

EPISODE 97

FT: Welcome back to So Money everyone. Happy Saturday! I'm your host, Farnoosh Torabi. Thanks for joining me. I hope you're having a fantastic weekend. It's Saturday, right? So we've got a lot of questions to answer as well as a free 15-minute money session to give away. As you know, all week I ask you if you're interested in getting a free 15-minute money session with me to go on to iTunes and leave a review. Leave a review for the show, tell us what you like, and hopefully I will pick you. It will catch my eye and I will pick you at the top of the Saturday show and this Saturday I'm happy to say the free 15-minute money session will go to Arielle P. Your review was awesome! She says,

A: "Hey my name is Arielle. I'm a singer/songwriter & guitar player creating a living out of this. I'm not quite there yet sustainably, but then I found you, Farnoosh. You recently interviewed Jo-Ná Williams, and I found you. I love what you guys speak about, and wanted to support. I ended up subscribing, listening to your podcast and I have so much to learn and soak in. My mind is bubbling with new ideas, and I have more hope I can really start building this up better, smarter and I don't have to make as many mistakes. Thank you for sharing your heart and knowledge with all of us. It changes lives. Truly. All the best always in ALL ways, Arielle."

[00:01:49]

Arielle, you are a beautiful writer and I'm not just saying this because you were praising me for five lines here, but you know you really have a great way with words. I'm just honoured to have you as a listener, as a fan, and I'm so happy to hear that that podcast motivated you. Jo-Ná Williams, if you haven't listened to that episode yet, she is an entertainment attorney but also helps artists, creative artists, content creators like myself. I'm in the podcast business, I have a blog, I have books. People these days really need legal assistance. If you're a solopreneur and if you're creating intellectual property you're gonna want to know the right steps to take. And I was, you know I have to say I had some weak spots and Jo-Ná caught them and now we're working together. And if you want to work with her, she's great, but there are a lot of other resources out there too to kind of figure out what the best steps are for you as an artist to protect your work, most important. So I'm glad that we've connected with you Arielle, and I love

that this was an inspiring podcast for you and let me know how things go. We'd love to see how your career progresses. Wishing you continued success.

[00:03:03]

Alright that was a great way to kick off the show, right? Something positive. We've got a question here from Blair. A really good question. She says,

B: "You always have such interesting guests, I'm inspired by their self-made success stories! Could you explain more about freelance writing and other internet freelancing opportunities? And where one could begin to get into freelance work?"

FT: Really good question Blair. You know, personally I started out as a freelance writer 10 years ago and then the market was very different. There weren't as many blogs, there weren't as many websites helping you find freelance gigs. But also I would say back then people were more willing to pay for content. These days it's like anyone can have a blog, content is everywhere, everyone's sharing everything so. I don't want to say that there aren't paid gigs, you have to make a more compelling case as to why you should get paid while someone else can do it for free. But that said, I think the opportunities are still out there, it's just maybe a different way of approaching them. Whereas I went and I kind of knocked on my local newspaper's door and I, you know, I actually just emailed the editor and I said, "Hey I would love to give you guys some content. Are you interested in personal finance content?" This was with AM New York, New York City, which is the free paper they get out on the subway. And they said, "Yeah actually we are. Our rate's really low, but you know you get to basically be in this free newspaper that every single subway rider will read in the morning."

So it was a very very far reaching paper. And actually, the weird thing was, so I wrote for this paper [Side story] I wrote for this paper for like a couple years at least, and I was at Banana Republic and I had to show my ID to go along with my credit card. And the woman at the cashier said, "Oh you're Farnoosh Torabi," and I was like, "Oh yes. Yes I am. Do you happen to watch, you know, New York 1?" Or I dunno at the time, "Did you read my book?" And she's like, "Do you write for AM New York?" [Laughs] So that was cool because that was the last thing I thought I'd be recognized for and again, it wasn't a very high paying job at all, but it was a great job that

got me a lot of experience and it opened doors later. And it got me a little street cred, so that was nice.

But that's how I did it. I just literally identified the local, I started with local you know, the local papers, the local magazines that have sponsors that have advertising. Maybe they don't have a huge budget, but they do pay something and it is an opportunity for you to get your byline out there. And pitch them. Pitch constantly. That's a part of the journalism kind of industry that, there's enough education around. It's like, "How to create the perfect pitch". You know, showing that you have really examined the audience that the paper or the outlet is talking to. That you have analyzed previous work on the website or the paper that your reader of that blog or that newspaper or that magazine. Really showing that you have an understanding of what's important to them, their mission. And then how you can add value. It's very important to incorporate that into your pitch.

