

EPISODE 276

[INTRODUCTION]

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FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. I have a guest today with a very cool title, really awesome job. She's a motivational cartoonist. What does that mean? Yeah well she combine her love of drawing cartoons and helping others with their finances in her blog EmpoweredDollar.com.

Her blog chronicles the cartoon version of Steph, complete in green tights and all to fight the "Debt-Monster" as she calls it, in order to achieve financial freedom. Now Steph has been drawing since, well, as long as she can remember. And added the personal finance expert title to her work after she graduated from college with over \$30,000 of debt to her name. She was barely making minimum wage, knew something had to change in order to become debt free. And that's when she started her journey to financial freedom with her blog chronicling how she was able to pay off almost \$35,000 in student loans just under four years.

Several takeaways from our time with Steph including her quick trick that helps her keep a lid on spending, parleying her passion for drawing into a viable business, and how negotiating helped her crush her student loan debt.

Here is Steph Halligan.

[INTERVIEW]

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FT: Steph Halligan, welcome to So Money! Motivational Cartoonist on the show. I've never had anybody like that on before on So Money, but hey, what a great title! Welcome to the show.

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SH: Thanks for having me.

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FT: So let's get right to it, the title, "Motivational Cartoonist" in the world of personal finance. Tell me about what you do?

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SH: So yeah I've recently adopted the title of Motivational Cartoonist. I was, I think, struggling for a bit how to describe the work that I do. And basically I've taken something that I love to do, something I've always wanted to do as a child. Growing up I wanted to be a cartoonist, I wanted to be an animator, and that dream kind of died away when I went to college and started to do more practical things with my adult life.

But now I've been able to take cartoons and this kind of act of drawing out ideas and use it to help motivate and inspire people. So I do that through personal finance and adding some creativity to the money world. I do that with a daily art inspirational website that I have and it's been a lot of fun to use kind of that light-heartedness of cartoons to talk about really, really intense or emotional ideas and one of those being money.

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FT: I had on the show Carl Richards, whom we both met at FinCon 2015. He is of course the, I guess his cartoons a lot simpler than yours and they often chart what's going on in the economy, maybe some kind of news, financial news angle. Tell us a bit about your angle to cartooning? Like what's an example that your motivational cartoonism has motivated people?

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SH: Yeah, oh and I'm such a big fan of what Carl does because you know, he's really focused on the investing and like you said, more of the economic side of things and we've talked before

about kind of what my unique angle is. And so my cartoons, I started by drawing cartoons about student debt because I started chronicling my student debt pay off journey online. And so it's just such a heavy topic that I wanted to bring some lightness to it and some fun to it and feel like I can actually pay off my debt and stay motivated.

So I created a character called the Debt Monster. I drew myself has a superhero fighting the Debt Monster, and that was kind of the genesis of when I started drawing cartoons online, on my personal finance website. And the notice I got from that was really incredible and just the way that it resonated with people and turning something as big and scary as student loans into this character that you can fight and battle and conquer eventually. I think it transformed my relationship to student loans, and it seemed to do the same for other people.

I do the same thing on my other art website, Art to Self, where I take the really intense emotional issues of if you're trying to work through something or take a big leap or keep going in life if you're hitting a wall, and turned it into a cartoon. Because often times those visuals are the best reminders in life to stay on track, to stay motivated, and that was kind of the birth of my motivational cartoon career.

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FT: How busy are you? You do a lot of different kinds of work in the space of personal finance and cartoons. What do you love doing most?

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SH: Oh that's a great question. I like doing a diversity of projects. So I like doing everything from cartoons and whiteboard animations and drawings for myself or drawings for people. But I also like doing consulting work, so before I started this whole cartoon business especially in financial education. I was in the financial literacy space, kind of the non profit startup world.

And so I still do a lot of projects, they don't necessarily involve cartoons, but I work with companies and non profits to figure out creative ways to teach people about money so we can help first year college students not fall asleep when they're learning about budgeting for the first

time. Or thinking about those more creative solutions out there, again in a space where it might be a little heavy or it might be a little boring.

So adding interactive activities or combining creative classes with clients. That's something I enjoy and it really, I think, helps balance out two sides of my brain; the really analytical consultant type side of my brain and the cartoon side, and I like to keep those both well fed. So it's been nice to do both kinds of work.

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FT: What's your financial philosophy Stephanie? Let's turn over to some So Money Q & A. I think what you do is amazing. You yourself, what do you teach others and what do you incorporate in your own life when it comes to a philosophy, a financial philosophy?

