

EPISODE 216

[ASK FARNOOSH]

[00:00:31]

FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi, coming at you pre-recorded from Long Island where my husband and I and Evan have been spending the week trying to get some R & R. I will say this though, being on vacation full time with a one year old is exhausting. So tiring, my goodness. I don't know how my nanny does it, chasing after this young little cherub all day and then, well she gets to go home. So we have been with him 24-7 and while it is absolutely wonderful it is also a feat. He is not quite walking yet, but he is getting into a lot of mischief and he is very daring. In fact, Tim and I took him to the beach for the first time and at first he was a little skeptical, as I think most people would be cause the ways here on Long Island are pretty intimidating. He went right for the waves the second day. And actually only after about a few minutes he was pretty warmed up to the beach.

And you might be hearing a little "mhmm" in the background. That's my husband Tim. I have lured him to the recording desk here after dinner, we are both here for Ask Farnoosh. I thought I'd be fun to have a little partner to help me navigate all these questions. So welcome Tim.

[00:01:48]

TD: Thank you. As your little partner, I'm glad to be here.

[00:01:52]

FT: Tim is 6'2" so he's not little, but I thought it would be fun for all of you to hear him. I talk about you sometimes, I do. Do you listen to the podcast?

[00:02:02]

TD: Of course. [Laughs] Yes I do.

[00:02:05]

FT: Okay, I'm gonna trust that. Who was on this week?

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TD: The millionaire's next door.

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FT: Who was your favorite?

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TD: The one with the most money.

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FT: [Laughs] The one with the most money. Yes that was my favorite too. Tim is a comedian. No actually, that's why I think I married you is because you make me laugh all the time. It's constant laughter in our household, which is probably a good thing. Not constant, but it's enough where [Laughs] it makes up for a lot of things. Yes, I have an exasperated husband sitting next to me, but he has no choice. He's gonna help us through this weekend's questions and just to finish my story about our vacation, it's been fabulous. I've been trying to not work, although it's been hard. I even thought about not recording a fresh Ask Farnoosh episode this week, however I felt that it would really stink for all the listeners who've been writing in and we've got lots of questions. And also it would stink for me because coming back from a vacation I would just have a deluge of questions to address and I felt like I would just be overwhelmed coming back from vacation. So I really wanted to keep the pace, keep the momentum.

By the way, this was a really popular week for listens. We had some amazing turn out. We had of course some amazing guests. We had the millionaires next door this week. It was hard to

choose just five. A lot of you wrote in asking to be featured and all of you are worthy of an episode, but of course we had to choose just five because it's Monday through Friday and I'm thinking we might make this a series again or I might dedicate even an entire day every week to the millionaires next door. Maybe like Monday Millionaires Next Door? Because it was by far one of our most successful weeks based on the downloads. So I'm sensing people like this. I mean it's pretty interesting to realize that millionaires next door, you don't know who they are. They're all over the place.

I guess I should really take time now to introduce Tim. Tim Dussinger, welcome to So Money.

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TD: Thank you. Thank you for having me.

[00:04:07]

FT: [Laughs] Tell a little bit about yourself - no I'm just kidding. Tim and I met at Penn State and Tim, tell us a little bit about how you're enjoying the vacation.

[00:04:17]

TD: I'm enjoying the vacation. It's a lot of fun to get away from work and to take a little boy to the beach for the very first time and watch him quite terrifyingly...

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FT: Run for the wall of waves! And I had to beg you to join me here for Ask Farnoosh. You were hesitant at first. Tim is not the one who likes to take the spotlight in the relationship, if you couldn't tell already. That would be...

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TD: Believe it or not!

[00:04:42]

FT: Believe it or not. So it is Saturday, so as I do at the top of every show, Tim, I pick one new reviewer on iTunes to win a free 15-minute Money Session with me and I want you to be the person to pick the winner. So let's go to iTunes, go to the latest reviews - and we've gotten a lot of reviews this week. I think the millionaires next door really resonated with listeners. Seems like you guys really want more millionaires next door, or just a lot of stories about people who've gone from zero a million in a very short period of time, doing some very smart things with their money. So let's go the reviews and I'm gonna make you pick

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TD: MaryG from the young professionals.

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FT: Professionista. Yeah, what does she say?

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TD: She said, I should read the review?

[00:05:28]

FT: Yes!

[00:05:30]

TD: [Laughs] "I recently subscribed to this podcast," says Mary, "and I must say Farnoosh is incredible. I have a two hour commute to and from work and sometimes I find myself sitting in the car for a few minutes after I reach my destination, just to finish up the podcast or pause at a good spot. It's that good! I feel smarter every day listening to all the great advice from her

interviewees and from her Q&A session. Lots of great information I can immediately apply to my day job or to my up-and-coming side business. She's a great advisor, interviewer, and someone who you'd want to have as a friend. If you haven't downloaded her podcast, you are missing out."

