

EPISODE 279

[INTRODUCTION]

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FT: Hey everyone, welcome back to So Money, happy Thursday. Today's guest is currently a personal finance reporter for the New York Times. If you read the New York Times and you happen to peruse the financial section, personal finance, you know her by line, you know her work.

Tara Siegel Bernard has been with the publication since 2008. Prior to that, she spent time as a deputy managing editor at Fylife.com, which is now a defunct personal finance website. She also served as a news editor at CNBC and spent a decade at Dow Jones where she wrote a weekly personal finance column. She was also a regular contributor to the Wall Street Journal's small business and health cost columns at the start of her career. Before getting involved in writing about personal finance, Tara focused on the credit card and banking industries.

Lots of takeaways from our conversation including the personal finance stories she loves pursuing at the New York Times and why. The financial story she wrote that impacted her life probably the most and seeking a rise as a woman, what to say and how to say it.

Here is Tara Siegel Bernard.

[INTERVIEW]

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FT: Tara Siegel Bernard, welcome to So Money! My gosh, I'm such an admirer of your work, welcome to the show.

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TSB: Oh thanks for having me, I'm also a mutual admirer of your work.

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FT: Thank you, that's so kind. I know we're neighbors in Brooklyn, so I'm looking forward to seeing you in person one day soon and yeah. I have to say Tara, I'm a New York Times addict and of course my favorite sections are real estate and the business section and specifically personal finance on Thursdays and I love the weekend pieces.

Your title there is personal finance reporter for the New York Times and if there's anybody who wants to get into personal finance writing, I mean you're really at the peak, you're at the ideal place. Was this always something you had your eye on as a journalist to not only work at the Times but specifically to cover personal finance and why?

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TSB: Well, I wouldn't say that I had my eye on personal finance, I think as a young journalist. My early 20's I think the Times was always a dream, which seemed like an unattainable dream. But as far as personal finance goes, my first job out of school was working for Dow Jones as a reporting assistant. They published the Wall street Journal. So I didn't think that that business was going to be a long term move for me, it was just going to be something to get my feet wet, learn specific skill in a specific area. But as it turns out, money makes the world go round. [Laughs] And it kind of touches on everything.

After I got my feet wet, doing writing about stocks and earnings reports and sort of kind of corporate business news I moved to the banking beat and covered the credit card industry, the banking industry, you know, and how they made money and that sort of thing. But after doing that for a while, I was really aching to kind of flip that around and write for the people who were consuming the services that these banks provided and how they struggled with money and basically trying to flip that around and write about personal finance because it is so personal.

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FT: Yes, and we'll talk about your personal, personal finance. As a fellow writer, I'm curious, how does the pitching process work at the times? How do you come up with your stories? What's the approval process like and I have to imagine that being at the Times, there is a lot of responsibility but at the same time I think it's easier to get people to talk to you, right? Because you have the times as your platform. I know when I was a reporter for Money magazine, it was much easier to get people on the phone than if I was just writing an article for my blog.

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TSB: Yeah.

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FT: So I'm just curious if you can walk us with the mechanics of getting a story to print and what are the stories right now that the news room is all a buzz over?

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TSB: Well in terms of getting a story to print, I feel really lucky in my beat in that I can pretty much write about anything that I want as long as it is just on money and it's a substantial enough idea. Money just touches many aspects of our lives and our financial lives just get increasingly complicated, it seems, every year there are more decisions to make, more products to evaluate. It seems that we buy so many more things or need to buy so many more things than when we were growing up. Just with cellphone packages and all that good stuff.

But in terms of coming up with ideas, I read a lot of research, I talk with a lot of people, I hear from a lot of people. Financial planners, consumers, readers who are riding in with specific issues. And a lot of people that actually comment on our stories, I've found that more ideas are filtering in that way, conversations with people on social media. That's a big and increasing component.

Then we basically, I come up with a list. My personal process is I have an ideas folder in my email so that as I get pitches from people if something kind of catches my eye and I can't really

have time to respond to that person right away, I'll put it in my little ideas folder and I'll literally take a day to organize my ideas. And just getting out and talking to people. Some of the best ideas come that way as well.

