

**EPISODE 145**

[INTRODUCTION]

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**FT:** Hey everyone. Welcome back to So Money. I'm your host Farnoosh Torabi. Ever notice that women's products sometimes costs more than mens? Form Shaving cream to haircuts, to even home loans, women sometimes face bigger price tags. And I will be the first to admit that I have experienced this. Our guest today is working vigilantly to educate and combat what she calls "The Pink Tax" and gender price discrimination. Andrea Woroch is a nationally recognized consumer and money saving expert who regularly contributes to leading national and regional news stories. She's appeared on NBC, CNN, Fox and Friends, and ABC News with Dianne Sawyer, among others. She's been in the New York Times, Wall Street Journal, Money Magazine, and Kiplinger. When Andrea isn't sharing money saving strategies in front of the camera, she's busy behind the scenes writing about it. And now she's on the podcast.

Three takeaways from our interview: The truth about the pink tax and gender pricing as she sees it, how for Andrea buying real estate in Florida ended up being her So Money Moment, and how she dug herself out of some \$10,000 in debt during college - credit card debt.

Without further ado, here is Andrea Woroch.

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[INTERVIEW]

**FT:** Andrea Woroch, welcome to So Money. I'm so excited to have you on the show. A kindred spirit.

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**AW:** Yes, and thank you for having me on. It's always nice to talk with someone who knows about money.

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**FT:** Although this is the first time we've spoken voice to voice, we are active on Twitter, engaging on Twitter, we actually decided that we wanted to connect on the podcast on Twitter. Just a hint to those of you listening, if you want to get in touch with me, Twitter is a great vehicle. But you initially approached me because we kind of connected on this issue of gender price discrimination, the pink tax – this is an area that you have been devoting quite a bit of your efforts to as a financial expert. What do we need to know about this? Is this really as rampant as it sounds that things cost more for women than they do for men? Everything from deodorant to a mortgage?

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**AW:** Yes. It's really interesting. I talk a lot about this whether I'm being interviewed for a TV show, or writing about it for a personal finance site, but it's looking at what retailers or brands do to maximize their profits and a kind of tricky way to spending more money. Gender pricing is an area that hasn't been explored too much. It's something that I don't think a general public or overall women know or really realize how much more they're spending on personal care items. But it is definitely happening. One reason that women don't notice is because the women's products are separated from the men's products. So, the opportunity to compare prices or to see that price difference isn't really available because they're not side-by-side, they're not in the same section.

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**FT:** Part of it happens, as far as I understand – there's clearly two deodorants, one for her, one for him, one's in the pink bottle, one's in the black bottle, pink one is more expensive. But even for things like a mortgage, or a car loan, or something where there's maybe some room to negotiate, women don't negotiate as often as men do and that's another way that we're getting hurt.

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**AW:** Yes and I would say when it comes to those personal care items, that's definitely a more prominent one, or a little bit more obvious and I think it's understandable that women in general like to spend more to look good. We have more products that we use on a daily basis to feel good for presentation purposes, but you bring up a really great point that women in general aren't thought of as the bargaining people. They're not the ones who really necessarily always stand up for themselves when it comes to prices, when it comes to consumer goods, or being taken advantage of unfortunately. So, there is a little bit of difference there for women when they're spending on everything. Like you're saying, car loans, mortgages, even healthcare. Health insurance companies have been using gender rates because women need doctors for many more services than men do and unfortunately, that's hurting our pocket books.

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**FT:** So, what can we do besides just not buying into it or taking your business elsewhere? Are there movements to really rectify this from legislature?

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**AW:** Yes. I would say that we're talking about there are laws that are being sent forth in place. I know California for instance has banned gender pricing and there are health insurance companies that are being scrutinized for gender rates and we are moving towards hopefully eliminating and reducing that. When it comes to just your typical everyday purchases or those big ticket items, you have to be an educated consumer. Do your research online, go to that loan officer, go to that car salesman with as much information as you can so that they don't take advantage of you, so that you can negotiate with power and you can try to get the best price.

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**FT:** What got you started on this, to become to passionate about this issue?

