

**FT:** Linda Descano, thank you so much for joining me on So Money, a pleasure to have you.

**LD:** Oh, thank you for having me, Farnoosh.

**FT:** I've had the privilege of working with you from time to time in the past several years. You are, for sure, a female leader in the finance space and I think we need more women like you paving the way, leading the way, being our mentors and I say this, to give listeners some background on you. You have been in the financial services industry for I want to say over 20 years.

**LD:** That's right. I just celebrated my 21<sup>st</sup> anniversary.

**FT:** Congratulations.

**LD:** Thank you.

**FT:** And so, as a woman who has been in the industry for more than 2 decades, what would you say is the biggest accomplishment and yet also the biggest setback for women in the industry?

**LD:** I think the, when I think about the accomplishments, I think today and I think of it from women like you and I as consumers of financial products and services that women in general have gone from being the chief purchasing officer in their household handling the day to day financial chores like paying the bills and doing the grocery shopping, truly being the true chief financial officer of their family and of their life and in that role, they, women today are really, you know, embracing that responsibility as a privilege and demanding a different level of service from financial companies like Citi and really raising the bar for encouraging financial companies to provide tools and resources that help them connect the dots between all parts of their financial life, the day-to-day saving and bill paying to the planning for their children's future and their own retirement. And so, I think women really have changed the game and I think a setback is that many women still don't feel that they're being heard and valued by financial services companies and far too many women wait until there's a life event that triggers their trust in finances. So, I think it's, you know, the earlier that women start taking control of their money, the more options that they will have.

**FT:** And, even more specifically for you, working in the financial services industry, an industry that is still dominated by men, what's changed for you and how is it perhaps a more encouraging place to work for women?

**LD:** I think it's changed in that there are more women present in every level of organizations today and women are leading major developments in products and in services more so than I've seen in the past 20 years. I think there's been a much broader commitment to diversity and inclusion and not just gender but across all different ethnicities and cultures and moving to what's more towards a meritocracy but I'll be honest, Farnoosh, when I think of myself I never thought of gender as the first lens. You know, I'm a woman who's been on a waste management program since she was age 3. First one in my family to go to college, I went to a state school. I don't have an MBA. To me, many of the issues I dealt with in my own challenges were more about body image and that lack of a pedigree so, you know, gender to me was second to some of those other issues that I had to wrestle with like and deal with my own insecurities about.

**FT:** I think that's so honest for you to share that because, yeah, I think people ask me too. Like, what's it like, being a woman in finance and I said, "Well, you know, actually, maybe for better I never thought of it that way. I never thought of myself as having a handicap because I was a woman.

**LD:** That's right.

**FT:** So, let's start off the So Money interview, Linda. I'd love to hear your financial philosophy that helps to keep your money in check.

**LD:** Well, I think of, I'm big on budgeting. And so, for me, my philosophy is to think of a budget as a spending diet that allows you to choose how to use like your money versus a penny pinching exercise that's denying me. Now, maybe because I'm always on some form of diet and I'm always paying attention to what I eat that really it applies to how I think about my money. But, this way, it allows me to really have a strong money conscience and to be sure that I'm putting my money where my heart is that, you know, I'm always asking myself, "Is this aligned with some of my goals and my priorities and sort of my corollary to that is that I tried to spend on experiences and not just stuff because I realized coming, growing up with very little when I first started making money, I was all about, you know, buying this and that and having all these things that for so long I couldn't afford, then I realized that it that didn't really make me happier but when I can create an experience like taking my niece and nephew to a Broadway show or travel and spending time with the people that I care about that creates the memories that last a lifetime and it's not about the things. The things have a role but I can live without them. I can't live without the joy that those experiences give me.

**FT:** Yes, I think it's been proven academically that things do not make us happy, however spending our money on experiences like taking your niece and nephew to a Broadway show or a simple yoga class or a vacation, these are the memories that continue to give in their sort of joyful recounts and that is ultimately what can lead to happiness.