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FT: Some of my favorite pieces that you've written are around women and money, specifically. I actually went through the archives of the stories that you've written and I noticed that back in 2010 you were writing about how women need to negotiate, ask for more. And so you're kind of ahead of the curve on that because there was that study that came out and said, for women you have to ask for more money but it's also how you ask that have a lot to do with it. And still even today, that's a big part of the education and conversation around the gender wage gap.

What are some of the stories that you love to write most and that really, perhaps a story that changed your life in some ways?

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TSB: Yeah well I get most excited about the stories that give an underdog or some other marginalized group a voice or some clarity on an issue. Like you said, helping women negotiate a raise that — I was really interested in that research, I really ate it up because I think I am just the typical woman, it's not something that we like to do. At least I don't personally like to talk about how great I am and advocate for myself.

And it turns out, the research shows that there's a reason why we feel that way. We may be, according to the research, picking up on the subtle clue that both men and women don't like when women kind of put themselves out there and negotiate for themselves and are stepping outside of the prescribed gender role that society has ascribed to us. That was really fascinating.

And also, when I came back for maternity leave, I had a lot of trouble with that and I had one of the most generous policies out there. The Times gave us, they didn't pay us for the entire amount, but I took six months off which is a luxury in this country. But I still, I don't know if my

hormones were still raging or just first time parent? It was so hard to leave him with strangers and he was not — I don't know if he felt my energy but my little guy was not happy about leaving his mama as much as his mama wasn't happy about leaving him.

So when I got back, the first column I wrote was how — I was thinking about, “My god, imagine I had to do this after six or eight weeks.” I had the luxury of six months, we got to do all the things that, I got to play house for that long and that's a whole another type of work, staying up with the baby as you know. But to think about going back after six or eight weeks, I just, you know, I felt physically sick for people in that situation. And so the first column I wrote when I got back to work was just how awful the maternity leave policies were, parental leave overall, in this country. And then I create a little list on our then blog, of kind of pointing out who is doing a good job and who wasn't. That was really satisfying. [Laughs]

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FT: It's a nice way to figure your things out too, your own financial life. Like this podcast has been for me, and I interview people to teach others but really also to teach myself, it's a great resource.

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TSB: Right, yeah, you're constantly learning something new every day and either for yourself or for your readers and it's invigorating.

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FT: Who is the Time's audience, who are you writing for, there is some criticism out there I've read that the Times kind of takes this very — it's not for everyone. That their articles were very much — even as I live in Brooklyn, I feel as though it's very much writing to me, a kind of upper middle class, white woman in Brooklyn, even though I'm middle eastern but I'm technically white.

Is there a consciousness about making sure that articles are appealing to not just New Yorkers but the nation, when it comes to personal finance?

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TSB: When it comes to personal finance, I think so. I think we're getting better at that at learning what our readers want in terms of what sort of conversations they want to have with us and I know that there are a lot of smart people working on that behind the scenes. Because we're growing with the digital world, our subscriber base does tend to skew a little bit higher income and older. I write a lot of retirement stories for that demographic but I feel like my stories end up in so many different hands. Once they're online and on Facebook, they kind of travel.

So I personally try to write for a broader audience but when it comes down to coming up with examples, it does kind of — so when I'm writing about the specific home purchase, how much should that home cost so that everybody can kind of take away something from that specific example. But most of the stuff, even if you have a \$500,000 sample portfolio or 2 million dollar one or something far, far less, a lot of the takeaways are often the same.

We have somebody that write specifically for the highest of high net worth folks. I don't focus on that group, I kind of think of myself as writing for the more mass market but it definitely, it is the New York Times but it is a national paper. So I try to cover everyone as best I can.

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FT: Yes, you do a really great job and actually Paul Sullivan, I believe that's who you're referencing.

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TSB: Yes, exactly.

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FT: He's been on the show, Ron Levers has been on the show, I'm so happy now Tara, you're on the show because we needed to come full circle. We needed to complete the ring. And I know Carl Richards has been on the show too. We have all of the New York Times personal financial contributors officially on So Money.

