

EPISODE 322

[0:00:34]

FT: Creating opportunities by starting your own business is one of the most empowering things you can do for yourself. However, it can also be overwhelming at times. The secret to getting more done isn't about finding more time, but rather finding the right tools. Our friends at FreshBooks couldn't agree more!

FreshBooks has created an amazingly simply invoicing tool designed for small business owners who need to focus on their work, not their paperwork. Oh, and invoicing is only the start! FreshBooks lets you know instantly when your client has viewed your invoice, and even imports your expenses directly from your business chequing account. Get ready to say "goodbye" to searching for receipts when it comes to tax time.

If you do have questions, just contact the award-winning FreshBooks support team and get help from real live humans, no phone tree, no "let me escalate that", just helpful service at the drop of a hat. To try FreshBooks for free for 30 days, just go to FeshBooks.com/somoney and enter "So Money" in the "How did you hear about us?" section.

[0:1:37]

FT: Welcome back to So Money. Your host Farnoosh Torabi here. We're heading into day two of the So Money End-of-year-wrap. Today's theme is about "earning more." Probably my favourite financial topic of all. You might know that I'm not a fan of couponing or cutting out coffee and I think that you would agree. I get more excited about the things I can do to bring in the money that's going to help me live a more exciting and meaningful life.

There are two aspects of this earning more conversation, right? There's earning more through an extra revenue stream and then there's earning more by asking your boss for a raise. And you'd be shocked to know how few people actually ask for raises or ask for more money. Including my first guest excerpt, Tim Gunn. You know him. He's everybody's favorite fashion guru and gentleman. Mr. Tim Gunn is the co-star of Project Runway alongside supermodel Heidi

Klum. And believe it or not, he did not make any money the first two seasons of that show, not just the first season, the first two consecutive seasons. I was floored! Take a listen.

[EXERPT FROM EPISODE 272]

[0:02:43]

FT: *As you said, it was a long time coming and project runway is now on its 14th season. Is it true that you had doubts about this show when you were originally asked to be a part of it? And I also read that you didn't get paid the first season, is that true?*

[00:02:56]

TG: *First two! The first two seasons.*

[00:02:59]

FT: *Who was negotiating for you? You should have fired that person.*

[00:03:02]

TG: *Well, no one. I mean I received a cold call in my office at Parsons At that time I was chair of the department of fashion design. And it was a cold call from two of the producers of this new show and they said that they were looking for a consultant. And I said, "Fashion reality?" I said, "This industry has enough trouble without that."*

And I really didn't want to meet with them and they said, "Well just give us 10 minutes." I had written down their names and I Googled them and I found out that they were the Project Green Light producers. So I thought, "Well they have a seriousness and integrity. So this could be interesting." When I found out that they wanted to work with real fashion designers, I was instantly placated.

My role on the show was in no one's vocabulary at that time. It happened near days before the designers were arriving and no one said this to me but I just conjectured that the producers were afraid that the designers would go to the workroom and no one would talk, they would just work, work, work. But by sending me in or someone like me in, just to probe and to query, they would be assured of some conversation.

But at the same time, I never dreamed I'd be in the cut of the show. I thought, as long as they have the designers responding to me, no one needs to see me, no one needs to hear my voice and you're quite right, the first two seasons I wasn't paid at all and I didn't know that people were paid for reality television.

I was at a GlAAD Media Awards dinner in Los Angeles and this gentleman came up to me and introduced himself and he asked me, "Who represents you?" And I said "No one." He said, "You have no representation?" I said, "Well why would I need representation?" He said, "Contracts, payments." I said, "The only payment I got is from Parsons School of Design and no one need going to need to negotiate that and it's not like I'm getting paid for anything." And he said, "They're not paying you?" I said, "No, it's reality television." He said, "We need to talk."

[00:05:09]

FT: Yes.

[00:5:09]

TG: That was...

[00:05:11]

FT: That agent saw dollar signs in his eyes, yes.

[00:05:14]

TG: Well and he's been wonderful for me I have to say, he's been a Godsend.

