

EPISODE 132

[ASK FARNOOSH]

[00:00:32]

FT: Happy Memorial Day Weekend everyone. Welcome to So Money. I'm your host Farnoosh Torabi. I hope you're enjoying a wonderful long 3-day weekend. We are in Brooklyn this weekend, enjoying the sun. Unofficial kick off to summer 2015. Very excited. Hopefully this means I can once and for all get rid of my winter clothes. I was literally wearing pants, socks, scarf, sweater, on Thursday and I was like, "This is just ridiculous." I mean, come on. Come on mother nature!

Alright, let's start today's episode as we do every episode on Saturday with a review on iTunes. As you know, every week I grant a free 15-minute Money Session with a iTunes reviewer for So Money. And this week I'm selecting Andrea. Andrea says that:

A: "This podcast is so informative and inspiring.

FT: Gives it 5 stars. She says:

A: "A friend recommended this podcast to me a few months ago, and I can honestly say it's changed my life. I studied engineering and 4 languages in school, came out with great grades, a great job, but almost no understanding of personal finance. I've basically learned everything I know about money in the last 4 months from Farnoosh and her guests..."

FT: Wow!

A: "...from the content on the show to following up on the recommended resources. I recommend this podcast for anyone trying to get their foot in the door with understanding the mysterious world of finance. Start ASAP on your financial freedom."

[00:01:59]

FT: Andrea, looking forward to connecting with you. Thank you so much for joining the show. I'm so thrilled that it is teaching you so much. And I have to say, I'm learning a ton as well as the host of the show. You think you know everything, well I don't. And my guests keep me on my toes. So Andrea, here's what I want you to do: email me Farnoosh at somoneypodcast.com I will get that email, respond with a booking calendar for you to select a time for us to chat one-on-one about what's on your money mind, and I look forward to connecting with you.

And if there's anyone else listening who's like, "I wanna do that. I wanna get together with Farnoosh." Here's what you do: you go on iTunes, you leave a review, and every week, every Saturday, I pick one new reviewer to get that free 15-minute Money Session. And I will be honest, it's not like it's pouring. I get maybe 3 or 4, tops, reviews every week at this point. It's not like the flood that it was when I first started. I think people see that I've got 254 reviews and they're all like, "What else can I say about this show?" So my point is that it's not that competitive, so if you leave a review, there's like a 1 in 3 or 1 in 4 chance that you're gonna win. So go for it if you can. I'd love it. I'd love to see your review. And thank you in advance.

[00:03:20]

Okie dokie. Let's go to our batch of questions that have been coming in this week. And I've got on here, it's an initial, "SL". She asks:

SL: "Hi, I don't believe you have covered this one. I am the breadwinner in the family and my husband has always been ultra-supportive. He does everything around the house without complaining that I work long hours. We've been married for 12 years and are high school sweethearts and I'm still in love with him. But yesterday, he had a three-alarm meltdown. It turns out, my success has emasculated him this whole time and he feels insignificant and not needed. He thinks I deserve better because he isn't good enough. I'm still infatuated with him after all this time and would die without him. Have you heard of this left turn? Please help!"

[00:04:06]

FT: Girl, have I heard of this left turn? I wrote a whole book about female breadwinners and the complexities and challenges of being in a modern day relationship with a man that you love and a man that loves you, and being a female breadwinner, while it should be innocuous to all of us that this is not a problem, this is totally normal, and it is. There are now 1 in 4 women in marriages making more than their husbands. But the reality is is that as men and as women, we have sensitivities. There are certain ways that we expect a marriage to work. And I'm speaking generally. And for men, I've learned through all my studies and interview over years in writing this book, is that generally speaking, men wanna provide period. They wanna be considered the most important person in your life. Isn't that nice? It's actually kinda sweet. But when they're not the breadwinner, and in fact they're making a lot less than you, they may feel insignificant. They may feel like they're not really providing. And they feel as though they're not significant to you and that they don't have a purpose.

