

EPISODE 236

[INTRODUCTION]

[00:00:31]

FT: Welcome back to So Money everyone. Friday! And we are rounding out our So Money Millennial Week. All week we've been featuring outstanding, outstanding profiles of 20 something, 30 something young adults who are doing exceptionally well when it comes to their financial life and what is a So Money Millennial? Let's just debrief here; Well I see it as someone who's really proven to accomplish a great deal in their financial life, in their young adult life and so often we hear about the struggles that young adults face, which are very real and very sobering. The average college graduate is coming out with about \$35,000 in student loans, often lots more. I hear from listeners who say, "I've got six figures in debt, so to me \$35,000 seems like a walk in the park." But we know, there are scarier examples out there.

It's tough to find a job, it's tough to save, and sometimes you have to live with your parents. But today's guest wrote into me to say that she believes she is ahead of the curve and I firmly agree. We're speaking today with Latrese Bookhard. She's 26, she is not married, no kids, currently serves in the military as a military officer and she says, "Farnoosh, I'm debt free. I have a net worth approaching \$100,000 and I've paid off over \$50,000 in student loans in 32 months and I max out my annual Thrift Savings Plan and Roth IRA contributions. I also contribute to index funds with Vanguard, and I save well over 50% of my take-home pay, and consider myself an aspiring millionaire next door and early retiree."

She says she's always been frugal, but she kicked everything into high gear when she landed on a Yahoo! Finance article profiling Mr. Money Mustache two years ago. I think I wrote that article? She said, "His blog has led me to many other blogs, books, and podcasts, and has helped me really change how I think about money." So we're gonna learn more about Latrese's Money Mindset. What are her financial perspectives? What are her habits? How does she get to be 26 with nearly six figures in savings? That's So Money.

So without further ado, here we go, here is Latrese Bookhard.

[00:02:54]

[INTERVIEW]

FT: Latrese Bookhard, welcome to So Money my So Money Millennial. Very excited to learn from you. Welcome to the show.

[00:03:06]

LB: Thank you. Thank you for having me.

[00:03:08]

FT: Latrese, you're bold. You emailed me, I sent a little note out to everybody and messaged everybody on the podcast, "If you're a So Money Millennial or you know somebody who is, share the story with me. Email me." And you did right away and I'm very impressed as far as what you've written to me and I'm really excited to hear more about your story. Just share with guest again, you're 26-years-old, not married, no kids, that's fine – I wasn't either when I was 26. I had lots of other things to do when I was in my 20's – currently serving in the military. You're a military officer. Let's start there. What made you want to serve in the military?

[00:03:49]

LB: Both my parents served in the military growing up, so it was something I always wanted to do, so I came in right after high school.

[00:03:56]

FT: And as far as supporting yourself, as you're looking into pursuing a career in the military, were you ever concerned about money? Because we do hear stories about – and I just interviewed Jeff Rose who's a certified financial planner, former military and he said when he was in the military, there was such a lack of wherewithal when it came to how to budget, how to

manage the money you were making. What was your education and how did you feel about entering the military and then being able to support yourself?

[00:04:31]

LB: I was always confident in my ability for myself, but I would definitely agree with him. The military from my experience seems to be more reactive when it comes to finance problems. We don't really address them until someone has got debt issues, or they're having collectors call their command. I would definitely agree. We need to be more proactive in teaching junior soldiers or new enlistees how to manage their finances. I would definitely agree with that.

[00:04:58]

FT: And you have been super proactive. You say you have a net worth approaching six figures. How have you done this? Take us through those steps. How long is it taking you to save \$100,000? By the way, all this time you've been paying off debt, you're debt-free now, saved \$100,000, paid off \$53,000 in student loans which is exceptional in it of itself, but on top of that, you also saved about \$100,000. So, how did it start for you? Was it like \$10 a day? How conscious was it? Were you automatically doing it? Take me through the details.

[00:05:34]

LB: It was definitely automatic and I started with the Roth IRA when I was 18 and it was \$25 every two weeks, so it was not a lot of money. Then it has increased over the years, so now I maxed the full contribution, but it was not a lot at the beginning.

[00:05:51]

FT: So \$25 every two weeks?

[00:05:54]

LB: Yes.

[00:05:54]

FT: Wow! Anybody can do that.

[00:05:57]

LB: That's what I think.