[END OF EXCERPT]

[0:05:20]

FT: And now thanks to his earning power now, Tim is finally debt-free. He told me during the interview that he lived paycheck to paycheck until Project Runway took off. Next up is an excerpt from my conversation with Executive Editor at Marie Claire, Lea Goldman. She has spent a good bit of her career on articles and pieces around empowering women to earn as much as they can and to excel in their careers.

Here's us talking about gender biases in the workplace. You may recall Jennifer Lawrence, the movie star. Later this year she discovered that she earned less than her male counterparts and wrote a very public essay about it. Well it re-sparked the all-too important conversation around the gender wage gap and that's where Lea and I begin.

[EXCERPT FROM EPISODE 309]

[0:06:04]

***FT:** How rampant is sexism still in the workplace? I ask this because recently I'm sure you've read it, it was all over the news, Jenifer Lawrence realized that she was getting a lot less money than her co-male counterpart in the movie and then she wrote about in Lena Dunham's newsletter. I actually went on Fox News to support that, that she was saying — basically she said, "I didn't do my job, which was to ask for more." And some people thought, "Well you know what? It is what it is," and I said, "There's a little bit of sexism perhaps at play," but the real issue is, why didn't she ask for more and she really owns up to that and I have to applaud her for that. But I was on the show with this other woman who thought that there is no such thing as the gender wage gap.*

[0:06:54]

LG: Which is not arguable like it is what it is.

[0:06:59]

FT: Right, I was like, “I don’t know what planet you’re living on, it sounds fabulous, I don’t live there but here on earth, it still exists.” But as far as — you know so my point is that there are a number of variables as to why there is this gender wage gap. How big of a force is sexism still do you think?

[0:07:15]

LG: I think it’s a big force. Just going back to the Jenifer Lawrence thing, what I find most interesting about that whole brew-ha-ha that so rarely got discussed was the fact that Jenifer Lawrence wasn’t doing the negotiating, her agents were. And dollars to donuts, her agent was a man who probably took for granted that women make less even women with starring roles versus co-starring men who have lesser parts, who can command more.

And I can sort of — of course, anyone can visualize how that goes. You just walk in, these negotiations are probably so wrote at this point that everybody walks in with an understanding that a woman is going to earn less than her male co-star. So you know look, outside of Hollywood, because that is sort of a unique business, I think it’s institutionalized and people always get a little squeamish when I talk about this. It’s the scary sexism with a capital S word.

But the fact of the matter is that literally, out of the gate, a woman’s first job, she’s getting paid less than a man, this we know to be fact. Sure the onus is on her to ask for more, to push for more but all these stuff predates, starts very early on. All the studies about how women are nurtured not to be aggressive, these are not qualities that are really cultivated in young girls. So it has affects long after throughout a woman’s career.

One of the best, best interviews I’ve ever done in my entire career, Forbes, here, otherwise was I spoke with Barbara Neil, a Stanford business professor who told me very simply, “No matter where you are in your career, whenever you’re discussing the next job, first job, next job, raise, promotion, whatever. Whatever number you have in your mind, ask for 20% more. It doesn’t matter if you think that’s a lofty number to start, add 20% more.”

And I thought, well sometimes that might not be a good idea. She said, “No, no, no, no.” Because you have to overcompensate for the fact that out of the gate, you absolutely were paid at least 20% less than you ought to have been paid. So at some point in your career, you ought to compensate for that. So I just thought that was mind-blowing advice and I’ve used it in every negotiation after.

[0:09:36]

FT: *Wouldn’t it be nice to have female mentors like her at your workplace? Because fortunately for me, what helped me in my first big job negotiations was I had a colleague, female colleague who was senior to me, more experience and more brazen who said, and I confided in her, I said, “I’m up for this job and I think I have to basically have the salary talk at the next meeting.” And she goes, “Ask for twice what you’re making now.”*

And I was like, “What are you talking about?” But she said, “You know what? This is actually your advantage, you’re leaving the company, you’re going to a new company, it’s a more senior role, this is what the market demands, you should get it.” And I thought, “You’re crazy.” But you know what? I sucked it up and I asked for double at the meeting and I got pretty close to it.

