

**EPISODE 104**

**FT:** Welcome back to So Money everyone. Happy Saturday. I'm your host, Farnoosh Torabi coming to you from my apartment in Brooklyn. I actually just went this week to look for new office space because I need to get outta this house. We are renovating, and it will not be pretty if I'm doing the podcast from here. You'll be hearing drilling and all sorts of inconvenient things. So for that I am going to find new office space starting in a few weeks, so hopefully that doesn't change the quality of the podcast, but I'm excited. I think it'll be really a great move for me, and I dunno about anyone who else works, you know, from home on the podcast. But it's just nice sometimes to get outta the house right? Just have like a more formal place to do work and avoid some easy distractions.

Anyhoo, it is Saturday and we of course are gonna answer your questions. Starting with, though, a review. I'd like to read off a review that was left kindly on iTunes. As many of you know, or may not know, every Saturday I select one new reviewer on iTunes for this show to receive a free 15-minute Money Session with me. And this person who left a review that caught my eye was written by Lola Phelps. So Lola, if you're hearing this, email me at Farnoosh at [somoneypodcast.com](mailto:somoneypodcast.com) so we can set up our one-on-one.

She say, "Farnoosh Torabi makes personal finance fascinating! I listen daily on my way to and from my office, when I'm running, when I'm cooking. Seriously, my other are jealous! [Laughs] Over the years I've tried to like the topic of personal finance. I'm a psychologist in independent practice and would much rather listen to my clients than think about money. I really appreciate getting to hear the personal stories of the people Farnoosh interviews. So Money addresses financial issues across the life-span, but is especially helpful for people just out of college or starting careers. As a small business owner and entrepreneur, I really appreciate both the practical tips and the inspiration. Keep up the great work!"

[00:02:38]

Lola, thank you so much. And I think you emailed me as well and you said that you would want me to interview Dr. Brad Klontz, which by the way I will be having on the podcast very soon. So for some of you who don't know who he is, Brad Klontz is a premier financial psychologist. And I

partnered with him on many projects, more recently, my survey for "When She Makes More", which comes out in paperback this week. Hola! Pick up a copy. It's just \$10 on Amazon, thanks to the paperback. So anyway - sidebar. Thank you very much Lola Phelps. By the way, love the name Lola. Thank you for your review and I look forward to connecting with you one-on-one.

[00:03:20]

Alright let's get to our awesome questions. I have a question here from Thomas. He says:

**T:** "Hey Farnoosh, I love your So Money Podcast. I am aspiring financial expert. I just got my certification as a financial literacy educator, and now I am studying to become a certified financial counselor. I joined a local Toastmasters group to sharpen my public speaking skills and I just joined John Lee Dumas's Podcasters Paradise".

**FT:** Oh amazing! This is fantastic. You are off to a great start here. I am also a member of Podcasters Paradise. You may have known this. He says:

**T:** "I have two questions. I wanna do podcasting, blogging, and public speaking. Do you think that that's too much starting out?"

**FT:** And then he says:

**T:** "At what point in my new passion for spreading financial education do I seek an agent?"

**FT:** Well you are asking the right person Thomas, because I live and breathe this world and I say, "Run with your passion!" It sounds like you are off to the races and you've got a great foundation with your education, your certification, and you're gonna get another certification as a financial counsellor, so you're gonna be a trusted resource. Just, you know, that alone can set you apart. I would say that, if I were you, between podcasting and blogging, I would say focus on podcasting and get the transcripts for those podcasts because that can also become an easy way to blog. So podcasting is great because first of all, it's the thing to do right now, right? It's kind of the new hot medium. And so being a podcaster not only allows you to have a presence on your site - because you can put the podcast on your site - but it more importantly puts you in

the iTunes store. It puts you in stitcher, it puts you in all these other syndicated places so you have this massive platform. And it's very cool to be a podcaster right now. It's hard work, you know that it's not easy. Blogging is not easy either, but you know, podcasting is a little bit more of a technically challenging medium and so you get a lot of street cred for doing podcasts. And I think that the intimacy that you're gonna establish with your listeners is unparalleled to what blogging does. And I, you know again, blogging is it's own wonderful medium. I just don't have the bandwidth to sit there and write every day, really, really thoughtful pieces. And if I were to be a blogger, I would only wanna do that. I wouldn't wanna write these like 200 word rants. I would wanna actually produce something that's meaningful, that has takeaway, and I find that that for me it's easier to do via a podcast. And especially if I've got a guest, we can go back and forth - a lot of gems unearthed through the 30 minutes or 40 minutes. And then getting the transcript you can use that to create blog posts, or show notes.