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**AW:** Well, I think I've been writing stories on different ways that like I said, stores may use marketing tactics to get you to spend more. That's something that I am really passionate about. I think it's really interesting because you hear so many consumers worried about how much they're spending at the store but yet they overlook the little tactics that trick them into buying more that made by just being aware of these scenarios, by being aware of these marketing schemes. You can be a more informed consumer and make better buying decisions. So when I look at the gender pricing, specifically as female as well, it's really hard to swallow this pill that says, "We need to spend more money for these goods" when they work just the same as the products that men use. In fact I only use men's razors and men's shaving cream.

What I found really interesting was I was watching a few videos that were trying to debunk this "feminist" view of consumer goods for women costing more, that there are people out there that argue that that's not really the case because these brands spend millions of dollars to develop this product specifically for women. But when you look at the ingredients for personal care items specifically, side- by-side to the male products, the active ingredients are the same and I think these brands and these companies are saying that females need all these extra razor that contours to all your curves on your leg, but when you look at a man's face, I don't think his face is flat, I think his razor has to contour to all his curves as well. You need to really look beyond and look at what these brands are really saying so that you can decipher the truth behind it.

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**FT:** What about the argument from the retailers that we spend a lot more money marketing to women? The cost to market that female version of whatever will cost us more? We have more overhead because women, we now are the number one consumer. As far as household budgets go, we manage the first string. What do you say to that? First of all, is that true? Second, is it justified?

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**AW:** It does seem that these brands are spending money for marketing. They're spending money on the package design. Unfortunately, why is that our fault? Why do we have to pay more for their marketing? They're also telling us that we need to buy all these extra items, that

we need to spend more to get this women's product because it was specifically designed for the women's body, for the women's whatever. It just seems unfair and unjustified when we don't have another option.

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**FT:** You are wise on money, on many topics. Not just gender pricing but also really all consumer money-related issues and you've been nationally recognized, money-saving expert, you've been everywhere, every talk show, all magazines. When it comes to your own personal financial advise that you live by, what would you say is your number one money mantra?

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**AW:** I think it's important to realize that saving money doesn't have to mean you're going to sacrifice your lifestyle, I bet so many people whether it's my friends, or family, or just a consumer on the street where they don't want to give up going out to dinner on the weekend, or they don't want to give up their daily activities. There are alternatives to those by just doing a little bit of research. You can still save money while enjoying your lifestyle and still pursuing your dreams. I think that's one of the biggest perspectives, is to find alternatives to swap your overspending and look for ways to cut back and then ultimately, my biggest mantra that I follow is not to waste money on things, to spend money where you're going to build memories like traveling, a new experience with your family. That's worthwhile for a splurge.

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**FT:** How did you gain this perspective? Was it something that you learned as a kid? What was your biggest money memory growing up that influenced how you think and act with money today as an adult?

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**AW:** Well, I think that's an interesting topic to bring up. My grandparents immigrated to the US from Ukraine in the 1940s. They're of a war generation. They had no money in their pockets,

they started from scratch here. Although we were privileged, we were raised to not be wasteful, to use public transportation, so I just had a more frugal beginning, I suppose you could say. Then just through growing up and in college, I got into debt, I learned that that was not the way I wanted to live. I learned how to dig out of it and then I began traveling. I just realized what joys and experiences that fulfilled me. By just seeing other people around wasting their money on a BMW car, or designer jeans, or a name-brand purse, I just thought they seem like they were going to live empty lives and unfulfilled lives. That's not what I wanted to do for myself.

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**FT:** Well, along the way, did you experience failure? What would you say was your number one financial failure to date?

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**AW:** I think that I continue to have financial failures, unfortunately, and we all will have ups and downs, and we'll all make mistakes along the way, but it's learning from your own mistakes. But I would say the number one mistake I made was credit card debt. As much as my parents try to teach me about money, I never understood how bad, what kind of a dilemma I could get into with credit card debt when I was in college opening up a store card to get a discount so that I could afford clothes, and then not paying off that balance; or getting an American Express credit card so that I can take a trip with my friends for spring break in college. Unfortunately, it took me a while to dig myself out but once I did and once I found the tools to help me get there and learned how to save money, living debt-free has been such a much better way to save and plan for retirement while also affording the everyday activities and lifestyle choices I'd like.

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**FT:** Was it a lot of credit card debt at one point that made you go, "Wow, wait a minute. I can't do this anymore."

