrong? I feel like a failure," she says.

All right Gabriel, just want to give you some context, okay? The market, the broad market, as in P500 in 2018 fell 7%, okay? You lost a little over a percent. Broader market did much worse. That said, it was also up 19% the year before. The market is going to be unpredictable. That's just something that you have to accept as a long-term investor. Some years will be great. Some years will be negative. I think the rule number one of investing is you have to be in it for the long run for it to really pay off, for you to then feel like this is worth it. That this is just part of

the journey. Your journey is to arrive at a certain day in the future; retirement, or 15 years from now, 20 years from now with more money than you had today.

Historically, it is better to put your money in the market than a plain vanilla savings account. Even with all the fluctuations, even when one year or two years or five years are going to be in the red, just stay the course Gabriel. Last year was a bad relative to the bull run that we've had in the market for a decade. Naturally, we're going to have some years that are softer and more negative, but it doesn't mean you're a failure, right Lindsay? Can you help me out here? You're not a failure.

[0:23:55.7]

LP: No, no. She is certainly not a failure. I love your advice of just staying the course. What I'm sensing from her question is this game of whack-a-mole, like trying to get the best interest yield, trying to get the best return on investment, and then you're just setting yourself up to keep chasing the next thing versus again, pausing and checking in, and just being gentle with herself. She didn't fail anything. She did great putting her money in the market and keep it going.

[0:24:30.2]

FT: Yeah. I mean, props to you for even just getting in the market and monitoring your growth. Some people don't even look at how they're doing in the market. All this to say you're killing it. Stop saying you're a failure. Stay the course, okay? We're going to be here for you. Check in with us when you want.

Chloe on Instagram also has a question. She is 22, recently started a job out of college. It's her first job. She cannot join her company's 401k until she's been there for about a year. In the meantime, she's been filling up an emergency fund and she's ready to take on bigger stuff in her financial journey, but she says she's not sure what direction to take. Should she put money in a Roth IRA? Should she invest in mutual funds? She's thinking maybe just a brokerage account, because then she's going to have access to those funds before 59 and a half. Does she do a little bit of both, a Roth IRA and a brokerage account? Well, I think we have some good news for you, right Lindsay? I'll let you share it.

[0:25:34.2]

LP: Yeah, sure. You can have your cake and eat it too, Chloe. The Roth IRA is going to be the best of both worlds, because the money you put in the Roth, except for any interest you've earned, you can actually take out and access it, so it can act as a little bit of an emergency fund, or as a savings vehicle, so long as you don't touch any of your gains.

[0:26:00.9]

FT: Right. This you can access before 59 and a half. It's one of the advantages to a Roth IRA. If I were you Chloe, I would do the Roth IRA, because also you're young. Usually when you're younger, you're in a lower tax bracket. Better to start the Roth IRA, because then you can take that money out in retirement tax free. You can't deduct the contributions from your taxable income today, but assuming you're not in a very high tax bracket, it's okay. Roth IRA is probably better for you.

Then from there, invest in some index funds in the Roth IRA, or some ETFs, which are also lower fee. Like we told Gabriel, just stay the course for the duration of the next decade, 20 years, longer. That's really the wise approach to investing. I love this question, because it's given us the opportunity to really share a hybrid approach, where the Roth IRA satisfies both of your needs to be able to save for your future, but also have your money just in case of an emergency.

That's the thing about financial decisions, right? Money is not a zero sum game. Sometimes it doesn't have to be either or. I'm all about trying to find that hybrid approach. All right, last question, saving the best for last. Is a voice mail and we haven't had one of these in a while, but I encourage you all to try this little tool device that we have on the So Money Podcast website. It's called Speak Pipe. How you access it is you just click on Ask Farnoosh. Then from there, you have the option to either leave a voicemail from your phone or your computer. This question was left by Amanda who is a listener with a question about podcasting. Let's play it out and then we'll tackle it.

[0:27:42.5]

A: Hi, Farnoosh. My name is Amanda. Thank you so much for all of the amazing advice that you give. I have been a huge fan for a really long time. I really took to heart your mentality towards earning more income, the whole go ahead buy your latte, but make more money. I've just taken a page out of your little notebook there and I decided to start my own podcast. I'm so excited. You have definitely been a huge inspiration for it.