Let's talk a little bit about, I'd love to pick your brain and figure out, discover, what's your money mantra Tara? I imagine there's so many philosophies that you have based on all of the work and experiences that you've had writing about personal finance and experiencing it. What's your number one money mantra?

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TSB: It's hard to boil it down to one but I would say simplicity is key. Saying that out loud can put you and I out of a job [Laughs] but it's, you know, a lot of — but a lot of the takeaways are very simple; spend less than you earn, keep it simple, index funds, focus on what you can control, you're expenses, think hard about how you can earn a little more without sacrificing your happiness or pushing your stress levels to some unreasonable point. And then done, that's it, it's just really keep it simple. If there's a product that you don't understand, well then you probably shouldn't be buying it, and I try to apply all of those lessons to my own financial life.

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FT: Have you found as you've been covering a lot of these newer products that are out in the marketplace, on the one hand it's great to have choices, but on the other hand it's kind of a burden to have to choose now what to do whether it's picking a financial adviser online or in person or where to put your money.

Do you have a rule of thumb as far as how to, I mean there's obviously if it's too complicated, walk away. Are there other methods, other metrics that you used to decide whether or not something is worth exploring further or just kind of let it go?

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TSB: Yeah, I mean if I get a pitch in my inbox from some leveraged ETF fund, I don't even pay attention to it. To be honest, when I get pitches for actively managed funds, I don't really pay much attention to those either. There are some more complicated products that could potentially, and they are not really that complicated but they sound complicated. Immediate annuities for older people, that can make sense in some situations and I try to break down some of those, I just did a story on variable annuities, it took a lot of time.

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FT: Oh I'm sorry.

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TSB: Yeah.

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FT: Someone's got to do it I guess.

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TSB: Yeah, somebody's gotta to do it, I did it. And it was really helpful because it kind of helped me better understand so many older people get in trouble with variable annuities and they don't make sense for a lot of people. So when it's a product that people are buying and or getting into trouble, those are the complicated products that I'd like to explore and break down.

But when it comes to the other stuff, I'm a big believer in index funds. Insurance products require explaining. I just got a question from a colleague who is going to be a new mom and she's like, "I don't know the difference between insurance or term insurance, can you just break this down for me?" And so I suggested term insurance and financial planner. One who doesn't get paid based on what they're selling you of course.

But yeah, just in terms of figuring out what to write about, I do try to avoid even giving any attention to the products that I don't really think deserve attention and that many reputable financial planners would probably agree with.

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FT: Absolutely, I don't really know much about your upbringing now Tara. I know that you've been living in New York for quite some time, did you grow up here? And more specifically, what was your financial perspective growing up, experiences that maybe there was one money memory that you have that as now as an adult, as a woman, really shaped you?

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TSB: Yeah, well I would say I was pretty fortunate growing up and that we always had everything that we needed, it was a financially stable household. We were by no means wealthy but it was very solidly middle class, comfortable upbringing. So I never really worried about money as a child, which made things, my outlook a lot different.

But I do remember that my mother always say for things. She didn't go and buy whatever she wanted. Like if it was a bigger purchase, like a new piece of furniture or something like that, I remember she was always stashing money away in her closet. It wasn't a lot of immediate gratification. So if it was a bigger thing she kind of saved for it. And I think that kind of shaped my discipline, I think that was a good life lesson.

I also felt like I had to wait for things growing up, we weren't just handed whatever we asked for. You know, extracurricular activities and that sort of thing, piano lessons and dance lessons, all that was paid for but if it were something extra, I remember I had to wait for a cabbage patch doll, did you have one of those?

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FT: Oh I got the counterfeit cabbage patch doll one year. It was sold out and my mom got me the smabbage patch doll. And I immediately was like, "No, no, no. This is not going to work

mom.” But she tried, I mean you got to give her credit for trying. It was sold out, what was she supposed to do?

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TSB: Right, yeah, exactly. My mom wasn't the type that was about to wait in the long line at the toy store at 4 AM in the morning.