**LD:** Absolutely.

**FT:** Well, you brought up memories and you brought up your childhood a little bit so I'd love to transition now to talking about your biggest money memory growing up, what it was like growing up in the Descano family and what may have been one memory from the period of time that still stands out that taught something important about money?

**LD:** Well, my earliest money memory was when I was about 5 or 6 years old and I could remember so clearly my dad handing my mother a 5 dollar bill every day and that was her like daily allowance for, you know, milk or bread or something and I also remember a big discussion they had about my mom's name wasn't even on the checkbook and I couldn't understand why when I was getting an allowance like about a dollar a week, my dad was also treating my mom like she was a kid, like a little girl and that I felt like 'Isn't it their money?' And, I knew then that I would always have my money, like I, money was power and control and, I, you know, and that stuck with me and there was always tension in my family growing up because money was always a challenge and a lack of alignment over my parents over what they could afford and they should spend on. So, I think, for me it really impressed that I always wanted a voice with my money and the importance of also having a partner where the two of you could discuss things without shouting at each other.

**FT:** And, I think it's true that money does equal power in our culture but the key is to remember that it shouldn't be power over but perhaps the power to do something that can change your life for the better, the power to make someone else's life better, more enriched.

**LD:** Absolutely. That's right. Sometimes it's not what we say about our, you know, parents say about money, it's what they do. Their actions speak volumes.

**FT:** I'd love if you would share now a financial failure, Linda, and not because I want to get all depressed or anything but I think that, you know, failures are what make us who we are and it's what we learn from those failures that are priceless. So, if you wouldn't mind sharing one financial failure, what happened, where were you and what did you learn.

**LD:** Oh yes. Well, I was actually making a transition from one industry, environmental consulting into the financial industry. I had worked at that other company for a number of years. I had vested in my 401K and what did I do when I changed careers, I cashed out my 401K. And, to this day, I can't even defend it's not like I needed the money, I cashed it out and spent it. And, it is, you know, it was a real eye opener when I came in to this industry and then realized what a foolish mistake it was. So, I've made a commitment since then to always make, you know, making the maximum contribution to my 401K and starting an IRA a priority. No matter how difficult times were, I've made that a priority but that was one of my, I think one of my biggest mistakes.

**FT:** Do you remember what you spent the money on?

**LD:** No. That's the sad part. It's not like I bought a car or bought a piece of jewelry. It's something that, you know, had real utility. I think it was one of those a little here, little there and it was pure financial waste.

**FT:** And, yeah, and just to educate listeners, I mean I think a lot, all of us know the ramifications of pulling out of a long term investment that's meant to be for you. What do you think that investment, had you not taken it out, would have amassed to today?

**LD:** You know, I actually don't even remember the total but think about it. It was not just my money that I wasted, it was free money, money I earned through my employer's match that, you know, was at that point I think it was 6 or it was a very generous match, 6 or 8%. So, I not only wasted my own money, I wasted my then employer's investment in me and in my future but you know I lost 5 years of savings with that single, you know, pen stroke of my name on a form. So, you know, doing it early in my career, of course, gave me the time to bounce back but, you know, you've probably heard as I have people who've cashed out their 401K midcareer in their 40s and that is significant because you're getting closer and closer to retirement and you have less time to get the benefit of compound interest and, of course, you know, you may have to invest more aggressively to make up for that which again could create more volatility.

**FT:** Wait, and by the way, if you have \$30,000 in your 401K and you're tempted to pull out, you're not going to get \$30,000. You're probably going to end up with more like \$22,000 or less because of taxes and penalty.

**LD:** Exactly.

**FT:** For withdrawing early before retirement age. Yup, I have heard this unfortunately more than once, Linda, from guests and it's nice to know that people do recognize this as a true failure because and not just as a minor mistake.

**LD:** That's right.

**FT:** Because it hurts. Well, let's talk about something happier. Let's change now to a So Money moment, a time in your life when you had a financial win, you know, whether it was you got the raise you negotiated for or you paid of your student loans, whatever it was. Take us to that journey, how you got to that successful point and how we can emulate.