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**AW:** Yes. I think at one point I had over \$10,000 in credit card debt and that might not be even that much when you look at what the average consumer household debt is today. But when you're 20- something and you only have an internship that's making \$8/hour, and you're living in New York City, and can't afford rent as it is, you can't pay down that balance. You have student loans. I was just drowning in debt. I didn't see a light at the end of the tunnel. It did take some time to get myself out of it, but I realized that I needed to supplement my income. I needed to waitress on the weekends so that I could use that money to pay it down. I started to understand what APR interest was. So unfortunately, through that bad experience did come something good but it would be great, I think, if we began that education from a grade school level so that children, and high school students, and college grads understood what personal finance is and what credit card debt, APR interest rate is. I don't think that there's enough education out there for it.

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**FT:** And I love that you started working and making more money because I think you would have still been able to get out of debt had you just budgeted and been really, really strict about spending. That would have taken probably a lot longer and it would have been more painstaking. But instead you worked and you said you were a hostess or a waitress?

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**AW:** Yes. I did waitressing. Was not my happiest moment or my proudest moment but I did the bar shot girl thing. I went over bars in New York City.

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**FT:** You were that girl?

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**AW:** I was that girl. I only did it two times. I couldn't handle it beyond that, but I think if you have the extra time, if you find yourself in a bad financial situation, don't waste time sitting on the

couch watching TV. Do something about it. Go out and try to find an extra side gig, a side hustle to help yourself dig out of that debt faster and like you said, why? It's just going to take you a longer time and you can get into a better situation faster and save more money on that debt or interest rate.

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**FT:** Agreed. Well, let's talk So Money moments now, Andrea. Like we just went over some failures and some embarrassing moments, but what would you say is your greatest financial achievement?

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**AW:** I'm pretty proud that I have a vacation rental property in Florida and what happened was I partnered up with a brand. I had some side income, some passive income and instead of spending it on things, I decided to invest it and prepare for my future. I, along with my father who's definitely one of my money mentors, we found a foreclosure in Florida, and I scooped it up at an amazing price, I renovated it with my husband, we spent two weeks just hands in dirty-grody, getting in there changing the floors, painting and all that and now it's a weekly vacation rental in the summers. In the winters, I have monthly guests. I manage it all on my own through VRBO. There's a lot of ups and downs with it, a lot of struggles but once that mortgage is paid off in 10 years and the guests are paying it off for me, it will just be a cash cow and I will be able to use that for retirement fund.

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**FT:** Way to go. It's because you approached a scary thing at a scary time. People were running away from housing during that time especially in Florida because that was where things have really suffered. You saw an opportunity there and that's actually something that Warren Buffett has always preached is that when everybody's running for the woods and everyone is scared, you want to be brave.

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**AW:** I think that's a great point and I realized that I'm a big believer that the scariest opportunities that you're facing, the biggest risks often times will be the biggest payoffs and when you are failing, scared, that's the moment that you jump and you try it. I knew I had a cushion that I knew when I compared the prices of other houses that were going for regular sale, that I was going in no matter what I could turn around and sell it and still make the bit of a profit, I know that if anything happens, I could still sell it. At the end, I am giving myself a little protection, but knowing that I was going into it with so much fear, I knew that it could be a big payoff at the end.

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**FT:** Yes. Dance with the fear as they say.

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**AW:** Yes, I agree on that.

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**FT:** What is your So Money ritual? We always say that having a healthy relationship with money comes down to practicing good habits. You can't just wake up and be good at managing money. Very few of us can actually do this without any daily condition – not daily but weekly, or just some sort of conscious conditioning. What would you say is your number one financial habit?

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**AW:** I think it comes down to tracking and being aware of what's going on with your finances. I think because we have so many accounts whether it's cash back credit card, your travel reward credit card, your mortgage, my car loan, retirement funds, IRA – all these financial accounts, it's nice to keep them all in one place. First of all, I review my credit card and my banking statements on a regular basis. We know with the increased data breaches that retailers have been experiencing, it's important just to be aware of your money and make sure there's no theft going on, but also be aware of how much you're saving, how much you're spending and make

sure that you're not overspending. If you notice that happening in a certain category, I look for ways to make sure I start cutting back. I would say it's just tracking and being aware of that, and that goes into almost all principles of life. If you track how much you're eating, if you track how much you're exercising, you're going to be more aware and more apt to make better decisions for yourself. I think that comes down to my money as well.