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FT: Then, I remember like, so there was a shortage one Christmas and following that, they just overproduced and I got like six cabbage patch dolls next year because I guess there were some sore feelings about that. And I didn't really appreciate them once I got them because I had so many, it was kind of a weird anomaly.

Thanks for taking me down memory lane with the cabbage patch doll, I didn't realize what kind of a scar it had on me!

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TSB: Right? [Laughs] As I thought about this, that memory always kind of pops in my mind that I had to wait so long for, I think that was a good thing. I always had a job too growing up, I remember working in my parent's business, they owned a jewelry store, like a small town jewelry store. So I always worked there in my teens and growing up, even before then.

So I guess the fact that my father was an entrepreneur also kind of shaped my outlook on money. There were ups and downs, it's something that could affect your mood but it also kind of felt like he was in control of his destiny to some degree because there's naturally business is good, it ebbs and it flows. But I guess I remember growing up thinking, "Oh I'd like to be my own boss too," but clearly that didn't work out.

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FT: Well it could still work out.

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TSB: Yeah, yeah, not yet. But it was something that I think I thought would be more empowering, the kind of the fear that your job is kind of always on the line especially in media, there's something I think a lot of other journalist worry about these days. But yeah, I always had a job, I work for my parents and there were a couple of summers where I was a cashier in this grocery type store.

And I remember because it wasn't just working for my parents and I remember that I really loved those paydays because they paid you every two weeks and I would leave there with this wad of cash in my hand, that was so empowering as a young person. They probably paid me in singles. So it seemed like a lot more than it really was

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FT: But I'm sure you've come across these studies too which finds that there's a correlation between young people who have jobs, who then go on to become entrepreneurs or very financially successful. There's something about establishing that work ethic, establishing that hunger too and that yearning to kind of be just accountable. I think that is a great foundation for later on in life, so it's not a coincidence that they go on to be successful.

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TSB: Yeah, you know, I totally agree. Yes, I've read that as well. I think it's so important to work as a young person. A lot of people are worried about finding the best volunteer work somewhere in the middle of some impoverished country. A lot of privileged children go on to do those types of things but really an honest day's work, there is so many lessons that you can pull away with that. From working with a boss, managing different personalities. What do you do with that money when you come home with it? I'm trying to remember what I did with it. I had my own phone line in my room.

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FT: Wow.

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TSB: Yeah, that was a really big deal.

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FT: Oh my word. You were probably really popular. I'm just basing your entire high school persona on that one fact that you had your own phone line. You were it! You were So Money back in high school.

What's been your biggest failure Tara? I have to imagine you've done some things that you regret, financially.

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TSB: Oh yeah, definitely. I mean, I think a lot of people — you probably hear this a lot. I know you've heard this a lot, but in my 20's I definitely racked up credit card debt. I started life on my own in a dingy studio in the West village and it had to be the West Village, so that was probably part of the problem. But it was a rent stabilized apartment, it was affordable for me at the time on my first job out of college, first real apartment. But oh gosh, it was not a good apartment.

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FT: Was your bathroom in your kitchen? Was your tub in your kitchen?

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TSB: I looked at those, those were mostly on Bleaker street, I was on West 10th street. I saw those apartments when I was looking. No, I actually had a studio and did have a separate bathroom but the windows all looked out to brick walls. It was really...

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FT: So cliché but you know what? It's so true here in New York.

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TSB: Yes, it was. It was so cliché but it was mine. I think living by myself was a really good investment that was a great experience but I had to buy all these things on my own. I really did it on my own, I bought a couch, I think I needed, how did I rack up that debt? Just starter things for an apartment. I remember buying a laptop at that time, I remember that a friend of mine who had a recording gig in Paris and I had n ever been there so I just went, yeah,

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FT: "Why not? C'est la vie! Yes. Charge it up." Isn't that so true about credit card debt that you often don't even know how you amassed the debt. I mean you can identify a few big purchases but for the most part it's the small things that you forget about, it's kind of one of the dangers of using plastic in the first place is that there's not really that attachment and feeling of...