[00:05:58]

FT: Really. Come on, everybody. That's \$12.50 a week. I think if you just give up three latte – I don't want you to give up your latte. As I sit here sipping my iced latte, enjoy the latte, but find something else that can sure up \$12.50, because you could be 26 and have a \$100,000 in savings. Where do you save this money?

[00:06:21]

LB: I save in my Thrift Savings Plan, which is the military version of a 401(k); I save in my Roth IRA and then I have brokerage accounts with Vanguard, I have a CD Ladder and then I have just my basic savings at the bank. It's spread out from different places.

[00:06:38]

FT: Good. So it's earning compound interest and the market has been pretty good over the last six years, so that's what you've been benefiting from, I suspect?

[00:06:47]

LB: A little. I didn't start the brokerage account until after I paid off the student loans. So before that, it was just the retirement accounts and my savings at the bank.

[00:06:56]

FT: I want to ask you later about what inspires you. I suspect your parents were very influential, you had good role models. I remember reading in your email to me that you aspire to become a millionaire next door so maybe you've read the book and you're familiar with the early retirees like Mr. Money Mustache. But what's next, Latrese? What is your goal? As I always say, your money is meaningless, your savings is meaningless unless you attach it to goals. So what's the end game?

[00:07:26]

LB: Really, I just want my money to do the work for me or just to create a sense of autonomy so I can have choices. I want to know that any job that I decide to do if I decide not to make the military career, if I leave early, I want to know whatever I'm doing, it's a choice and if I'm not having fun anymore or I'm not getting on with my co-workers, or whatever the situation may be, I'll be able to leave and not have to worry about finances. I just want to know everything that I'm doing. I can put my full effort in because money is not something I have to think about.

[00:08:00]

FT: I love that. So your financial security is earning you a license to be free in your career and that is peace of mind. Totally. If you're out of job and you're not happy, you don't have to stick around.

[00:08:13]

LB: Absolutely.

[00:08:14]

FT: How has the military been for you? How is the experience? Was it what you thought it would be? Are you happy you did it?

[00:08:21]

LB: Yes, it's been good to me. It's a very unique planning opportunity and that's what allowed me to do so well financially. I don't have to worry about job security or that I'm going to walk into the office one day and suddenly be laid off, and I know how much I'm making, and how consistently I'm going to get paid and when I'm going to get paid. So it has allowed me to plan a lot, not only when I was paying off my student loans, but in preparing for the future. So it has been very good to me. I learned a lot.

[00:08:51]

FT: All right, Latrese, you're 26-years-old – very young, man. What was I doing at 26? I think I just gotten a new job. I think I was pretty So Money when I was 26. I negotiated a pretty good salary when I switched jobs at 26 and that was the first time I really negotiated hard. You can't negotiate your salary in the military. Right? It's pretty much it is what it is. Well, hopefully you'll flex that muscle when the time comes.

[00:09:21]

LB: Yes.

[00:09:22]

FT: But tell us your financial philosophy. I know you're just 26 and you're just starting out, but you've done an impressive amount with your money. I think you're way ahead of the curve when it comes to how millennials typically deal with their finances. So if you had a financial philosophy, what is it?

[00:09:41]

LB: It's really just focusing on the “why.” You mentioned earlier about goals and I would definitely agree with that as long as you know why you're trying to do something, or what the end game is, it makes it easier when you have all those steps in between, or your goal spans a course of the year, two years, every purchase you really think about, and you really stay in line

with your values and why you're trying to get somewhere, and what's it going to feel like when you get there – it really has allowed me to stay focused.

[00:10:06]

FT: What has influenced you all these years? Take us back to Latrese baby girl, little girl growing up. Where did you grow up first of all and what was your exposure to the money world when you were a kid?

[00:10:19]

LB: We grew up a lot of places, I'd say. I have a twin, my brother, but mostly in Colorado and Alaska is where I spend a good chunk of time, but we did move a lot when I was smaller before school age with my parents. My biggest influence has definitely been my mom. She always was talking about money. I don't know that I understood everything she was talking about, but she definitely...

[00:10:43]

FT: Like what kind of things? I know my mom did, too. So, I'm curious, what were some of those memories?

[00:10:50]

LB: I remember she listened to a lot of the tapes from Robert Kiyosaki, *Rich Dad Poor Dad* and she would always talk about having your money work for you. That didn't really apply to me until I had enough money to do something with. But she also made me take responsibility when I got my car in high school. I had to pay the car payment, and the insurance, the gas and all the expenses associated with it. I always had to handle my financial situation. She made it very clear that I need to adult-up so to speak and take care of what was going on in my life. That included when I went to college, she made it very clear that she wasn't going to be able to pay for me to go to college, so any scholarships that I didn't get, I always have to get loans for the rest of it and she wasn't going to co-sign for me.