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**FT:** I did this with my health maybe several years ago. I never liked getting on a scale. You know you hear that expression like, "Ignore the scale. It's just a stupid number. You're more than a number." Well, guess what? I ignored the scale and always felt unsure about my health like I never was able to really get to a place where I felt like I wanted to be able to measure my success. I wanted to be able to say, "Okay, I've been conscious about my eating, I've been working out." I felt it in my clothes, I want to see it on the scale. That for me was helpful and I go on every morning. Even though sometimes I don't want to see what's on there because it has been a really bad weekend of eating, it's a good reference point.

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**AW:** It's a good reference point and it will help you make better food and work out choices later that day or in the week. The same goes with your money, and your debt, and your credit card. I remember for when I was talking before about being in debt, I was afraid to even look at my credit card statement. I didn't even want to sign online or look at the statements that came in the mail. Being aware and seeing those numbers will help you make better choices when it comes to shopping, spending, or paying down those credit cards.

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**FT:** Absolutely. All right, Andrea, ready for some So Money fill in the blanks?

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**AW:** Oh, let's go for it.

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**FT:** I'm such a dork.

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**AW:** I like it.

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**FT:** If I won the lottery tomorrow, let's say \$100 million, the first thing I would do is \_\_\_\_\_.

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**AW:** Go traveling. I know that's probably not the best answer from a personal finance expert but it's my greatest passion and if I die tomorrow, at least I will take my travel memories with me.

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**FT:** Where would you go?

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**AW:** I would try to go to Southeast Asia. I have not been there yet and from so many people I've heard, that it's beautiful and once you get there, it's pretty cheap it sounds like.

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**FT:** And sometimes you never want to leave. I have friends who go there and they sometimes never come back or they extend their trips.

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**AW:** That wouldn't be too bad, I guess.

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

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**AW:** Oh gosh. My gym membership. It gets me motivated to work out as much as I try to think I will work out at home, I just won't. Once I go through the door at the gym, I know that I have a plan to follow, or a gym class that I could attend and I do not mind spending money on Pilates classes, on spin cycle classes as long as it betters my health.

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**FT:** My biggest guilty pleasure that I spend a lot of money on, maybe too much is?

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**AW:** My dog. I love him, he's the cutest and I will go out of my way to take him to the beach. We will buy him the best organic health food. Probably unnecessary but we spoil him with toys. Yes, I would say it's my dog for sure.

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**FT:** Yes. You're not alone there, I don't think. Let's see. One thing I wish I had known about money growing up is \_\_\_\_\_.

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**AW:** I wish I would have contributed more and started donating to my 401(k) more when I have that first gig at 23 years old. I certainly would have had a higher amount in my retirement savings but playing catch-up isn't too bad now.

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**FT:** Absolutely. Once you recognize it, just start filling the gap.

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**AW:** Now I can at least tell everybody who's younger than me, "Do it."

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**FT:** Yes, exactly. When I donate money, I like to give to \_\_\_\_\_ because \_\_\_\_\_.

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**AW:** I like to work with a lot of different charities. I'm actually associated with the Junior League of Bakersfield and we work on a lot of different women's and children's organizations. So specifically, I've donated to – there's a dream foundation in town which helps foster kids get tools and resources so that they can enter the real world upon emancipation with little extra head start.

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**FT:** Fabulous. Junior League is a great women's organization.

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**AW:** It is and you meet so many women from different walks of life who really can help you learn and grow at different ways.

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**FT:** And I'm So Money because \_\_\_\_\_.

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**AW:** I'm So Money because I am dedicated to helping other people finding simple solutions to their daily money woes. I really am just always looking for a different way to save and to help consumers find different ways that they can boost their savings while still enjoying their everyday life.

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**FT:** Love it, love it, love it. Andrea Waroch, thank you so much. Everyone, check out Andrea's website. It's her name, [Andreawaroch.com](http://Andreawaroch.com). Thanks, Andrea.

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**AW:** Thank you so much for having me. It was a pleasure.

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[END]