**LD:** Well, my So Money moment actually goes back to when I was in high school and had my first job. And, as I said, my parents' finance was a real issue and I remember them fretting about how they were going to buy uniforms and other back-to-school stuff for my twin brothers who are going to a local, a parochial school. And so, I went to the store that sold all the uniforms. I found out what was on like the purchase list for my brothers, I put a deposit down and then I went every week and, you know, I had stuff on layaway and paid the balance off over the summer with my earnings and when my parents went to pick up the clothes to actually buy them, they were like overwhelmed when the store said everything's already paid. You just have to pick out the sizes. And, why it stands out, because I think I remain so proud of the discipline I had that, you know, you could work and pay something off but also how money was so empowering to me that I could do something to a point you made, it's the power to help someone out. It was a great feeling but it really taught me that money wasn't just about me but it was about putting it to work to do something to help someone else. There was a real, it could be a positive thing, whereas money, again, was not, my parents always it was always sort of looking at the glass half full half empty and this showed money could be something that the glass was half full and really informed my future attitude.

**FT:** And, how gratifying to be able to do this for your parents?

**LD:** Oh, they were so overwhelmed. The store couldn't believe it and I think they actually threw in a few extra things and I think my parents were also proud that I understood their reality and I stepped up, you know, actually the way my mother did, my mother actually just graduated high school. She left high school in the, I think it was the tenth grade to go to work after her father had cancer and they, her mother needed help to go earn money to, you know, raise her siblings. So, I had a great role model in my mother and I think my parents felt like I really stepped up and I understood about sacrifice and service.

**FT:** I love that. I love, love that story. Wow, yeah, charity begins at home sometimes, you know. That's wonderful. Well, let's talk about habits now, Linda, I mean for someone who has had such a wonderful body of work in the financial services industry it sounds like you have your finances pretty ironed out. What would be one habit that you consciously practice? Maybe it's not daily but it is a conscious and it's consistent that helps to keep your money growing and safe.

**LD:** [Inaudible – 17:10] there's my phrase is this, "Automate savings but don't put your finances on autopilot." And, it goes to this, as I said earlier, you have to pay yourself first, you know, contributions for your retirement account, your 401K or 403B, whatever option your employer gives you, your IRA and a general savings account for emergencies should be automatically deposited out

of your pay or your checking account so you don't, it's not there for you to use and I think that's critical. But, life doesn't stand still. We change jobs. We lose jobs. We launch businesses. We enter relationships. We may exit them at some point. We buy homes. We have children. We have parents who hopefully live a long life but may need our help. We get sick. Our home could be flattened in a storm, so and how you feel about money, you know, what makes you sleep at night peacefully may change over time. So, you have to be sure you're putting your money to work in a way that's aligned with what's important to you and your reality today, not what it was 20 years ago. So, like once a year it's so important to take stock of your financial situation. Make sure you understand like where you are. Keep your pulse on your paperwork and then readjust what you're spending, saving and investing so it makes sense for your life and that's my ritual for helping me stay connected with my money but also being realistic because, you know, how I felt about money again when I cashed out of that 401K I was, you know, footloose and fancy free and much younger and today I have parents who are aging. I have retirement staring me at the face and hopefully 20 years or so. You have to think differently and keep your finances in sync. So, you can't put it on cruise control and forget about it.

**FT:** Yes. Automate, don't autopilot. I think it's so important, especially now with how the financial industry is changing and evolving. I mean now we can pay with our iPhones, we can send money overnight instantly, we can forget about using a credit card. That's like so 2010, you know, like now it's like paying virtually and, yeah, I think it's all in the grand scheme of things, a helpful component of our financial world having the access, the ability, the speed to do transactions quickly. However, I worry about how this may have a backlash on our financial health, being able to spend so quickly and almost so thoughtlessly with your phone can be dangerous.

**LD:** It can be because it almost makes you feel like money isn't real because you're not handling cash day to day and you can easily lose track but you're right, there are plenty of tools through mobile banking that allows you to stay on top but again staying on top is one thing, having that, you know, comprehensive view about looking at the whole picture is something different and we can't forget to do that connect the dots between, you know, our spending life and our saving life and our investing life.