[0:10:22]

LG: *Yeah.*

[0:10:23]

FT: *I could not believe it.*

[0:10:25]

LG: *It’s like breaking a seal. Whenever I talk to women who do just that, who ask for more, that first time is always the hardest time because you have to break the seal. Once you do it once, it just becomes a hell of a lot easier next time in every area of your life, also at home. Stepping up and asking for more from your partner, stepping up and asking for more from your financial*

services providers, from your employer. It becomes easier to do when you realize that A, it's not personal, it's business and B, ain't no shame in it.

[END OF EXCERPT]

[0:10:56]

FT: I love this advice, and as I mentioned in the interview, at the time I was fortunate enough to have a mentor to give me similar advice. And so the point is that you can't keep this income information to yourself. We need to be out there talking to each other about perhaps how much we earn or what we should earn and also asking our employers for more. And once you do it, just that one time, you may not get the raise but something will happen. You will become more confident, you will become more brave. And it will make asking the second time all that much easier.

[0:11:30]

[SPONSOR BREAK]

FT: Time for a quick break to put the spotlight on one of our sponsors today, Wealthfront. Wealthfront is the most tax efficient, low cost, hassle free way to invest. Now many of you I know are interested in simplifying your investment strategy. You wanna reduce fees, you wanna work with your service that you trust, and Wealthfront delivers. It builds and manages your personalized globally diversified portfolio.

To open an account, the minimum is just \$500 and that gets you a periodically rebalanced diversified portfolio of low cost index funds. There are zero trading fees, zero hidden fees and advisory fees that are just a fraction of traditional advisors. In fact Wealthfront manages your first \$10,000 for free. To learn more and sign up, visit wealthfront.com.

[0:12:19]

[CONTINUED]

FT: Another guest who had great advice about earning more is my friend Terri Trespicio, she's a branding strategist. Let's listen. I love what she says here about how you need to stop calling yourself a freelancer, a mindset shift.

[EXCERPT FROM EPISODE 271]

[0:12:34]

TT: Well, my money mantra, and this is actually a late breaking philosophy that I recognize that only came about as a result of working really having just my own fees and that is "I'm not out to charge what I'm worth. My worth separate from what I charge. My worth is separate from what someone pays me." This was a critical point for me because I used to think — this is where we fall on to the trap — if you charge what you believe you're "worth", then you either feel like crap and charge very little because your self-esteem is in the toilet and you're like, "Oh well, I'm not worth anything so I guess I'll take what I can get."

Or you're like "I'm so awesome, I'm worth a million dollars an hour, no one can afford me." Both cases, you either price yourself under or you price yourself out. And so when I realized that I should unhinge, disconnect my worth from what I offered, I was freer to charge what I believed was right for that job. This is the example I always use: A press release, you're going to be hard pressed to find someone who pays more than \$500 for a press release even though in my opinion, press releases are completely outdated. They still are part of the PR industry and I've been hired to write them before. \$300 bucks is really what someone wants to pay.

Now, I've been a writer for many, many years. I should charge a thousand dollars a press release but no one's paying a thousand dollars for a press release. I don't get to be mad because I'm worth that. Your worth in the market place is worth "what does the market bare?" And you of all people Farnoosh knows this. But when people get their self-esteem caught up in the money, that's dangerous. So I know what I'm worth, I know what I think I'm worth as a human but I don't try to price my worth because then that becomes too emotional for work.

[0:14:19]

FT: I love that. So two things, do you then just stop writing press releases because it's not worth your time?

[00:14:24]

TT: Yes.

[00:14:25]

FT: Okay.

[00:14:26]

TT: That's true, I will have other people write them. I said, "I'm not doing that." And also instead of that, cause a press release is so small, it's just this one little task that you don't have to — no one wins a Nobel prize for a press release, instead, I create value for people who really need that value and price that what it's worth to them. I'm not in the press release writing business. That is not a business that is sustainable or scalable for me. That's not what I do but I can offer people way more in terms of their brand.