Thank you MaryG, that's a very nice thing to say about my lovely wife.

[00:06:15]

FT: [Laughs] That is really nice MaryG. And thank you for making my husband very awkward reading that out loud, but I really appreciated hearing him say all those nice things about me, [Laughs] even though they weren't his words. Thank you MaryG! Email me: farnoosh@somoneypodcast.com and we will get a scheduling link out to you where you can pick a convenient time for you to connect with me, and I thank you for this very generous review in all honesty. This was very sweet, so I wanna thank you. And I wanna thank you to some of these other people who wrote reviews. Sorry I can't give away all my free time to connect with you guys, but Stayca, Vhutch, my2cents, wiggles, Casey - I love these nicknames. Very creative! Thank you so much, and just know that I really do appreciate and enjoy every single review.

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So let's get to the questions. We have a question here from Joe, and I'm gonna have Tim read this off so that I can take a little bit of a break and sip my water.

[00:07:15]

TD: This is Joe and he's writing in to say:

J: "Hey Farnoosh! We've spoken before and I was just listening to the podcast with the Ethan Bloch of Digit and it made me think of an app I use that are along the same lines of savings. I was wondering if you've heard of the Acorns app? It can automate as much or as little as you

want and is geared towards people who want to invest but have no idea how. It takes your spare change and invests in ETFs.

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FT: Have you heard of this Tim?

[00:07:43]

TD: No.

[00:07:44]

FT: And you're the one who's really on the up and up when it comes to apps and technology. Tim's a software developer. I have heard of Acorns, although I have to admit I'm not well versed in how it works or whether it's any good. But yeah it sounds similar to Digit in the sense that it takes on this responsibility for you to move your money into more worthwhile place. Whether it's Digit who's doing that and taking your money and putting it in a savings account for you to have for a rainy day, or it's Acorns that's taking your money and moving it into an investment account, in this case, ETFs.

I think it's worth looking into, again, we learned about Digit and why it works and why it's successful is that it understands that we just don't like to make decisions with our money. We don't like to decisions period. We suffer from decision fatigue. Every day we have to choose so many things; what we're gonna eat, what we're gonna wear. And we know we have to do the good thing with our money, we know we have to save, we know we have to invest. But it'd be so nice if someone else could take care of it for us. And so that's where Digit and I suppose Acorns comes in.

So Joe I think that is worth looking into, and I'll look into it some more and maybe we should get the founder of Acorns in the show. What do you think Tim?

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TD: That sounds like a great idea.

[00:08:55]

FT: [Laughs] You're so funny. Okay, who's next?

[00:09:00]

TD: Naeema has written in and she asks:

N: "Last year I had a medical emergency that resulted in me taking about a three month medical leave and going on temporary disability. Although my insurance covered a portion of the medical needs I'm still paying off the bills - \$568 a month. Should I take some of savings to pay it off or continue with the monthly payment plan I have?"

[00:09:24]

FT: I would say that if your savings is sufficient in the sense that you have ample savings, you have enough there that can cover you for six to nine months, fine. That's what savings are for. We save for these types of unknowns, emergencies. So if that's something that you can do and still have a cushion, great. On the other hand if you're worried about being cash poor from your savings account, I mean you're worried about something else coming up down the line and then you being really in a bind if you're tapping into it to pay off these medical bills that you're gonna be cash poor in the future, then just do what you can. Pay the minimum. Most importantly, I would say, just don't fall behind.

A lot of people with medical debt often find themselves really overwhelmed and we find that the largest cause for bankruptcy in this country is medical debt, believe it or not. So I don't think that's you, but I'm just saying do the best you can do address the minimums and hopefully they'll be out of the picture soon.

Tim could you imagine what would have happened if we didn't have medical insurance when Evan was born?

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TD: No I cannot.

[00:10:27]

FT: Did you actually take a look at the itemized bill? Or was that just something I opened and shredded immediately?

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TD: I don't think we ever saw the bill.

[00:10:35]

FT: I did. Do you know that they charged us like \$1,200 or \$1,300 for taking the emergency room entrance because the front entrance to the hospital was actually closed because it was past midnight, so we had to take the emergency room entrance and they gainfully charged our insurance company like over \$1,000.

[00:10:58]

TD: That was shady. I think next time we'll just sneak in the back I think.

[00:11:03]

FT: [Laughs] Yeah okay. There we go. We have a next question here from Aubrey. What does she say?

[00:11:09]

TD: Yes, this is Aubrey. She says:

A: "I am a listener and I would love to see you on The Art of Charm Podcast with Jordan Harbinger. The Art of Charm is life coaching for the modern guy, where ordinary guys become extraordinary men.."