So, she took me to the bank and I opened a couple CDs, then secured a loan against them to get my credit score up, and then I had a store card with JC Penney and I would use that to buy school clothes and pay it off. So by the time I was applying for loans for college, my credit score is high enough that I could apply without a co-signer.

[00:11:57]

FT: And you could probably get a really good interest rate as a result.

[00:12:00]

LB: Yes.

[00:12:01]

FT: Latrese, I'm so impressed. I was not as So Money as you are at 26. I don't think my credit was probably strong because I had that snafu with my Banana Republic credit card, I forgot to pay one month and let me tell you, I love your mom. I have to say, she raised you brilliantly. Did it ever feel hard? Like when you are going through this and your mom was really leaving it up to you to earn your own money and pay off your debt, did it ever feel like life suck, or it wasn't fair? What was your demeanor throughout this? Or were you enjoying the process?

[00:12:41]

LB: I liked it. I liked autonomy. I was the kid that would go away to summer camp and then never call home, so I like the freedom that that gave me and the responsibility. I appreciated more when I went to college and I was a resident assistant and I was interacting with some of my younger residents and they knew nothing. They were completely confused by so many things. Every time I encountered a situation like that, I would say, "Thank you mom for teaching me how to be an adult." I really appreciate everything she did for me.

[00:13:12]

FT: Truly. I think just listening to you in the last 12 minutes, it's so instrumental what your mother did. Let that be a lesson to all listeners whether you're a mom, a dad, a friend, a sibling, a teacher, you can change someone's life when it comes to money. It just takes a little bit of tough love and obviously having high expectations for this person. Your mom expected a lot from you and she believed in you. That is a huge gift. Wow. That's the title of this episode, "How my mom mapped out my financial life for the better."

[00:13:50]

LB: And she really did. She's awesome.

[00:13:51]

FT: Amazing.

What has been your biggest failure if you've had one since you started making money?

[00:13:59]

LB: I haven't had one and I think that's mostly because of how I get paid with the military. It has allowed me to plan. I do wish I have known more what I know now. At 16, I'd be leaps and bounds of where I am, but I haven't actually had any failures. I never racked up a bunch of credit card debt. Besides the student loans, that was it.

[00:14:20]

FT: Do you want to be a millionaire next door? If you do, when do you think that will happen for you? Do you want to retire early? Tell me more about the future for Latrese other than of course the fact that your savings is going to earn you the liberty of not being in a job you don't like, but what else? Where do you see yourself in 10-15 years because I'm sure you thought about it?

[00:14:44]

LB: I will probably start some type of foundation, a nonprofit to work with the military to teach soldiers about leveraging the situation. I've grown up around this environment and I've known lots of soldier who are retiring. They're at 20 years and then of course they leave with a pension, and medical coverage and everything. So I'll ask them, Hey, what are you going to do now? You're retired?" They're like, "Oh no, I have to get a job. I've got all these bills and everything." I always thought that was confusing to me so I would love to talk to people when they're initially coming into the military to think differently about the situation that they're in and really use it as a platform to accomplish their goals, so when they do hit that 20 years – or maybe they only do a four-year enlistment and then get out, they'll have saved some money that they can make choices with when they leave and not immediately have to jump into a job just to survive.

[00:15:41]

FT: I think that that is a brilliant idea. Just from a business perspective, I think you have a lot of potential to really brand yourself as this go-to girlfriend in the military who's going to give it to you straight. You had to do this with your money, this with your money and then just let it rock and roll. Set up these systems, automate and you will have six figures by the time you're out of here. I think Latrese, we need to work on this plan.

[00:16:11]

LB: Okay.

[00:16:12]

FT: Don't let go of this plan. I think it's brilliant, I think it's so needed, I think there is a void in the marketplace for this and then think about all the traveling you could do. You go across the country, you can go overseas, oh my gosh.

[00:16:26]

LB: Definitely.

[00:16:27]

FT: Girl, this is going to be big. Who do we have to call? Who do we have to talk to, to make this happen?

[00:16:32]

LB: I have no idea. I'm going to figure it out, I guess.

[00:16:37]

FT: You do know Doug Nordman? He was also on my show. He's from the military.