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TSB: The touch and feel, yeah, I know what it's like.

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FT: Yeah, the gravity of it.

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TSB: Those studies where you're giving away physical cash, paying for it in cash is more painful than it is just handing over a piece of plastic or even worse, your iPhone. So yeah, all of that added up, I went to shopping when I got to Paris. It wasn't completely out of control.

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FT: Hopefully the dollar was strong I guess?

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TSB: It was at that time, I'm pretty sure that it was. But after that, I played the whole balance transfer game, I was really fastidious about that and trying to not get into trouble. Those were my first personal finance lessons, I paid every bill on time and it was a lot for me at the time, it probably a third of my salary. I was, I dunno? Probably \$10,000 in debt.

But that was over several years, I'd say. And then it took several more years to pay it down but I did it on my own and I realized once it got to a certain point that I just had to get rid of it and had to come up with a plan and I did.

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FT: Probably being a financial writer was added pressure?

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TSB: Yeah.

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FT: To get your at together, it was for me! It was just, you know, this voice in my head that was like, "You better not have any debt because what if you get outed?"

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TSB: Yeah, exactly. "What if somebody finds out?" Thankfully it was early enough and I was able to get rid of it early enough.

I'd also love to rewind the clock and buy, I remember there was an apartment, this was like the late 90's. There was an apartment for sale on the same street that I lived on and it was a large studio and it costs guess how much? It cost \$100,000.

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FT: What year was this?

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TSB: This was like in the late 90's and my mom like, "Why don't you, you know, you should really think about just doing it. You can do it!" And I just had this credit card debt, coming up with a down payment just doesn't seem like an impossible thing to do and in retrospect, that was the worst decision ever. I could have figured out a way to make that happen.

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FT: Now you would have been able to sell it for like \$700,000 or something like that.

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TSB: Yeah, exactly.

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FT: Crazy.

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TSB: That's my big financial regret.

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FT: Well, it happens to the best of us. I had Margaret show on the podcast earlier this year and she said too, she really missed out on some big real estate opportunities, she just wasn't, there was a lot of uncertainty and I have to give you credit for that. You just said earlier, you don't want to go into something, if it sounds too good to be true, you start to get skeptical. "Only \$100,000 in prime location? What do the pipes look like?" Maybe there's some scary remodelling that's ahead of you.

But now, you are a home owner right? You live in Brooklyn?

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TSB: Yes, I do live in Brooklyn, I'm not a home owner. We've been squirrelling money away for years and years, which is great and we have a really great down payment. But this being New York, everything just rises at such an astronomical level and more picky, that's also our problem. We have an amazing rental in this prime location and we've been here for a really long time, longer than all the Wall Streeters who moved in around us. And it feels like if we were to buy in our current neighborhood it would be a big downgrade to what we're living in currently.

So we're evaluating what our next steps should be. We've been evaluating that next step for about a decade but we've stayed the same.

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FT: Still sounds like a true New Yorker though, I have friends like that too. Every time we meet them for dinner it's like, "Okay, what's happening? Are you moving out of the city or are you staying in the city?" And it's just this 10 years go by and...

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TSB: Yeah, and it's so boring. I'm so tired of talking about it but it's just a typical New York thing and we actually bid on a place last week and we ultimately retracted our bid because we decided it was just not something that we wanted to do for that particular place. But yeah, we're back trying to figure it out, it's just really hard.

It's also, now that we have saved money for a down payment, it's hard to part with that money. It's like, there's something — it gives you a really solid sense of security and it will be in your equity, it's not completely going away but it's going to change its form.

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FT: Right, it's not exactly liquid.

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TSB: Yeah.

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FT: The other thing I think about New York real estate which makes it exciting but also tough, when you're in the market to buy is you have to make relatively quick decisions. A home is a huge purchase, the properties here go quickly. We just bought the apartment next to ours and now we're in the middle of renovation but we literally put a bid in the day after it came on the market.

And when we did, it wasn't like it was ours. We had to compete with another bidder. And this is just a little one bedroom in Brooklyn, I can't even imagine when you get to bigger properties that are more competitive. And you have to be really, really, really sure that you want to live there, so it's a big decision.