So one, I'm really happy that your husband brought this to the surface, because I think what breaks marriages apart is this lack of communication over this. We feel this way, we don't talk about it. I wish he talked to you sooner about it, I mean 12 years is a long time to bottle things ups. But you know, he came forth with it. Clearly you love him, and clearly he loves you. And so that's an amazing foundation to go from, to build from. The next step for the two of you is to really have a heart to heart about how you can re-define your individual roles in the relationship so that he again feels purposeful, significant, meaningful, and your hero. I know ladies, we don't like to hear that men are our heros. It's very passéé. What I'm saying here is that, when you're in a relationship - and I've learned this, and I didn't learn this growing up, I learned this recently. This is not something I think society, or our families, or our culture really ingrained in us. But it's so important because at the end of the day, at the end of your life, you don't wanna go back and go, "Wow, look at all the money I made." You wanna go, "Wow, look at this amazing marriage I had, or this relationship." Or, "I was loved, I was in a loving relationship and I was in a relationship that worked." I think that's really the important legacy that we wanna leave behind.

And so it's important to work at your relationship and realize that it's completely different than how it is in a work setting, in a business setting. Relationships are very delicate. Gender plays a significant part in a relationship, and in the world frankly. I mean, women and men have different ways, generally speaking, that they wanna be communicated to, that they interpret things, and the book talks about all of this. But I think for us to get across to you over this little podcast that I

have, just to give you a good maybe next step with your hubby is to say, "Okay." You wanna remind him that he is still the most important person to you in your life, that you couldn't do your job without his support, emotional support. But I think men want to be more than just your emotional rock. They wanna actually like physically be there for you in some grand way. And if they're not there for you in a financial way, what else can he do for you that would identify as the most important bit of support in the realm of your relationship.

I'll give you an example in my marriage where I make more than my husband. He is not only my emotional rock, but he is giving me and this family the kind of support that money can't buy that my money can't buy, that he is able to adjust his work hours at his job so that he can be here for us earlier than later in the day. So at some point I was getting really overworked, and I felt like I just needed a change in the way that we were running our lives, and it was because my husband was coming home at 6:30 - 7 and I was not getting all my work done by 4 o'clock, which is when the nanny leaves. So Tim said to me, "How can I help?" And I thought, well it's not enough to just like play it by ear and say, "Hey today can you come home at 4? Hey tomorrow can you can come home at 6." It's like, let's just rearrange your schedule if possible so that that inherently builds in some more flexibility in our lives and in how we manage childcare and in how I manage my workload. And let me tell you, it's been the most amazing thing. And he gave that for us, and he fought for that at work and he got it, and I'm so lucky. And so that's just one example of how he is like, to me, I couldn't do my job without my husband, the way that he has structured his job. And on top of that, Tim has complete authority and control over certain aspects of our lives, not that I'm in the dark, but things like planning our college savings for our son and saving for that. Planning vacations. This summer we have to sublet because we're renovating. And he has taken charge of that and he's gonna pay for it. So while he makes less, he is able to cover a lot of other significant things and giving his money meaning.

Look, it's all in the book "When She Makes More: 10 Rules for Breadwinning Women". It just came out in paperback actually for a lot, lot less money. If you want the introduction for the book, email me farnoosh at somoneypodcast.com and I'll send you that so you can get a flavour. But I'm gonna stop there because there's so much more I could say on this topic, and I love these kinds of questions - cause obviously you can tell I've been studying this for a long time, and it's very close and near and dear to my life, but S-L (that's what you told me your name was), I think you're at an O.K place. I think you're gonna be O.K. I think your husband is a

fine man, he was open and honest with you, you love him, now it's just a matter of communicating and re-defining your purposes in the marriage, and the book walks you through all of that. So keep me posted. I wanna also hear from your husband. Have him email me if he's got personal questions. And guys, on the podcast, if you're feeling like this too, let's start a dialogue around this. Email me and maybe we can start something and getting some support for the men cause behind every successful woman is an amazing man. And we need to bring them and celebrate them, and we need to celebrate them.

[00:10:36]

Adrianna - let's move on. Adrianna asks:

A: "My question is about real estate. I'm 25 and I've been applying to PA school this year. Ever since I graduated from college I have been saving/investing. By next year, when I start school, I will have enough to put a nice down payment on a house or an apartment. Should I buy my first place right before school or use that money for living expenses? I won't be working these two years. If I don't buy a place, I'm going to have to rent and I think that's a waste of money. Plus it is a great area to rent the house out afterwards. I would love to know what you think. Thank you!"