And so you can have visibility on your site through those posts, and by posting your podcast. And you can have visibility in the iTunes Store, which is great. And, you know, it's cool you can say you're the host of your own podcast. That's pretty awesome. And it's very easy for people to find you because you're, again, being marketing all over the place through iTunes and all these other areas that you, sites that you might promote your podcast, in addition to your own site. So I would say, start with podcasting. Focus on that. And then I would say, in tandem to all of that, focus on public speaking because to become a public speaker you need to prove that you have an audience, that you are busy in the area that you're working in, that you're connecting with people, that you have insights. And that is going to be able to come through podcasting. So that will help you leverage your platform to get public speaking gigs. I don't think that's too much starting out. Clearly you're passionate, and I think you can handle it. I think you'll have a lot of fun.

And then you asked, "when do I seek an agent? At what point?" Well, I would say that, you know, having an agent myself, I've been with my agent now for over 7 years. He's great, but he wouldn't have worked with me if I didn't have something that was outstanding that he could brag about to potential news makers and program managers and people who hire talent. So in my case it was a book. I think that he would've had a hard time selling my story and why I was gonna be great for that network or for that TV spot or for whatever that show, if I didn't have an established presence in the media, a presence as an authority. If I hadn't established myself

already in some way, shape, or form. It's really important when you're seeking an agent that you have established yourself beyond just getting certified, beyond just having a blog, that you can say, "People know who I am". And the best way to say that, is often times to say that, you know, you've got a book and people have bought it. Or, "I do all these speaking engagements". Or, I would say before you get an agent, get some clips together of you giving your advice on local TV, or on Internet shows, or on podcasts. Because an agent can really only help you. They're not gonna, they're not rainmakers. They basically just say, "Okay well, what have you got?" And they're gonna help you package that in a nice, neat, cool way and showcase you to the powers that be in TV world and all those other places where they are seeking talent.

So it's really important for you to, you know, establish those marketing, I guess, tools for yourself. Whether it's a book, interviews, you know, start doing maybe some interviews with your local TV station. Start doing some interviews with podcasters. Just so that, a) you can get comfortable giving advice in that medium. Because remember, it's all about sound bites. You wanna get good with your sound bites and your presence, and it sounds like you are working with a coach. So that person should hopefully help you get even better. And I would say maybe do an eBook or something to show and say, "Look I have so much credibility, you know, I'm a shoo-in for this job". At that point I think maybe an agent would be interested in learning more about you and looking at ways to maybe get you extra jobs.

The other thing I would say before you work with an agent is, be really clear on what your goals are. Very, very, important. A lot of times people are disappointed when they work with agents because they say, "He doesn't understand, or she doesn't understand what my goals are." You know, "I don't want those kinds of jobs. They're putting me up for, you know, interviews and auditions for things that I'm not interested in". Well, my question to them is always, "Have you communicated your goals to your agent?" Your agent is doing probably what he or she thinks you want them to do, but you really need to be in control. Just because you have an agent doesn't mean you take a back seat and you wait for the phone to ring to tell you, "Hey, Farnoosh. You have an interview at such and such, go put on a suit". You wanna be looking for opportunities as much as your agent is looking for opportunities. A really good agent is somebody who really understands where you wanna be in the next 5 years so that they can really start to manage your career, not just negotiate deals for you, right? So that would also be another thing I would say about agents.

But it sounds like you are off to a phenomenal start Thomas. Please keep me posted, and as you develop these other platforms, whether it's podcasting, blogging, speaking, let me know. I'd love to give you advice along the way if you're interested. Keep in touch.

[00:10:40]

Ram! He writes and he says:

**R:** "I have one question - I asked one question about saving funds for my kids education a couple of weeks about,"

**FT:** That's right you did. You said:

**R:** "You spend almost your entire valuable 15 minutes answering my question with lots of information that I cannot find anywhere. Thank you for that".

**FT:** Oh my pleasure! He says:

**R:** "I have one question regarding the same topic, which is that if I decided to save only \$2,000 a year for each kid, and I have two, what is the best approach from the following?"

**FT:** And he's interested in saving for their education.

**R:** "Should I do an ESA? Which is an Education Savings Account, also known as a Coverdell account, or a 529 Account?"

**FT:** So Ram, I looked into this for you a little bit. And I suggest everybody if you're interested in college saving advice, guidance, regarding everything and anything under the sun with regards to college - financial aid in college. Go to [savingforcollege.com](http://savingforcollege.com). it's my go-to resource. And Ram says he's really confused about which one to choose - he lives in Michigan.

So according to [savingforcollege.com](http://savingforcollege.com), the Coverdell/ESA and the 529 Account are both really great education savings vehicles. They're both tax free when they're used for college. But like

Ram, many families, you know, they kind of have to choose between one or the other. Do they do the 529 plan? Or do they do the Coverdell? Now, one thing that I will say, just as a differentiator, the Coverdell Account limits your contribution to \$2,000 a year. So just keep in mind that the Coverdell does limit you to \$2,000 if you wanted to increase it at one point you'd have to find alternatives savings vehicles. Another perk to the Coverdell versus the 529, is that the Coverdell allows you to self-direct your investments. Kind of like an IRA. With the 529 plan, the investments are already pre-determined. And so you can't, you know, move around your money within the 529. It's pretty much managed as, according to a plan.