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TSB: Yeah! It's skewed by the fact that there will be 15 other bidders, I remember there was a summer with really 15 other bidders whenever we would put our bid in and a lot of them were all cash. So it just feels like, "Woah, am I participating? Is this some sort of bubble?" So it's hard to distinguish between all of that.

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FT: Yeah, that can make you nervous.

Well let's talk success Tara, what's a So Money moment that you've experienced that you're really proud of, something that you can really pat yourself on the back for?

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TSB: Let's see. There are a couple of things. Well one, one specific thing, kind of going back to the negotiation topic, I remember a few jobs ago, I was sitting next to a guy, similar age to me, similar experience level and he was getting ready to move on to his next job and we sat really close to each other. So I would overhear some of his phone conversations, but we were also friends so it wasn't like...

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FT: You weren't spying on him.

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TSB: Yeah, no. I remember him saying, "Yeah so, I'm going to ask for this and I'm going to ask for a signing bonus," and I was like, "Wait, what? A signing bonus? You could ask for that?" And he's like, "Well yeah, I've done it with all of my jobs." I'm like, "You have? In media? Not on Wall Street?" This is — these dying media companies that...

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FT: That's what they tell us anyway, that they're these dying media companies that don't have any money. Well someone's getting paid.

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TSB: Yeah, exactly. So I just kind of book marked that and —

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FT: Noted!

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TSB: Yeah. So for my next job, I somehow worked it into that conversation and I think it was an email conversation so it made it a lot easier, but I negotiated a signing bonus. And I was like, "Wow, score! I just had to ask." Maybe if I asked some other place or if it was a different job, maybe I wouldn't have been successful. But negotiating that did work.

Also negotiating more vacation time because time to me is just as important as money if not more so it is more — it is more. Negotiating that, you don't have to accept the two weeks that they give you. Everything is negotiable but yeah, that was a win that felt really good.

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FT: That's a huge win, I love that that you did it over email too partially. That you used a man to kind of anchor, a man's experience to anchor what you went on then to ask for. What was the reaction? Did they balk at you? Did they threaten to not give you the job? I'm guessing no.

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TSB: No, no. It was like, "Okay, sure." Maybe what I asked, maybe they shaved some money off of it and we met in the middle and it was fine. That actually, the fact that you said I anchored with a man brings up something that I didn't even realize until now. A lot of the research shows

that women are, their peer groups are tend to be other women. And so we might, if we get outside of our group, maybe talk to people that are older, have more experience that are different gender. It's helpful because you get different perspectives and maybe I wouldn't have learned that from a close girlfriend.

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FT: Yes.

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TSB: It's just interesting.

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FT: Yeah, it's interesting. I remember growing up, my dad was the one who always encouraged me to negotiate and my mother was actually like, "Well, you know, don't push it!" To her point, she had bad experiences, but this was also like in 80's, which was a different era for working women. I think gender biases were a lot more prevalent and in your face and overt. When my dad would encourage her to ask for a raise and she would, they didn't give her the job.

So I think that she came to me kind of with a more concerned perspective and my dad was just really like, "Go for it, go for it, go for it!" I'm glad that I had at least that. I was cautious, but I took the chance.

So let's talk habits Tara. What's your number one money habit that helps you keep your money where it needs to be, helps you make healthier decisions around money?

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TSB: I would say automation for sure. I am sitting here at my home office desk and I have, because we have this ongoing real estate conversation, I have a list in front of me and I just kind of check that says "Ongoing Savings", because I'm a personal finance nerd.

I have this whole like of my 401(k), roll over IRA's, 529. And I have all of that money going there. I recently wanted to take tabs, like am I saving enough? Can I push it a little bit further? because I do have all of that on autopilot. I have money coming from checking account where our paycheques get deposited and have that shuttled every month to these very neatly organized little sub accounts that, it used to be ING, but Capital One is now ING and they let you kind of setup all these accounts and you can have your down payment savings in one, day care expense in another, emergency expenses. So I have all these little — vacation. I have all these little things setup and all that money just kind of goes there every month.