[00:11:26]

TD: Oo!

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A: "I have already reached out to Jordan, and here is his contact info."

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TD: And she also has a request that you continue to seek out more Real Housewives or other people from the Bravo to interview.

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FT: I'm sure you would just love that!

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TD: I would.

[00:11:42]

FT: You're lying. Well Aubrey, I would love to be on the Art of Charm. I see the Art of Charm's artwork, little podcast artwork, constantly in "What's Hot?" So I know that it's very popular and I would be honored to be on Jordan's show, especially since this is something that you listen to.

And it's funny you ask for more Real Housewives. I too would love to hear more from my guiltiest pleasure on television. But, you know actually a little background maybe insider detail is that one of my bookers for this show that freelances for me is actually someone who works for Andy Cohan who works for the Bravo Network.

So I feel like I'm well positioned to try to get some of the people on the show, we've had some already and if you say so, I will go after them. But I have to say there are some listeners who, as soon as they know I'm having a 'Bravo-lebrity' on the show, they click delete or pass. So I think it's one of those things where you love it or you can't stand it. But I'm with ya, I kind of enjoy the drama, I'll admit it.

[00:12:49]

TD: Here's a question from Puja who says:

P: "Hi Farnoosh! Love your podcast - I'm addicted! I'm 27 years old and will be starting a part-time MBA program at my state university this fall. The program costs about \$65,000. I have \$45,000 in a savings account, which includes rainy day funds, and I make \$60,000 annually. Do you think it's wise to start a 529 plan now or is it too late? Will the tax benefits be significant enough to be worth the hassle?"

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TD: That's a good question.

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FT: So this is a really savvy question. And I have to be honest, I didn't even know you could do this. I had to do a little bit of homework on this question and what I discovered is that you, as an individual, if you're planning to go to college, graduate school, higher education, you can start a 529 plan for yourself. Designate yourself as a beneficiary - I knew that part - but what I think you're asking is, "how soon can I, or how late can I start this plan and then start withdrawing from it to go towards my education?" And of course the benefit of the 529 plan is that it's pre-tax

savings and that there are even some deduction benefits from a state level, depending on which states plan you are invested in.

So I researched this and found a) yes you can open up a 529 plan for yourself at any point. You can fund it, so if you wanted to take your savings and put money into this 529 plan, specifically for your graduate school you can do that. The one thing you wanna do is check your own state's rules and it may be that all states have the same rule and as we know, 529's are issued by every state. And if you're living in New York you don't have to go with the New York plan - although it's a very good plan - you can go with the Vermont plan or the California plan. So whatever your state plan is, check the fine print to find out how long you have to wait to withdraw that money to go and pay for higher at cost. In some places it's as little as seven business days, I've read online.

So I think there's good news here. I think you can do what you're trying to do and it's a good strategy. So just check with the 529 plan, the administrator, before you assume you can do this but I think it could be a really great tax savings.

[00:15:14]

TD: Keith writes in:

K: "Hi Farnoosh, I really enjoy listening to your podcast. I look forward to listening to it daily. Keep up the good work! My question is: do you have an alternate means of getting reviews other than iTunes? I assume you'd like some love from your non-Apple listeners. :-) Keith."

[00:15:33]

FT: Keith, absolutely. I never really brought this up because, truth be told, a majority of listeners do access the podcast and all podcasts through iTunes. It is the main portal. But, that said, the show is also on Stitcher, so I encourage you if you're interested in getting a free 15-minute money session with me, I will start looking now on Stitcher. And so that's what - I'll just dedicate next weekend's winner to a Stitcher review, just to give some Stitcher love. And I see already there are two reviews on Stitcher.

Yeah, just to show you the difference. We have over 300 reviews on iTunes and two on Stitcher, and I just know that, based on what other podcasters have said and have witnessed, Stitcher, while it's a wonderful website, it just doesn't get a lot of traction. And I don't know if it's just because most people have iTunes or iPhones. But it's not that frequented unfortunately, at least not for podcasts. But I want to respect all people with all sorts of access, so if you're wanting to write a review - and I thank you in advance - go on to Stitcher. And everybody else, do a review on Stitcher! I will be keeping an eye on that site from here on out. So I'll include that in my selection process.

[00:16:45]

TD: And the next one is from Mary Grace and she asks:

MG: "Hi Farnoosh. What's the best way to build brand authority online? In my day job in healthcare strategy, I'm well networked - I've been invited to do guest lectures at colleges to share how I became a chief of staff for a billion dollar company in my mid-twenties. I have been invited to do guest blogs in my area of expertise, and folks are constantly asked to do informational interviews so that people can pick my brain on anything from confidence to how I graduated from school debt free to many other things. And I want to build this same career for my side job, where I help people get into college or land their dream career. Where should I start?"