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SH: Yeah you know when it comes to a financial philosophy, it took me a while to develop one because I think a lot of where I started, especially in lots of student debt, it was based around a lot of shame or disappointment either in myself or someone who didn't teach me about student loans or the economy. And it was coming from a really negative place at first and so my money philosophy really is focused on start where you are, acknowledge where you are, and then take one small step to get the snowball rolling.

Because I think a lot of people, myself included, when I was in a lot of debt or even when I was trying to start investing for the first time, you look at it, it seems so overwhelming. Like how do I take the bite off this elephant of my student loans? Or how do I start tackling the debt monster when it seemed so overwhelming. I don't even know where to begin to pay off tens of thousands of dollars of student loans. So what I tell people is to acknowledge that you're here, you know that's reality, accept it, and just take one small step that will create positive momentum for yourself in the future.

Because it just takes one step today to try to change something in your spending, to try to earn extra money on the side to pay off your debt. Just one small thing to create that positive

momentum, I think focusing on that it was really helpful for me and it's helpful for a lot of the other people that I help.

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FT: So what did you do to fight the debt monster?

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SH: Oh! So besides turning the debt monster into a cartoon, I did — you know I focused on a couple of things. One was earning money on the side, so doing some side work, doing some writing for some personal finance blogs, doing random side gigs when I could pick them up and funnelling that money, most of it if I could, towards my debt. That was the first thing. Really prioritizing my debt as something that I wanted my money to go towards, so if it wasn't debt and it wasn't eating healthy, then I basically cut the rest of my costs. Stopped going out to eat for lunch when I was at work, and just really trimmed back and made sure that that was a priority in my life.

But the third thing I think that helped me the most, helped me tremendously, and is often kind of overlooked when you think about paying off student loans, was negotiating. So negotiating my salary at my job and negotiating a starting salary at a new job that I ended up taking while I was still in debt. And both of those negotiations, it took a lot of work and it took a lot of guts cause I was nervous and I didn't know how to do it. But ultimately, by asking for more for where I worked and at my new job, I was able to bump up my salary by like \$13,000 across both of those things.

And that money, I made sure, got funnelled to my debt or a lot of it at least, since it was one of my priorities. But negotiating was one of those huge wins for me and really helped me accelerate the debt payoff process.

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FT: I would love for you to do more cartoons for other financial bloggers to kind of bring their stories to life. So I kind of have this on my site, if you go to Farnoosh.tv in the "About Me"

section under My Story. My graphic designer did something that I totally didn't even ask him to do, but he broke up my like 1,000 word My Story into these really cute images. He kind of broke it up with pictures of me and just visual elements to support the text and it really brought the piece to life. It's actually fun to read now, cause it's got these nice breaks. And I see that as maybe a way to go in and really help other people bring their stories to life through picture.

Are you doing anything like that? Like people in our circle, in the financial community?

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SH: Yeah, you know I love doing that kind of work, which is taking somebody's story and turning it into something visual. You know a lot of times it's been this interesting journey. As soon as I started adding cartoons to my blog and started my own art only cartoon website that wasn't personal finance related, the number of people who've reached out to me has been really incredible, to do work that they're passionate about and adding cartoons to it. Or again, telling somebody's story.

But I think there's so many places, and I've collaborated with a few personal finance folks to take cartoons and add it into something that's already been written. It's a lot of fun for me and I love doing that kind of work, and I love your website too! I'm just looking at it right now. It really helps break up some dense text, whether it's an about me page or it's a story about how to get out of debt. Yeah I'm a big fan of that kind of work.

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FT: Stephanie, growing up, where'd you grow up? And what was your biggest money memory as a kid? What did it teach you?

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SH: Yeah that's a great question. So I grew up a little bit north of Seattle and money really wasn't something in the forefront of my mind until maybe my teenage years. And I remember very distinctly when I was about 16, I started working and earning money. Paying for gas, got a

cellphone, and then I started to plan to go to college. And I was the first person in my family to go to college and a lot of my friends, they were second or third generation going to college so I kind of felt like they knew what they were doing, but my family we weren't quite sure.

And I felt a little on my own about it and I just remember asking one day, "So, how much do we have saved for college?" And I was just met with blank stares. And I was like, "Oh! Okay! I guess I'm gonna have to figure out how to do this by myself." So I think that was a distinct memory that I have, kind of the first shocking money memory. But you know, my parents were incredibly supportive in their own way. They didn't go to college, but they were helpful in their own way. But there was a lot of it that I had to figure out on my own, figure out what FAFSA was and kind of tell them how to help me out with that.

But that was definitely one of those memories that stuck with me, where it was a shift between kind of how my parents managed their money and how I knew that I needed to take charge a little on my own.