And networking is also another way to get freelance gigs. You know, knowing people who work at different publications. But one thing that was not available to me when I started freelance writing that it pretty wide spread today, you know all these websites that are helping you find freelance opportunities. And you don't have to just write for newspapers and magazines, right? You can write for internet sites, you can write for companies, you can write for internal, you know, corporations who want internal content for their customers or for their employees. So sites like: Elance, Odesk, I'd say sometimes TaskRabbit maybe, but I think the more consistent gigs are on these sites like Elance and Odesk where they specialize in technical skilled jobs. So technical jobs like copywriting, or editing, or software design, computer programming. You know, these job postings are pretty rampant on these websites. And I think that, there is where you can probably have some success.

So that's my advice. I mean, it's not a straight shoot. You know, it's not like, "Do this, do that, equals get a freelance opportunity". But I think it's just a matter of identifying what you want to write about, where are the portals that would, not just offline but also online. You know magazine, print, but also on the Internet, where you might want to contribute.

That was kind of a long answer Blair. I'm sorry. But I'm actually kind of really interested in this because this is my world and it's a question that made me stop and think because it's not straightforward. So I hope that was helpful.

[00:07:41]

Andrea says,

A: "You always say that we can ask you about anything, Farnoosh!"

FT: You're right Andrea. You can! She says:

A: "I have a question about the equipment that you use for your podcast. The sound quality of your podcast is far superior from most others that I listen to - your voice is clear as well as the guest's, and I assume that you are interviewing most of your guests over the phone; so, can you please let me know what equipment you use to achieve such high quality audio?"

FT: Well thank you for saying that, Andrea because I have to say that sometimes I feel as though my microphone is not the best. I have been considering changing my microphone. I feel like there's this hum in the background and it's not something I can get rid of and it's actually something that people have, who have this microphone, have said similar things about it. But it is a great microphone otherwise and it's called the Blue Yeti. I'm looking at the pamphlet right now. It's just Y-E-T-I. I got it off Amazon. I think like on Black Friday or Cyber Monday there's probably a really great deal for it. But it was around a 100-150 bucks. It's kind of bulky, which is also another disadvantage because I travel quite a bit. And so if I ever have to record on the road, which has happened, it takes up quite the real-estate in my luggage. And I'm always scared that it's gonna get broken or something. So I wrap it, and sometimes bring it in my carryon. So that's the other thing about it that I don't love. But other than that, which isn't much left. But I do like it! You know, get's the job done. And clearly, if you like it, then it's doing a great job.

So that's the microphone which is probably the most important thing as far as sound quality. There are other mics out there too. And I would do research before getting one. And I have a

Macbook Pro, which I have to get a new one because it literally is like on it's last breath! It just, it's so sad right now. This is like it's just, I have to have like a funeral for my laptop. It's only been three years, and I'm just, I mean I use the laptop 20 hours out of 24 hours a day probably. Even in my sleep. So it's getting old and I gotta get it replaced at this point.

What else? I use, oh I use Skype. I do my interviews always remotely, so I use Skype and I record all my interviews using E-cam recorder which is like, I dunno, \$5. It's really cheap. It's just this app that you get that attaches to the Skype every time I literally start a phone call it starts recording. And I've programmed it to do that. Because sometimes I forget to hit record. This way I don't have to worry about ever forgetting. And that's E-C-A-M-M Recorder.

I edit in Audacity, and I offshore some of the editing now. But that's pretty much it. Podcasting is not expensive. I mean, the most expensive thing was the mic and it was \$150. And there are cheaper ones that do equal quality I think. So hopefully that answers your question. You're right, I'll answer anything. If I have a good answer for it, I'll answer it. So thanks for the question. Good luck if you're starting a podcast. Let me know how it's going.

[00:10:52]

Amaury says:

A: "How do you create business credit with a new business? Without using your personal Fico score?"

FT: Well, that's a very good question Amaury. So I did some research on this because I've never actually been asked this, and I knew that it's possible. I just wanted to make sure that I had the right steps for you. So I went over to the Experient website. And Experient is a credit bureau. It's a credit reporting bureau. And what they say on their site is that, "It's important to establish a separate credit report for your business if you are a business owner. If your business is new or you haven't yet established business credit, it's important to get trade lines to begin building your business credit report."