[00:17:30]

FT: Well Mary if you don't have a website yet, or a blog, I would definitely start some sort of online presence for yourself that really has a great narrative and has great photographs so at the very top, above the fold as they say. So before people have to start scrolling down, they can see you, they might see a video of you, they'll see your credentials, they might see some testimonials that you've got. Go to my website, go to Farnoosh.tv and that. It's not the best, but it does take into account a number of elements that I have noticed across the web from people that I respect that are brand masters and people have told me what you need is a great

headshot, a really good narrative, one that really tells your story. And it sounds like you have a really impressive story to be in your 20's and becoming chief of staff for a billion dollar company.

That is a rare things, so I think you wanna highlight that and I would also reach out to people who respect you and have worked with you who can give you some testimonials and people high up in the ranks so that you can feature that on your website and that can instantly give you some credibility. And just one last thing I would say is, the Internet is not just your website.

There are a lot of other ways where people can find information about you. So make sure that you're LinkedIn page, your Facebook public page, your Twitter page, and anything else that's online that mentions you, is consistent. So if you're gonna use a really fantastic headshot, use that across all those sites. If you have a catch phrase that describes what you do, for example for me for a while it was "Mind, Money, Life" or "Living a Richer, Happier Life". Just make sure the catch phrases are consistently being used wherever you are so that people can ultimately identify you as what you want to be identified as. And that's part of brand building. Consistency is very key.

There's a lot more that I could say on this, and I wish I had more time to dive into this cause I actually really, really like this topic. And I'm actually, I haven't really announced this, but I'm starting to take on some private clients to help them with their brands and help them, specifically authors, who want to go into the thought leadership field and become experts in their respective fields. I wanna help them get on the right path and make the right connections. So I'm doing this! I'm starting in September with four or five clients and hopefully coming to a website near you, a digital product in 2016 that will teach you the steps. Check out my interview with Dorie Clark from a week ago. She is a brand building expert and she's an authority on this and can really help you figure out how to connect some of these other dots.

Thanks for that question.

[00:20:14]

TD: And last question today is from Carey who says:

C: "Love the podcast Farnoosh! What are your thoughts on car leasing versus buying. I am 30, have \$5,000 credit card debt, \$150,000 in student loans, but my income is \$130,000. I've always leased. Thank you!"

[00:20:38]

FT: Alright Tim, as the car buyer in the family, I wanna ask you, "What do you think about this?" I remember when we first started dating, you had this really old Honda Accord that by the end of it, the door wouldn't - my passenger side door was not really working anymore. It wouldn't open from the outside, you could only it from the inside. But you kept that thing. How many miles did it have on it before you sold it to my brother?

[00:21:03]

TD: I think it was around 180,000 miles I believe. And the non-working door was great because I got to come around and open the door for you every time.

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FT: Yes, it was built-in romance.

[00:21:19]

TD: It was mandatory chivalry, that's right! [Chuckles]

[00:21:22]

FT: That's how I like it. Well we are not a family of leasers and I think that if you ask most people in this country who are very conservative with their money and if you've listened to any of the millionaires next door this week, you would not find any of them leasing anything, let along a vehicle. And you know this, a car is one of those "assets" - if you even wanna call it that - where it depreciates as soon as you drive it off the lot. And so the thinking is, just buy a sensible car that's safe, that's within your budget and plan to drive it into the ground last - these days they

build cars to last. So it could last you easily 10 years and of course, unless you get a lemon, but then there are lemon laws that protect you as well.

So I would say, get a car that you can just pay for and not have to worry about the monthly payment. You've got already enough on your plate; you have \$5,000 in credit card debt, you have \$150,000 in student loans. I don't wanna see you adding any more monthly liabilities to your balance sheet. I think you just, if you need a car, get something that's reliable and safe, perhaps used, in good condition, and get to and from and with peace of mind - financial peace of mind. And that's my two cents. What do you think Tim? Is that kosher?

[00:22:39]

TD: Yes, you gotta get rid of that credit card debt.

[00:22:42]

FT: And that's where we're gonna leave things.

Well thank you so much Tim for being my co-host today. You weren't very talkative but that was to be expected.

[00:22:51]

TD: [Laughs] Hey, it's my first time co-hosting. I have a lot to live up to.

[00:22:57]

FT: Well thank you. And we do have one more episode to do. So you can't go anywhere yet. We have one more episode to record, that is the Sunday episodes. So thanks everyone for tuning in. I wanna say thank you to Carey, to Mary Grace, Keith, Pudra, Aubrey, Neema, and Joe for writing in. Really appreciate your loyalty to the show, your great questions and comments, and I learn a lot - so much - on Ask Farnoosh every weekend and just wanna say thanks for that. Have a great Saturday, hope it's So Money.

[END]