[00:16:43]

LB: I read his blog and his book.

[00:16:47]

FT: Cool, young, hip woman, you could really change first of all the face of the young military, and along the way really educate a cohort that is so desperate for this education. I really encourage you to stick with this. I think that would be a great contribution.

[00:17:12]

LB: I plan to. So, thank you for the encouragement.

[00:17:14]

FT: Yes. It's the iced latte, but I'm really, really hopeful that this is going to make a difference.

Tell me about your So Money moment. I'm sure you'll have many after this call, but for now, what's been your So Moneyest moment?

[00:17:32]

LB: It was paying off my student loans on Valentines Day of 2014. I don't think there is any Valentines Day gift that will top that within that for the next couple of years.

[00:17:41]

FT: No roses will ever top that. Right.

[00:17:43]

LB: Not possible.

[00:17:45]

FT: I love it. I paid off my student loans when I was around your age. I got an advance for my first book *You're So Money* and I used it, I used less than half of it to pay off my student loans, which were not a very high interest rate. But I don't know, I think you'll probably agree with me. It just feels so good to not have it on the books.

[00:18:05]

LB: It does. It's almost like a weight on your back. You just take off and like, "I'm free. This is awesome."

[00:18:11]

FT: Yes, you don't owe anyone anything at that point anymore. No one is sending you a letter in the mail every month saying, "You owe us money." Which is a nice feeling even if it's just \$10. It's a nice feeling to not have to be worried about that.

What would you say is the number one habit that has allowed you to be So Money at a young age? In addition too, I'm going to acknowledge that you have talked already about the fact that you're automating and you're planning ahead, but what else? What else has been the carrot for you to get you so far?

[00:18:45]

LB: I would say never stop learning. I consume a lot of personal finance from blogs, to books, to podcast, my library. They love me so I keep learning, but I don't know how much I don't know until I know. So, I keep learning.

[00:19:02]

FT: What are you curious about now? What are you looking into? What's intriguing you these days?

[00:19:08]

LB: The tax code, I have to read it. I know that's really boring.

[00:19:11]

FT: Oh my gosh, you're such a nerd.

[00:19:12]

LB: I know.

[00:19:16]

FT: I mean that in the nicest way possible. Where do you go for information? Share with us. What are your top resources besides of course this podcast.

[00:19:25]

LB: Yes. I also listen to the Radical Personal Finance Podcast that's with Joshua Sheats. I like Yahoo! Finance because it branches to so many other places. That's a starting place and then when I'm reading books, or blogs, a lot of the blogs that I read, they have their favorite books or they mention other blogs that I should check out that people might be interested in. The financial community is really supportive of each other so they all lead me to other places.

[00:19:55]

FT: Did you ever watch my little show on Yahoo! when I had one? I don't know if you were there long enough to notice. I had a show on Yahoo! for three years. It's called Financially Fit. It was so much fun and it came to a close a year ago and that's when I started the podcast. But I'm a big fan of Yahoo!.

[00:20:13]

LB: I may have seen an episode or two.

[00:20:15]

FT: Maybe, yes. It's possible, but I don't know. Just made me go down memory lane a little bit.

Latrese, let's do some So Money fill in the blanks.

[00:20:26]

LB: Okay.

[00:20:27]

FT: You know this.

[00:20:28]

LB: Yes.

[00:20:29]

FT: If I won a \$100,000,000 like the mega lottery, the first thing I would do is _____.

[00:20:38]

LB: I'd probably give some money to my mom, and dad, and then my aunt. Those are probably the three biggest influence in y life and then the rest of it, I'd sit off to the side for a little. I'd figure out my plan to start that foundation we talked about.

[00:20:52]

FT: Wow.

If there's one thing that you spend your money on that makes your life easier or better, it is

_____.

[00:21:01]

LB: My cellphone. I don't have cable or internet in my home, so my cellphone is my connection to the world and I know some people, like I know Mr. Money Mustache has like a \$10 or \$15 cellphone bill, but no, I love my cellphone.

[00:21:18]

FT: What do you have? An Android or an iPhone?

[00:21:19]

LB: I have an iPhone and it's amazing.

[00:21:22]

FT: Well, I suspect, too, because you travel, you're away from home. You need to be connected.

[00:21:27]

LB: Yes.

[00:21:29]

FT: My biggest splurge, my biggest guilty pleasure is ____.