**FT:** Alright, Linda, we are almost at a close here but before we go I'd love to do a little rapid fire So Money Fill in the Blanks if I may. Are you game?

**LD:** Yes, absolutely.

**FT:** Alright, this will be fun. I'm sure. Okay, so finish these sentences. If I won the lottery tomorrow, let's say a wild number, a hundred million dollars, the first thing I would do is \_\_\_\_\_.

**LD:** Secure my own future.

**FT:** And so, would that be padding your retirement account...

**LD:** It would absolutely be paying off my mortgage and making sure my retirement account is nice and healthy. I'd create a trust to fund educational interests and community sort of volunteer interest of family members and, you know, invest in a couple of organizations in areas I'm passionate about. And, yeah, I may buy a few pairs of shoes and handbags but first you have to take care of yourself.

**FT:** Yes, yes, right on. The one thing that I spend on that makes my life easier or better or both is \_\_\_\_\_.

**LD:** Oh, I outsource a lot of my household chores, you know, I have groceries delivered. I outsource cleaning, dry cleaning drop off and pick up. It gives me back time and that's so precious.

**FT:** And, I recently made a list of things that would make my life easier or better. I'm following my podcast and applying it to my own life, things that I'm not doing yet that I think would be worthwhile investment. One is increasing my cleaning lady to come not just, from twice a month to every week because now we have a baby and we're working from home and we have a nanny and so, and it's the winter time so there's a lot of dust that accumulates and it's just like the dishes are piling up a lot quicker. And, so that would make my life easier and the other thing is I'm thinking about outsourcing dinners now because what we do instead is go on Seamless.com, which I don't know if you're aware of it.

**LD:** Yes, I am.

**FT:** It's this very, very dangerous website where you go on and you type in what you want and boom it's delivered and it's all through your credit card. You don't need to worry about tipping. Well, that's a slippery slope so and sometimes you don't eat healthy when you do seamless because it's ultimately take out and, you know, what am I going to order steamed vegetables every time so having someone prepare food for me, drop it off every day or once a week and then I can reheat it is something that I'm looking into and I think it would be a worthwhile investment. What do you think?

**LD:** I agree, absolutely makes sense to me.

**FT:** Alright, I have your endorsement. Good. My biggest guilty pleasure that I spend a lot of money on is \_\_\_\_\_.

**LD:** Premium theatre tickets, center orchestra first ten rows. I love the theatre and so, yeah.

**FT:** Nice, you know, I was just talking about how my brother bought tickets to the super bowl, one ticket to the super bowl and I don't have to tell you how much he spent but it was more than a Broadway ticket and I was talking to a friend about. I said, "I would never do something like that." But, you know what, that the super bowl could even ask and solicit for that much money for a ticket and people are willing to pay for it, it boggles me and meanwhile, like I don't want to spend \$150 on a Broadway ticket. But, it's just, it just comes down to what you value, I suppose.

**LD:** That's true. That's true.

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

**LD:** You know, that attitude is everything, you know, that it's really, it took me a while to understand that it's again not about the stuff but about the experience.

**FT:** And, finally, I am Linda Descano and I'm So Money because \_\_\_\_\_.

**LD:** I know the value of hard work and respect, the value of a dollar and because I know money is an opportunity. It's an opportunity for choice. It's an opportunity to better myself, to care for my family and to give back to my community.

**FT:** I love that. I love that, Linda. Thank you, thank you so much and it's got to be said. You're training for a 5K race. How's it going?

**LD:** So far so good. My race is in two weeks and I feel very comfortable. It's the first time I've run 5K in ten years so hopefully this is a start and I'll move up to a ten-miler.

**FT:** Yeah and as you were saying before we got on the call, physical health correlates with fiscal health. We wish you the best with that. We'll be cheering you on. Thank you so much for joining me. You are So Money, Linda.

**LD:** Oh, thank you, Farnoosh. It was a pleasure.