

EPISODE 160

[ASK FARNOOSH]

[00:00:31]

FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. This is Saturday, June 20th, Ask Farnoosh time! How was your week? Were you totally bored with my replays this week? I'm sorry if you were, but it was very helpful for me to be able to have a week of re-airs. But I tried to make it pretty fun and interesting, selecting some of the more popular interview from the show. Tony Robbins, Seth Godin, Danielle LaPorte. Yesterday we had Gretchen Rubin, and so I hope it was good for you, questions mark? Anyway, this is also a great week because we celebrated the 500,000 downloads of So Money since we launched in the middle of January, so 5 months ago this podcast was born. And since then we've had over half a million people listen to it, which I'm very proud of. I'm very honored to have that as our milestone so quickly on in the journey of this podcast. So thanks to all of you for sticking with it and helping me craft it along the way and looking forward to another half million. Maybe we can get there even sooner.

So it is Saturday right? What do I do top of the Saturday show? I go to iTunes and pick a new review for the prize of the free 15-minute money session with me. And this week I'm gonna go down and pick Kelly! Kelly, her signature is actually kimmylichin. She says:

K: "The podcast is totally relatable."

FT: And she says:

K: "My family is currently experiencing a little financial turbulence and I needed to find something that would help ground us through this time. I research and listen to several money podcasts, but stopped listening to everything else once I found Farnoosh. She's all I need in a money podcast; great guests, insightful questions, and helpful advice. I find her very relatable, which can be difficult thing in this industry. Thank you Farnoosh for your hard work, you are logging a lot of hours."

FT: Yeah, I am!

K: "And giving me lots to listen to! I'm Kelly, and I'm So Money because when in need I seek help from those that know better."

[00:02:42]

FT: Yeah, Kelly, you are So Money! Thank you so much for this awesome review and sorry to hear you're experiencing some financial turbulence. Let's talk about it. Why don't you email me, farnoosh at somoneypodcast.com, and let me know that you are "the Kelly" that left this so sweet review for me on iTunes and I will send you a booking calendar so that we can connect. I really appreciate this and I think that you are So Money because I think asking for help when you know you need it is a sign of strength, not a sign of weakness. And I know that sometimes for me even it's hard to reach out and say I need help. But when I do I feel so much better, and the help is out there. That's really the magical part of all of this, is that people really want to be there for you and help you, and give you good advice. So never be hesitant, and thank you very much Kelly for reminding us all of that.

[00:03:35]

Okay, let's get to the questions this Saturday. I'm just gonna pull up the little form I've put together. And I've got a question here from Jorge. Jorge says:

J: "Hey Farnoosh, I am trying to make the best financial decision with my money. Currently I am debating on paying off my student loan, my only debt, (only 4% interest) however I can no longer deduct them due to my AGI. Or maxing out my 401k contribution, there's no company match though. What do you think I should do?"

[00:04:07]

FT: Well Jorge, sounds like you're making good money. I got that, I read between the lines. You make too much money to be able to deduct the interest off of your student loans. I would say, take advantage of the income, put money away for your retirement while you can and the one

thing I hear from so many people approaching retirement is that they either wish they had started saving sooner, or that they wish they had saved more. And so if you're young, especially, I think this is a great opportunity for you to really get ahead, get a head start. Get as much of the benefits of compound interest as possible, because you're young, you have a long life until - a long journey I should say - until retirement. So do that. And also, from a mathematical standpoint, if you're interest rate on your student loan is 4%, which is very, very low, I would guess - and it's really just an educated guess based on historical trends - that if you were to invest in a diversified retirement portfolio between now and like the next 35 years, 30 years - I don't know how old you are, so I'm guessing you're a relative youngster - that you would earn more than a 4% return. Maybe not a lot more, but conservatively I would say 4% should be expected. It's no guarantee, but it's just an educated guess and so for that I would say your money is better spent, better invested in retirement. It's gonna grow and earn more.

[00:05:47]

And says, he said:

J: "Oh great podcast! Currently you are the first and only podcast I listen to."