And so how do you do this? You first have to incorporate or form an LLC, which is a Limited Liability Company. That ensures your company is seen as a separate business entity. Then you get a Federal Employee Identification Number, which is usually wrapped up in the process of getting an LLC. And you can work with a tax attorney or a financial planner. There's also resources online that will help you do this for low-cost if this is like something that's gonna be time consuming. And I did this. I had a tax preparer help me with this. So it can be done, and you don't have to do it yourself. Then after you get the Federal Employee ID number, which is essentially like the social security number for your business, you open up a business bank account in your legal business name. And then you also set up a dedicated business phone line in your business name, and make sure that it is listed. So you can't I guess have your cellphone number be the same number you use for your business, especially if it's not listed. It has to be special and unique to your business.

And so, Experient says that once you've done all these steps, you have the Federal Employee ID Number, you have a bank account in your legal business name and you have a dedicated business phone line that's listed, you can request business credit in your company name. So let's say you need a business loan, you go to the bank and you say, "I'd like to request credit. I'd like to request a loan for Amaury Inc.," you know? And then they look that up, and oh boom. It's right there. You give them the Federal Employee ID Number, and you have a profile.

From there your business trades, you know all your transactions, are then reported to Experient or any other credit bureau or agency, and from there your credit report begins to evolve. And it's important, because I think when you're in business you might deal with different suppliers and lenders and all that, and so they're going to want to know what your credit is. And they're going to want to know, particularly as a business, how you've been performing. So that's a really great question and sounds like you've got a business. So good luck with that. Congratulations and I hope this was helpful.

[00:13:40]

Okay Lou, we've got a question here from Morgan. She says:

M: "This year I've added some healthy new habits to my life to help nurture myself more and grow: classes, therapy, acupuncture. I love my new lifestyle but I am having a hard time making it work with my budget and have acquired a bit of debt in the first quarter of the year. Luckily I will be able to pay it off with my tax refund however I would love to be saving more money. Often I create budgets but have a hard time sticking to them. Do you have any tricks on how I can make budgeting a habit I can keep for life?"

FT: Alright, so this is a good question Morgan. I'm really happy this year that you're doing, that you're investing in yourself. You're getting classes, acupuncture, therapy. This is the kind of, this a good way to be spending your money. But of course, you need the money to spend right? So if this is something that's getting you into debt, you need to first reassess, you know, how you're nurturing yourself as you say. You gotta do what's affordable. Of course we'd all love to take classes and have therapy and do acupuncture, but can you do this in a more affordable way? And I bet you there are. I don't think you have to give up these things, but it's perhaps finding more formal ways to achieve them.

So with therapy, is there a way to get your health insurance cover that? Or perhaps you go to a different shrink? You know, maybe you love your shrink but maybe there's someone who's just as qualified who is not as expensive. Acupuncture: you might be able to go to an acupuncture school or some sort of medical school where they are being taught this and you get done acupuncture by someone who's on their way to getting certified. And you know, just like with massages and facial and dentistry, there's always a student that needs to learn how to do it and they're always shadowed by a professional - a credentialed professional. So this isn't like you in a dark room with an "almost acupuncturist". This is you know, hopefully very much more buttoned up.

But I, the point is, I think you want to revisit how you're paying for these things. Because if you're going into debt, this is not a good lifestyle for you. At least, not right now as you aren't making enough money. And if you wanna afford this you have to make more money. Plain and simple. You have an income problem that's not supporting your lifestyle. So the good news is, what did I just say? There's a lot of freelance opportunities out there. There's websites that can help you find odd jobs if that's - if you believe this is important for your health and your sanity and for your growth, don't give it up. Just find other ways to afford it. And it may mean getting

multiple income streams. Getting an extra gig. You know, hustling a little bit. Because the tax refund is once a year. And then you know, it's gonna be gone, and then you're gonna be back in this boat of spending more than you make.

And as far as creating budgets and sticking to them, I think that one helpful trick is to get a budget buddy. You know, someone that can hold you accountable. And you can hold that person accountable. Maybe it's a co-worker, maybe it's someone that you go to a class with. Maybe it's a partner, a relative, but essentially this person - you and this person communicate often about your budget, communicate often about your goals, and you give each other progress reports. And so just like, you know, having a gym buddy. Or having a healthy-eating buddy. Or, I dunno, just having that person - the accountability partner - can go a very long way in making you finish the goals that you wanna achieve.