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FT: I kind of had a similar experience in my household where in high school all the kids were applying to these fancy schools and I was a really good student, I wanted to go somewhere fancy because I thought fancy meant value and better. My teachers, my college counsellors in high school were saying, "You have to just apply for the FAFSA, you'll probably get student loans, that's how you afford college. Most people can't afford to pay with cash, and that's just the way that it's done.

So I thought, "Great! I'll just take out these student loans," and never really had a conversation about it with my parents until finally my dad said to me, "So where are you applying by the way?" And I was running off this list of really expensive schools and he said to me, "Well, you know, we probably won't be able to afford those schools if you get in." And I said, "That's okay. There's this thing called student loans and I'll just take them out and everyone will be happy." And my dad said, "No! You are not financing college. At least not to this extent."

And so he said, "You know what? You should apply to Penn State because that might be a good idea and that's just as a safety. Hopefully you'll get into all these other schools and they'll offer you tons of money." It was ironic I thought, because my family was so big on education. Like they have always encouraged me to go to school and grad school, but didn't really save. I think because my parents era they just got scholarships or paid for it in cash. All to say that I have been where you were as well.

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SH: Yeah and I actually ended up going to a fancy school, cause I didn't know what I was doing. But, you know with the student loans I graduated with I turned it into a personal finance career. So I'm kind of grateful for that. But that, you know, that moment where your dad said, "Don't go to the fancy schools," I kind of decided to go the other way and ended up going to a really expensive private university, to the detriment of my debt load after I graduated.

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FT: Well what would you say is a failure of yours? I mean you had this debt that you got out of, but along the way, were there any big mistakes that you made? Or one big money failure?

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SH: Oh my gosh! While I was paying off debt, I was so focused on it to the point where it snowballed and it was just this goal that just seemed like it was looming and I could do it. You know I had about \$30,000 plus in student loans, I wanted to pay it off in under four years. And there was a point, I think in the last year of paying off that debt that I stopped investing in my retirement because I was just so obsessed about beating this debt monster once and for all.

And I did end up making up for it, and I'm really grateful that I did. But that's just one of those things where I realized it could have been a very, very slippery slope, which is to stop saving for retirement. And then even when I paid off my debt, to not save for retirement after that. But luckily I was able to recover. So during my debt payoff, I'd say that's the biggest mistake. But now that I've started working for myself in the last two years, I've made so many money

mistakes as an entrepreneur about estimating how much I'm making each month or trying to budget on irregular income or using my savings to float along and not investing in retirement on some months but then the others.

And so I think that ride has been a little more bumpy, and it's starting to smooth out, thank goodness! But yeah there's been a lot of fun mistakes along the way for sure.

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FT: I like to overestimate my income for the year because I pay quarterly as many self-employed people do. But I miss the big tax refund that I used to get when I was employed. So this is my way of kind of creating a built in tax refund. So this way I make sure that I never underpay the IRS, and I get this nice little kick back — well it's actually my own money, but you know it's nice to have that lump sum in April.

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SH: Yeah and sometimes you need that psychological boost. I'm a big fan, I know math and on paper tax refunds might not work out cause you're not earning interest or you're not investing that money in the mean time. But I'm a huge fan of the tax refund cause there's a huge win you feel as a person, and talk about motivation and emotions. You're more likely to save that money or do something significant with it.

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FT: What is your So Money moment Steph? You paid off the debt, which was probably I imagine was a great feeling. Triumphant moment.

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SH: Absolutely.

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FT: What would you say topped that, if anything?

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SH: So you know as I was paying off my debt, I was in the last year of paying off my loans. I had \$10,000 left and again I knew if I was really aggressive, if I earned more money on the side, I could tackle it within that year. And I was paying it off, and paying it off, and I was also boosting my savings at the same time because I knew that debt was holding me back from something, living some life full of freedom and choices by having this student loan burden.

So I had been saving a little on the side consistently just in case. You know I thought maybe I would travel the world for like two months and then come back to a job. I didn't really know what I was going to do with it, but as the date approached where I was going to pay off my student loans and I could see it, it was October, and it was on my calendar and I looked at my savings and I looked at where I was in my career, and I was at a job that I wasn't too happy with. And I realized that I could, I had enough cushion and I'd be debt free, and I actually could start my own thing and I could venture out on my own.

So literally, I had the moment, like one of the first weeks in October two years ago, and I paid off my student loans and then two weeks later I quit my job and started my own business. So I would say like that moment wouldn't have been possible without paying off the debt, but was definitely my So Money moment where I just felt completely free with my money in a way I'd never felt before.