[00:21:33]

LB: I don't have any recurring ones that I do all the time, but when I want something that's usually the more expensive, I just get it. Like when I finish college, I brought myself a really nice expensive mattress and it was amazing. Or I got laser hair removal, which is not super expensive, but not having to shave everyday is kind of awesome.

[00:21:53]

FT: Man, I started that laser hair removal process and I chickened out. I ran out of the room. I ran out of the room and I never came back. I like all these sessions because my girlfriends are like, "It's so easy. It's so cheap." And I invested over \$2,000 – it was horrible. I can't go back.

[00:22:18]

LB: It was good as free for me.

[00:22:20]

FT: But you're in the military. You have a strength, you have the stamina. I'm so weak. They said to me, "You can always come back." It was non-refundable. That was not So Money. This is TMI, guys, like Farnoosh in her laser hair removal snafu. But I guess I could always go back. Now that I have a baby, man, I should have the balls to do this. Right?

[00:22:49]

LB: Yes, I would imagine so.

[00:22:52]

FT: All right. You've encouraged me. If nothing else from this interview, you've encouraged me to go back in to get my money's worth from laser hair removal.

[00:22:59]

LB: Good luck.

[00:23:01]

FT: Latrese, you're so responsible, and you do the right things and you splurge on a mattress. Tell me, what's your cocktail of choice? What do you do on a girls' night out? Tell me what you do when you let your hair down.

[00:23:18]

LB: I'm boring. I quilt.

[00:23:20]

FT: Oh, come on.

[00:23:21]

LB: I do.

[00:23:22]

FT: Come on, Latrese. Lie. Say that you get on bar tops and dance.

[00:23:28]

LB: Sure I get on bar tops and I dance.

[00:23:31]

FT: Really, what did you do when you turn 21? What's your craziest night out?

[00:23:38]

LB: We went to the Vortex in Atlanta which is a burger place and I got a really awesome burger and got a White Russian. Me and a couple of friends. That was pretty simple.

[00:23:50]

FT: That's what I'm talking about.

One thing I wish I had learned about money growing up – although it sounds like you learned everything before you were 17-years-old, tell us if there was one thing you wish you had learned or started doing earlier, what would it be?

[00:24:07]

LB: More about investing and not just saving money, that I could really get the ball rolling. I've always been frugal and a pretty good saver, but I didn't really understand the investment world and I'm still learning about that. So if I had more information there, that would have been helpful.

[00:24:22]

FT: Yes. I hear that a lot from my guest actually, men and women – mostly women, but I think it's something worth mentioning that investing is definitely like the last thing you learn. Because the other steps are very important and often we don't even get those right. We don't save, we don't pay off the debt, I need you need to take care of those goals before you really dive into investing, but it's good to know. It's good to know what compound interest is, investing is not just throwing darts necessarily at a dart board, but you can actually be pretty reasonable when you invest – investing in say an index fund, or money market account, something a little bit more aggressive than just your checking account or your savings account.

[00:25:11]

LB: I agree.

[00:25:12]

FT: Okay. When I donate money, I like to give to _____ because _____.

[00:25:17]

LB: My church. I don't really have any foundations that I'm particularly enamoured with at the moment, so mostly just my church.

[00:25:25]

FT: That's cool.

And I'm Latrese Bookhard, So Money Millennial, I'm So Money because _____.

[00:25:34]

LB: I'm a young person and I'm taking responsibility for my financial situation and preparing for the future.

[00:25:40]

FT: I love it. Total accountability, Latrese. I celebrate you and I'm so excited to share your story with our audience. So inspiring whether you're in your 20's, 30's, 80's, everyone, check out this podcast. Go back and re-listen to it, check out the transcript. Latrese, you're a role model. Thank you so much.

[00:25:58]

LB: Thank you.

[00:26:02]

FT: That's a wrap, everyone. That wraps Millennial Week on So Money. I'm so touched and honored by all my guest. Learned an incredible amount. I'm sure you did, too. Remember, all the transcripts are available at Somoneypodcast.com for this interview and all interviews in the past, and I think I'm going to do this again because I have gotten a lot of interest in being featured on the Millennial Week. So I think we should do this again. Let's do this again some time. Maybe in a few months, or in a couple months – certainly deserves more attention because I want to highlight all of the fantastic young adults out there that are doing really well with their money. They have accomplished an impressive amount and we can all learn from that.

Thank you so much to Latrese Bookhard today. Hope to see you tomorrow as I answer your questions on “Ask Farnoosh” and in the mean time, hope your Friday is So Money.

[END]