That really helps me feel like I'm in control. Because even if I spend too much and then I know because they don't have to go into my savings, which I rarely do. But if there's some big expense that month that I know that I'm spending too much. It's kind of like budgeting in reverse when you have, you know, you take savings first and I don't have to budget because as we know, work is not wired to deprive ourselves.

[00:37:32]

FT: It's one of the things I live by too, take care of the boring stuff first because then whatever is left, you can with a clear conscience, spend it freely on whatever you want.

[00:37:43]

TSB: Yes, exactly.

[00:37:44]

FT: Without that guilt or that concern that you're dipping into more important jars. Sometimes it doesn't work out but usually it does.

[00:37:51]

TSB: Yeah, exactly. I recently went to a financial planner for the first time. I guess it's now two summers ago, it feels recent. After my son was born, he's three now, I've kind of had this sense of urgency like, "Okay, I need to know that I'm saving enough. I need to know that," — I needed a second opinion. Even though I write about all these stuff full time, I just really felt like I wanted somebody else to make sure to give me the "okay".

And it was a great experience, I kind of wanted to go there and get all the answers even though I know intellectually I wouldn't. But I left there knowing, "Okay, we're in an okay shape. We're doing what we need to do," but your financial plan cannot make the hard decisions for you. Those are still your own to make.

[00:38:47]

FT: But she can tell you if you're making any glaring mistakes.

[00:38:47]

TSB: Yes, exactly.

[00:38:51]

FT: And sometimes that's worth the money as well.

[00:38:55]

TSB: Yeah, I think it really was worth the money. We've went to — and that's so important to find the right type of financial planner because they could do more damage than help, if you don't find somebody that's charging you for their advice and doesn't have anything to sell you, that's something, a recurring theme in my writing.

[00:39:14]

FT: Yup, I did something with my financial planner at the beginning of the year and she's wonderful, but I started to get a little more concerned about the fees within the portfolio and our funds and what we were investing in and I did make her change some things around because I just didn't understand why for example we had to pay a higher expense ratio for certain things.

Lis el just wanted to do index funds and she's like, "Well, you know, I think we should do some emerging market funds and in which case there's a little bit more of a higher management fee." And so I kind of like, kay, I gave her the pass on that. But we did change some things around and probably saved ourselves thousands of dollars a year.

[00:39:54]

TSB: Yeah.

[00:39:55]

FT: Because those decimals do add up, the .03 versus the .3 is...

[00:40:04]

TSB: Absolutely, that's huge.

[00:40:04]

FT: It's a huge difference, yeah.

Okay Tara, almost wrapped here, I want to let you get back to work and do the important work that you do. But I cannot let you go without finishing some sentences for me, these So Money Mad Libs I call them. Starting with, if I won the lottery tomorrow, which I know you don't advocate playing the lottery, but if you did somehow encounter a large sum of money, \$100 million, the first thing I would do is _____.

[00:40:32]

TSB: Is it after taxes?

[00:40:34]

FT: No, it's not. So some people have said, they would literally pay the tax man.

[00:40:41]

TSB: Well, I would, that's like 50 million.

[00:40:45]

FT: Right.

[00:40:45]

TSB: So I would buy a Brown Stone with a driveway in the back yard, solve that problem.

[00:40:55]

FT: It's the little things.

[00:40:56]

TSB: Yes.

[00:40:56]

FT: With a washer and dryer.

[00:40:58]

TSB: Yup, exactly. I would buy a little place in a very low key beach, just to get the best of both worlds. Some place where time moves a little more slowly and I would go, I would travel all of the places that my now three year old asks, the places that we read about in books and, “Mama, will you take me to London some day?”

[00:41:22]

FT: Oh so cute.

[00:41:25]

TSB: Cause that’s where his soccer team is based, so yes, we’d go to all those places. Although London doesn’t sound very exotic. Then I’d fund all my families that needs just so that nobody ever has to worry about anything; college funds for all my nephews and that sort of stuff.