FT: Well thanks so much Jorge. I hope you continue to exploring the podcast world. There's a lot of great shows out there but I would hate to lose you, so stick with it. And let me know if I can do anything better on this show. I love feedback.

[00:06:05]

Melvin asks:

M: "Every time I rent at U-Haul they ask me to opt-in for insurance which is \$10-\$15 extra. Is it true that if I pay with my credit card I wouldn't need that because they already offer collision insurance?"

[00:06:20]

FT: Well, you should never assume, Melvin, that your credit card offers you anything. You should read the fine print, call them up and ask specifically. We do hear often that your credit card does offer it. Credit cards typically do offer collision insurance, but I would also first say, check your existing car insurance if you have a plan. You may or may not, but that is where you might see some really good coverage and coverage if you rent a car that you'll still be covered by existing plans. So don't assume, check the fine print, but you're probably right. And it's a hard sell man. These people at U-Haul and these other places that are either renting you a car or a truck, they make their money from these insurance plans and the extra fees. So you need to really do your homework before you get there so you know for sure that you don't need it and you can just stop them mid-sentence. "Uhh, I actually have this. But thank you. No! But thank you." Because they can get aggressive, and I don't stand for that.

[00:07:27]

Cindy says:

C: "Is your brother Todd married?"

FT: Awh Cindy, that's so sweet. I'm gonna tell Todd. He's probably listening, well he may not be listening. He's flying back from Barcelona today. She says:

C: "He is adorable and I would love for my daughter to meet someone like him? Love your podcast!"

FT: Awh Cindy, you're so sweet. Well, how did you by the way know what he looks like? Were you Facebook-stalking my brother? It's okay, we all do it. I will definitely let him know. I believe he's available? I'm gonna leave this to him though. If he's interested I will have him follow up with you. But he's a great guy. I'm very proud of my brother. He is coming back from Barcelona. He decided to do this trip on his own, very cool, right? I don't think I could do that. That takes a lot braveness and just self-confidence and I don't think I had that when I was his age, so he's 24? Yeah, he's 24. So thank you for saying that. I'll be sure to pass that along.

[00:08:28]

Mark says:

M: "I saw your Tweet about one of my favorite articles 'The Small Happy Life'. I was hearing from my readers that they wanted some more practical steps to take to encourage happiness so I went ahead and created this post: <http://wp.me/p6bNAS-1P>. If you have time I'd love for you to check it out. If you like it, it would be awesome if you'd consider sharing it. Thanks! Mark."

[00:08:46]

FT: Alright Mark, well I hope you didn't send me any spam! I'm gonna be bold and click on this link. [Chuckles] I'm kidding, I don't think you sent me spam, I'm just trying to kill time before I get to your website.

"Doo-doo-doo-doo, doo-doo-doo-doo."

Okay here we go, Neurokarmaproject.com. Cool! "The Neuroscience of happiness and success". Awesome. Great website. It's very clean. The first blog post, one of your, well the first blog post that's popping up is called "Happiness is a Skill You Can Learn". Yes it is! Many of my guests have taught me this, namely Gretchen Rubin, who is the author of "The Happiness Project". There's also Jeff Olson who is the founder of Live Happy Magazine. He also happens to own Nerium, which is an international, I guess it's skincare line. And he is a big proponent of the conscious act of being happy. That happiness doesn't just arrive at your doorstep, you have to go out there and seek it and it's really a mindset and it's a choice. So I appreciate all of those philosophies and thank you for adding to the conversation and discussion about this with your website. So everyone check out Neurokarmaproject.com. Congrats and good luck with it!

[00:10:08]

And that is a wrap! Yeah, that was quick right? I'm getting a little better at just cutting to the chase, would you say? Maybe because I'm just, I'm eager to get back to my weekend. Oh no, I'm kidding!! I love spending time with you guys on Saturdays and Sundays. I really appreciate these questions, it keeps me thinking on my feet and I hope it does help you in some way in

your life. And for that, I appreciate you. I appreciate you Mark, Cindy, Melvin, Jorge. Hope you guys have a great rest of your weekend. Hope your Saturday is So Money!

[END]