The way I say, by the way, what I do is help people figure out what they want to say and how to say it and be better presenters of their own brand across all media. And so yeah, I can help them do that and I can add more value to what I offer and that is worth more. "What's it worth to them?" That's what you should ask. Not, "How long it will take me or am I worth it? Am I worth this? "

[00:15:21]

FT: It is and it really comes down to the power of language, vocabulary as in MFA and poetry, you know this better than anyone. When we think of worth, we think self-worth and we think extremes, it's either I have no self-worth or I'm basically pricing myself out of the market. But when we think value, that's measurable. That you can really incorporate the metrics.

[0:15:43]

TT: Right. I can list someone.

[00:15:45]

FT: You can list things.

[00:15:47]

TT: Right, you can list it and it's also like someone else might go, "Well I don't want to pay more than \$500 for my copy for my site." And I go "Okay, good luck, go find someone who will do that." I know that what I would do for someone's content is worth more. I have to set prices so that I'm not taking whatever comes along and that's a big thing that I've said to people, I do a lot of speaking to people who are "free lancers". I say, "Stop calling yourself a freelancer because freelancers are the waitresses and waiters of the operation, they're table servers." They're like, "Can I get you this? Do you need that? Let me pick up that thing off the floor." I want people to think like chefs. You curate a few dishes, you know what's great and you know what people want.

[END OF EXCERPT]

[0:16:26]

FT: As you can tell, Terri is very outspoken and I love her for it. Last I want to end on an excerpt from a woman who has totally helped me in my thoughts, shaping my thoughts around earning money. Wealth expert and best-selling author, Barbara Stanny. She told me that, "For women, financial success is a spiritual journey. It's a rite of passage into our power." And she went on to share that, "Women exercise power by building relationships, as opposed to gaining power over people and things." She says, "For women, the real goal is to help others."

And as soon as I heard that I thought, “Okay, I may feel that in my life I’m making enough for our family so for me I don’t feel motivated to go out there and demand more.” But when she told me that, that perhaps this idea of me earning more could make the world a better place, it’s now encouraged me and made me determined to go out there and earn far more than I am today. Every year it’s my goal to make more than I did the year before, not so that I could buy more shiny objects, but that I can give back.

And so that was a true lightbulb moment for me. I saw limits to my wealth because more money wasn’t what was going to make me happy, but I now view it as limitless. And so here’s a little wisdom from our guest, Barbara Stanny. That was Episode 33.

[EXEPRT FROM EPISODE 33]

[0:17:41]

BS: *I was a chronic under earner all my life. And, what I found from my interviews with successful women that became my mantra is ‘do what you fear’. Always, whenever anything comes up, the way I have continued to make more and more money, the way I have done it and the way I believe is the number one requirement for up levelling your earnings is the willingness to go where you fear, is the willingness to do what you can’t do. So, every time I get scared, and I get scared a lot, I always say “Oh goody! Oh goody. I’m going to the next level.”*

[0:18:18]

FT: *Yeah, it’s like getting outside your comfort zone. That’s when you can really grow and test yourself and, you know, expand your horizon so to speak.*

[0:18:27]

BS: *Exactly, success is always found just outside your comfort zone. Whether it’s making more money or losing more weight, always that’s where you have to go. And, it used to be that that fear would stop me until I interviewed all these successful women and I realized that is the one, that is the most powerful element of going to the next level is being willing to do what you fear.*

[END OF EXERPT]

[0:18:55]

FT: And that's a wrap. Hope you enjoyed our little walk down memory lane, highlighting some of the best pieces of advice I've heard on this show around earning your worth. And with the new year upon us, it's a smart time to not only think about saving and budgeting and planning, but also earning as much as you can. Either by asking for that raise once and for all, creating a side revenue stream, or both.

Tomorrow, turning that side revenue stream into a full-fledged business. We've got highlights from the year around how to launch your own successful business and if that's one of your 2016 goals, you won't wanna miss it. And remember, all this and more at SoMoneyPodcast.com. It's also on that website where you can click on "Ask Farnoosh" and send me your question for the Friday episodes.

Thanks so much for tuning in everyone. Hope your day is So Money!

[END]