And then I guess the hard part would be figuring out how to make that money work, put it to work in terms of charitable causes and figure out how could we do the most good with this big pot of money?

[00:41:59]

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

[00:42:05]

TSB: It’s so boring but it’s a cleaning person. My husband will say, “Well, do we really need that? Is that something that — Yes!

[00:42:14]

FT: Yes. They are not allowed to weigh on that, okay?

[00:42:17]

TSB: He doesn't get it.

[00:42:19]

FT: You're not allowed to make that decision.

[00:42:22]

TSB: Yeah. I think once the person comes, I think he appreciates it too because I feel so much better to be coming home to a clean house when you're busy and stressed during the day and have so many things to think about.

[00:42:38]

FT: It's instant gratification, instant relaxation, it's an instant de-stressor, it's like getting a massage.

[00:42:45]

TSB: Yeah, exactly, it really is.

[00:42:47]

FT: Even though it just last like for two hours in my house, but it's still those two hours of bliss.

[00:42:52]

TSB: Yeah, exactly, as I look out and there's Lego's and dinosaurs next to my office.

[00:42:58]

FT: Yikes! We have to have a whole separate conversation about preschools. I'll shelf that.
Answer this, when I was growing up, the one thing I wish I had learned about money is _____.

[00:43:15]

TSB: I think I would have started saving sooner. Although I feel like I did start putting money on a 401(k) but even as soon as I got my first full time job, but I think I would have just started saving earlier.

[00:43:38]

FT: Yeah, because you were working all those jobs, you had the opportunities to put money away.

[00:43:42]

TSB: Yeah, yeah. I know, I think — I dunno? Maybe, yeah, I think I would just start saving more even sooner, or come up with a more official plan or just kind of do a better look at my expenses versus what was coming in. But yeah, kind of boring.

[00:44:10]

FT: Hey, boring is best sometimes. When I donate — let's talk about your charities. When I donate, I like to give to _____ because _____.

[00:44:21]

TSB: My grandfather got Alzheimer's and that's got an affect and I've written about it and you know, money management for people, with some form of dementia. That's something that now, it's like on top of my list because it's such an awful disease. And it's going to impact such a huge amount of people with the greying of the baby boomers and what not. Also causes like ALS, not because of the ice bucket challenge but for other reasons. I just also, it's kind of another awful disease that I just feel passionately about.

And then last year — I've also given to Doctors Without Borders. I think what they do is pretty phenomenal. Last year I wrote a column where I interviewed bio ethicist named Peter Singer and some other charity experts and they convinced me that more of us should be giving to people in really far away places, really impoverished countries. Because even a tiny amount of money goes such a long way to kind of bring these people in extreme poverty to just give them the basics.

So I've gone to his site since then or the life you can save and they'll show you that your \$5 can buy, like your \$50 can buy five million malaria nets or mosquito nets. That's a big exaggeration but your money goes really far when you donate to causes like that. So that's something I've been trying to incorporate.

[00:46:06]

FT: I think it's so smart when causes do that because for the donor, it really — it just makes you feel like you're charitable donation is that much more meaningful because you can actually attach it to something. Like \$25,000 you can build a school...

[00:46:22]

TSB: Exactly.

[00:46:23]

FT: ...through Pencils of Promise, I think that's phenomenal.

Alright, Tara, you've been amazing, let's wrap this up with a really nice bow and have you answer this? I'm Tara Siegel Bernard, I'm So Money because?

[00:46:39]

TSB: Well, that's hard, that's such a hard one. I think that's the most difficult one, but I work really hard at what I do and the main reason is because I feel like it's helping people. And I hope I can help at least one person with every story that I write or help them understand something a little bit more clearly or inspire them to do something.

[00:46:57]

FT: Well you're helping me, that for sure! You got me Tara, you had me at "hello". Tara Siegel Bernard, thank you, thank you so much! I look forward to having a coffee with you in the neighborhood soon.

[00:47:11]

TSB: Thank you, yeah, yes, absolutely.

[00:47:12]

FT: Say hello to the gang back at the Times, we love them.

[00:47:15]

TSB: I will, thank you.

[END]