It's a community-based podcast and it is now my side hustle, my baby. I'm still working 9 to 5, but in all my spare time, I am putting my effort and love into this podcast. It's growing a lot. A lot more listeners than I anticipated. I wanted to ask you, what's the sign that I should look out for to know that I'm ready for paid sponsors? Any advice you have to give and encouragement for me would be awesome. I am all ears.

[0:28:40.9]

FT: All right, Amanda. Congrats on launching your show. I actually looked it up and it's called Hello San Pedro. I love it. I love this idea of going into the community and I don't know, just talking to everybody; your business owners, your community members. I think having a micro-lens at a town, at a city is such a brilliant idea for a podcast. It brings to life the vibrancy and perhaps some of the contention or whatever is going on.

It's like local news, but a much hyper focus on the localness of that area. I feel like there should be more shows like this. Kudos to you for really doing a great job of figuring out your show idea, which is sometimes the hardest part.

Her question is about monetization. I teach a podcast program. It's called the So Money Podcast Accelerator. Just this spring, we'll be enrolling people like you who have already started podcast, who wants to learn how to monetize, how to market better, how to grow their show. To you, I would say Amanda that sponsorships are the thing that should be just a natural progression to your show. It shouldn't be something that you need to stress out about in the beginning.

I think what you should really focus on in the beginning is developing a quality show and doing right by your listeners; really engaging with your listeners. What do they like? What do they not like? What do they want more of? Really delivering that. That's how you build a loyal consistent following. From there, you'd look back a year later and you'll see the chart that it's just growing beautifully. You'll see the audience is going up.

I really encourage you to really check your metrics weekly or monthly and set goals in terms of growth. A good benchmark would probably be every month to try to grow like a few percentage points. Podcasting is a slow burn. It's a marathon. There is no such thing as an overnight success. Well sometimes, but I think in many cases, in most cases, it's the type of thing where you just have to work at it, tweak it constantly. It's a labor of love.

There are some smart ways to position yourself for sponsors. One is obviously to get that engaged audience. I wouldn't even say it needs to be super large audience. There are some people out there that would say until you have 10,000 listeners per episode, you're not really in business for sponsorship. I would disagree. I started a lot sooner. I think what really helped me was the quality of the show, the quality of the audience, in terms of their engagement, their ability to listen to a podcast and actually go out and do the things that they learned.

I've actually surveyed my audience and you maybe want to do this too, is to just see who are they; what age group are they in typically, what educational level do they have, what is their biggest issue in their life, because often, that can inform the kinds of sponsors that you go after if you have an audience that really cares about family, or work, or money, then that can often give you a sense of who might be good sponsors for you. Might be a financial services product. It could be a product that caters to families and making their lives easier. Get to know your audience really well.

I like to create infographics too. You can actually go on the So Money website, So Money Podcast website. Go to sponsor the show and there you can actually see my infographic, I believe. That can give you a good sense of who the audience is. That's the thing that I show sponsors when they're ready to work with me, or they're interested in working with me.

All right, so good luck to you. Really again, congrats on the topic of your show and that you've stuck with it for as long as you have. I hope that it continues to grow and that you continue to enjoy doing it.

Now Lindsay, when is your podcast coming to the market?

[0:32:55.0]

LP: Oh, my gosh. Great question. I am actually working more on the YouTube and Instagram side of things. I'm going to get those things figured out and then maybe dip my toe in the podcast waters.

[0:33:07.6]

FT: I really respect that so much. It's important that you don't go after all the shiny objects. There is so many things, right? There is podcasting, there is YouTube, there is social media, there is your blog, your newsletter. We want to do all of it at the same time. I think it's more important to just lean into what makes most sense for you in that time in your business. For me, I did podcasting, it was just a natural progression. I didn't want to do video, because that just for me felt a little bit more challenging and I had to put on my make-up. I was a new mom, I didn't have time for that. I know just in getting in hair and make-up.

I really respect that and I really respect you. I think you're fantastic. I think what you're doing is so needed in the world, helping people with their money therapy. Everybody, check out Lindsay's website, mindmoneyballance.com. Last but not least, this February, have you made any financial resolutions this year?

[0:34:03.2]

LP: I make all my resolutions actually on my birthday, so that's in September. I will say that financially speaking, I'm actually working on bulking up my emergency fund that has been – I've been doing other things, really focusing more on retirement and investing and buying a house as well. Now I'm shifting gears and building up that cushion a little bit more.

[0:34:28.7]

FT: I love it. All right, well, thank you so much for joining. Hope you have a great weekend, Lindsay. Everybody listening, I hope your weekend is So Money.

[END]