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FT: And who would've thought, you know, that pursuing your passion really, I mean we think there's a lot of hype around passion and people just wanna for their passion and it creates sometimes this feeling of being stuck because you don't know what to do. But you are a true story, a great example of how you were able to master your passion in a way that is really financially viable. I think that's great.

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SH: Thank you. Yeah, I feel really, really blessed to have figured it out. And I think it was meshing my passion with something very practical and knowing — in a space where people need help, and there's business and there's opportunities. And I don't think if I had just started with only cartoons I would've been able to make it. But by adding it to something that I had expertise in, I had a background in, and there was a whole industry already built around it, I was able to experiment and show off something that I love in a really creative way. And I think that's what made my passion successful in the first place.

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FT: What's your number one money habit Stephanie? Something that you practice routinely to help you with your money?

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SH: So I definitely do, there's two things that really help me manage my money day to day and also kind of month to month. The first is, keeping a really simple note on my phone where I log every expense. I've done all the — I've tried apps, automatic apps where you sync up your accounts to, and they were just too passive for me and I felt really disconnected by the purchases I was making. So I have a little note on my phone and every time I made a purchase I pull out my phone and log it in. And it's a little more of a visceral experience where I can feel how tangible my money is and I have my kind of spending allowance at the top for the month. And so I always know where I am against that.

And then as an entrepreneur, you know, once a month I try to do a money check in just to check in to see, "Alright, is there a lot of spending going on this month? What money's coming in? What's kind of on the horizon? Because month to month something always comes up and there's some big expense. So recalibrating once a month, just sitting down and having a money date with myself has been really helpful too.

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FT: I love that little trick though that you do to put a lid on your spending. I think that's so smart, because you're right, I think especially if you're making these transactions with your credit card, it's really easy to just lose track and sight of where that money is going. And just giving yourself, you know, two-three seconds to write it down, I think just that little step can go a very long way in curbing your spending.

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SH: Absolutely.

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FT: Alright, ready for some So Money Fill in the Blanks?

[00:23:34]

SH: Yes!

[00:23:35]

FT: Okay! I love the enthusiasm by the way.

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SH: [Laughs]

[00:23:39]

FT: If I won the lottery tomorrow, the first thing I would do is _____.

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SH: Oh my gosh, if I won the lottery tomorrow, the first thing I would do would be to fly my parents to come see me. I just moved to Boulder, Colorado and I would love to fly them and maybe a few of my friends just to come out and spend some time together. I think treating other people to a fun experience I could share with them is top of my list.

[00:24:09]

FT: One thing that I spend on that makes my life easier or better or both, is _____.

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SH: One thing that I spend on, the two things that come to mind, one is my Yoga membership and the other — right now I'm putting together a book of motivational cartoons actually that's coming out this year. And spending money to have someone else format that for me, even though I know I could technically figure it out myself, but I know the hassle of having to go in and figure that out on my own would just not be worth it. So outsourcing those kind of jobs just makes my life so much better.

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FT: Yoga and outsources, check and check!

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SH: Yup!

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FT: One thing that I splurge on — splurge — that makes all the difference for me. I wouldn't have my life any other way with out this one big expense.

[00:25:04]

SH: Oh the one thing that I splurge on, good food. It's so worth it to me to have a really good meal and buy really high quality foods and even if that means a pretty intense grocery bill, I know that it makes me feel great and it makes me feel luxurious in a way that's not too luxurious and I still don't have to spend a ton of money on. But it always makes me feel good when I invest in good food.

[00:25:32]

FT: I remember one of my guests mentioned to me also that she likes to spend a lot of money on food, and she recently purchased duck bacon and was raving about it.

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SH: Oh my gosh!

[00:25:40]

FT: I dunno, that just didn't give me the same like sense of excitement that it just gave you.

[Both laugh]

[00:25:47]

SH: No I'm about to go out and buy some duck bacon after this!

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FT: Well you know what? I'm happy to have been the messenger on that one.

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SH: [Laughs] Thank you.

[00:25:54]

FT: One thing I wish I had learned about money growing up is _____.

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SH: Oh one thing that I wish I had learned about money growing, again I think I'd have to go back to that moment I mentioned before, which is anticipating the future. I think there wasn't a lot of talk about the future. I was raised to be pretty good with saving money and working hard. But there wasn't so much talk about "What does investing look like?" Or again like, "How do you pay for college?" So I think future-focused money talks would have been very helpful.

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FT: And last but not least, I'm Steph Halligan, I'm So Money because _____.

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SH: I'm Steph Halligan, I'm So Money because I turned my passion into a money-making business.

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FT: You did! You so did. I'm so happy for you! So glad that we were able to connect on the show, share your story. Thank you so much.

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SH: Thank you for having me. Really appreciate it.

[END]