I would also say that a really, really helpful habit in helping you achieve - in helping you master your budget and you know, saving money, is to make your goals visual. And by the way, decide what your goals are. The key to actually doing what we know is right is to make it less about the budgeting and more about achieving this amazing goal that we want to achieve. So I like to have visual reminders. You know, visuals on my phone, on my laptop. Pictures on my desk that reflect what's important to me, whether it's the renovation project that I'm about to undergo that's gonna cost me a lot of money. Or it's, you know, pictures of my son and that preschool is coming up and I'm gonna have to save money for that. So you know, I think incorporating what's important to you visually into your life as a reminder can keep you from spending in ways that don't make sense, and spending in ways that deviate from what your goals are.

And also, know what your weaknesses are. If you know that you have a tendency to walk into J Crew on the way home from work as I used to. Or you know, you are bored or having a bad day and you go to Starbucks or go to the mall. You want to be able to identify these "weak moments" and instead, plan your schedule so that you incorporate activities into your day, your week - free activities - that detract you from having these moments of weakness and end up making you spend more money. And so whether it's like scheduling a walk with a friend, or starting a book club. Sticking to a budget sometimes means changing certain aspects of your lifestyle.

Sounds like you are making some lifestyle changes in terms of taking those classes and therapy and acupuncture, but I would love to see some more free things that you're incorporating into your schedule. It's just like trying to lose weight, or achieve a fitness goal, or whatever. Making adjustments to your routine, eliminating those opportunities to be weak, can go a very long way.

[00:19:03]

And this is our last question from Tim. He says:

T: "I want to semi-retire in four years and we have two kids graduating from college in May. One graduate and one undergraduate. How do we help pay student loans and continue aggressively paying down the mortgage?"

FT: Hmm. Well first of all, I love your name. It's my husband's name, Tim. I have two big ideas for you. And the first is, why are you insisting on paying off your children's student loans? Maybe a better way to approach this is, now that you have grown children and they hopefully will have jobs soon and they'll be benefiting from those degrees soon, why not have a discussion with your kids about contributing to their student loans once they do make money. I know there's a lot of pride in paying for your kids' college education and even grad school as a parent. But if your kids are able to contribute, and you could use the help, then I think they should. And it's not that they take on the entire loan, but I think if they, if you split it, or you go 30-70. You know, I think something is not inappropriate. I think it's a valid way for adult children to contribute to what is, you know, they benefited from those student loans.

So I think that it's important to just have a conversation with them. And in that conversation you might want to say something like, "Our plan is to retire early so that we can enjoy our lives and also not be like Sally up the street or cousin what's-his-name who's, you know, 70 and still working and, you know, living with his kids." [Laughs] Kinda get them a little scared of like the worst-case scenario. It's like, "If mom and dad don't get this help from us, maybe they're gonna have to, you know, work longer and that's not gonna be so great. And then maybe they'll need our help in the future". So I think this is really - the way you want to present this is like, "Helping us with this today is really helping everyone in the long-run". And because it is their student loans I think it's not asking for much. So that's my one idea.

And then the other idea I had was, maybe you don't be so aggressive with the mortgage during this, in the first kind of transitional year when you're just faced with these loans and trying to figure out how to juggle everything. And hopefully your kids will chip in, but maybe it's that you slow down the mortgage payments. And I say this because the interest rates on those student loans are probably higher, I'm guessing, than what's on your mortgage. Especially if you've refinanced recently or you know these loans, I'm guessing maybe they're private some of them or at least, you know, more than three or four percent, which is what mortgage rates are today. So that is your more expensive debt. And that, mathematically, should probably take priority at least in the short-term.

So those are my two thoughts and at the very least, being open to your kids about how these loans are gonna weigh on your financial plan and maybe there's a way for them to help you lighten the burden. And good luck! I hope it goes well.

[00:21:52]

That is a wrap everyone. Great questions as always. As a reminder, if you'd like to win a free 15-minute money session with me just hop onto iTunes and leave a review. Every Saturday I select one person to receive a free 15-minute money session with me from that new review list. And this week the winner is Arielle P.

So Arielle, email me at Farnoosh at somoneypodcast.com and we will connect.

Thanks everyone for tuning in. Hope to see you right back here tomorrow for more of Ask Farnoosh, Sunday Edition. In the meantime, I hope your day is So Money!