And then there's another advantage to a Coverdell, is that the money can be withdrawn tax-free for Kindergarten through 12th grade as well as college. While 529 plans are just limited to college expenses. So if you're someone who is sending your kid through private school through K through 12, and this is some money that maybe you would want to use towards that, then you can, rest-assured, withdraw money from the Coverdell tax-free to afford those more short-term costs. And so, some families like this flexibility. A 529 plan on the other hand, does not have annual contribution limits like we talked about, it doesn't have age limits or income limits, the Coverdell does. And so that's why I think, and this is according to Savingforcollege, there is probably a bigger percentage of families who choose the 529 over the Coverdell. And frankly, many people are just happy with the 529 plan's investment choices. They don't care to move the money around.

And also, what's great about the 529 is that your state may give you a state tax deduction for using the 529 plan. But no states offer a state tax deduction for investing with a Coverdell. And you said you live in Michigan, and I believe that in Michigan, tax-payers may be eligible for an income tax deduction on their contributions. So that could be something that you would benefit from and if you wanna learn more about the Michigan 529 plan, you go to [misaves.com](http://misaves.com). But having said that, you know, with the 529 plan it doesn't matter where you live. You can choose to be in in any states 529 plan. So if you go to [savingforcollege.com](http://savingforcollege.com) you can also there find a list of 529 plans by state, and how they rank as far as their rate of returns. I hope that helps, so you know, those are the pro's and con's. I will have the transcript for this at [somonypodcast.com](http://somonypodcast.com) if you missed anything, and also the links for those websites. So good luck, and I hope that was helpful.

[00:14:44]

**FT:** Carlos says:

**C:** "You often talk about earning more instead of just cutting back. Would you recommend adding student loan debt for a doctorate degree to advance my higher ed career. I still have student loan debt - about \$40,000 from undergrad and grad, and I don't wanna add more, but I do wanna advance to dean. It will make me more competitive. I work at a university now and they will by 2/3 of the cost. My portion is little less than \$19,000. My concern is that I don't own a home, which is a goal, and I have a wife and a 6 week old son who's college fund needs funding now. I live in LA where real estate appreciates daily. What are your thoughts?"

**FT:** Well Carlos, first of all, I think that yeah. Debt, if you can avoid it that would be ideal, right? But that said, when you're talking about investing in your education, and in this case the track that you're on requires a PhD, right, in order to advance to become dean. It's not really an option. So this is something that you really want to do, and you know also that it will pay you more in the long run. This might be your right choice, and I think the fact that your university is gonna pay for most of this degree is outstanding. That's not an option most people have when they're looking at getting a higher ed degree. So I think that if your employer is willing to foot most of this bill - 2/3's - that's hard to beat. And I think that while \$19,000, having that can maybe get you to become a homeowner sooner and it can definitely fund that college account sooner, I like this idea of getting your degree simply because down the road it will pay off with dividends. You know, you're gonna be able to become a dean, hopefully. It will hopefully pay you a lot more.

I would be curious though how much more? You know, run the numbers a little bit. Figure out, you know, how long after getting this degree do you think that you could - and be realistic - that you could climb to dean status? What would it pay? What would be the benefits? You know, sometimes deans get housing stipend if they live on campus or near campus. And know that if you work for a university, whether you're a dean or a professor, a lot of times your children can go to that school for free or for a very reduced price. So I think if that is also realistic for you, I know your baby is only 6 weeks old so it's hard to know if your child would wanna go to that school, or if you'll even be at that school. But if you do foresee being a dean somewhere, at a

good school, I think that should be part of your financial planning. That that can always be plan B, that if you don't have enough to send your kid to his dream school, hey you know what we have a great option which is to come to the school that I teach at. If you have the option to go to college for free, you should seriously consider it.

And so I'm not too worried about you taking on \$19,000 in debt to become a dean. I think that that would be a great investment in your future, in your family's future as far as funding your child's college education account, see if perhaps your wife can contribute there. Maybe it's that she takes on that expense while you're in school. Or you cut back on other areas to be able to fund that. But I think that if this is your dream, and you know this is gonna pay you well, go for it. And if your employer, your school's gonna cover 2/3's of it. It's a pretty good deal I would say. Alright Carlos, good luck to you.

And that's a wrap everyone. Thanks so much for tuning into this Saturday edition of 'Ask Farnoosh'. It's a bit of a short one, but it's Saturday. Let's get out there and party, okay? Thank you so much for your questions. If you have a question for me, it's really easy. Just go to [somonypodcast.com](http://somonypodcast.com), click on 'Ask Farnoosh', and that's it. Boom, it's in my inbox, and hopefully I will be reading it the forth-coming weekend. Thanks so much everyone for tuning in. I hope the rest of your day is So Money!

[END]