[00:11:09]

FT: Hey Adrianna, well I never think it's a good idea to buy a home and take on a mortgage when you're going to be unemployed. That's I think a pretty good rule to live by. I know you've saved for the downpayment, but remember, house is expensive. There's the mortgage, there's the taxes, there's the utilities, there's the insurance. And so if you're not making money, where are you gonna get that money to pay for the house for all those expenses? Rent is gonna be a lot cheaper for you. You can get a couple roommates. Rent also forwards you flexibility, it's not like you're building equity when you have a rental, but I think for this particular stage in your life where you're gonna be student too - you're gonna have a lot of work on your plate - to add a homeowner to that is just gonna be a lot unnecessary stress. So save as much as you can of that nest egg that you've built up for that downpayment. When you get that job, and you get that steady income, that's when you wanna apply for a loan. And frankly, banks aren't gonna wanna

give you a mortgage if they discover you're gonna be unemployed for a couple of years as a student. Think about it, if you were to give anybody a loan, it's not exactly an attractive quality to find out that they're not gonna have any income for the next two years, cause then you're gonna just have to worry, "Are you gonna get paid back?"

So take that as a sign that this might not be the best time for you. You're 25, I know you're ambitious, you've done very well saving. Take a little bit of time. Take 2 years, go through school, ace your classes, and then once you get that awesome job, make sure that you can rebuild that savings cushion once again, and then find the house of your dreams, alright?

[00:12:49]

Alexis says:

A: "Dear Farnoosh, I'm 30 and finally trying to plan for my future for the first time. My mother decided to open a target date index fund for me as a gift so that I'll have a retirement fund. It's very sweet but I don't feel a sense of ownership over it. I now have a couple thousand dollars to put away for the first time myself, but I can't afford a financial planner. Should I just add more to the fund my mom set up, set up a separate ROTH IRA, or hold out until I get a salaried job that might offer a better alternative? Love, love, love the show!"

[00:13:22]

FT: Hey Alexis, I think that you're 30, so it's time to get going with retirement once and for all. I'm glad that your mother set up this gift for you. Maybe find out if she can transfer ownership once and for all to you. You're probably the beneficiary, but it would be nice to just have complete control over this. But I like the ROTH IRA plan. I think it's a swell plan. We talk about ROTH IRA's on the show a lot. It's a great tax advantage way to save for retirement. And also in the interim, if you need that money for a qualified expense like buying a home, or paying for a medical bill. That money will be available to you penalty free, but try and save it for retirement. More likely it's better to just save, save, save as much as you can for the future. And maybe you'll get a job with a better alternative, but at this point, you don't wanna wait and see. If you get a job down the road that has a great 401K with a match, keep the ROTH IRA and also have

the 401K. There's nothing wrong with having more than one different retirement vehicle. I actually advocate for having multiple retirement vehicles at the same time working for you. It's a great way to diversify. So definitely do something. And I think the ROTH is a great way. And ask your mom about transferring ownership of that target date fund.

[00:14:43]

Olivia asks:

O: "You recently answered a question about repaying student loans..."

FT: Yep, that was last week.

O: "... and I was wondering why you emphasized consolidating private and public loans separately? As a recent law school grad who started with over 200 thousand in loans and I'm now down to just under 75K, I was just wondering why you didn't mention some of the more popular options for that are out there for consolidating both types of loans like SoFi, CommonBond, Credible, Earnest, DRB Student Loans?"

FT: Olivia you know, you got me. I don't really know much about those alternative lenders online. I know I've heard of some of them, I'm not educated on them I will admit. Traditionally speaking, you cannot combine a private and public loan together, and consolidate them that is. If you go into a bank, they're not gonna do it. So that's where my advice stems from. Maybe I'm a traditionalist and I need to just get more up to date with some of these alternatives. So I will do that. And thanks for bringing that, and maybe we'll do an episode about it at some point, as I know student loans are a huge, huge, well I guess they're an epidemic at this point, right? I mean, there are more outstanding student loans in this country than there are credit card balances. So that's a scary thing. But I don't wanna end on a bad note. Olivia, thanks for your question. I love this show because my guests keep me in check. So I'm gonna check that out and I will maybe next time have more to share about them.

Thank you so much to Olivia, Alexis, Adrianna, and S-L for your questions this Saturday. Tomorrow lots more to come. And thank you, thank you, thank you. Have a great Saturday. Hope your day is - you know it - So Money.

[END]