

**EPISODE 336**

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[INTRODUCTION]

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**FT:** Welcome back to So Money everyone. It is College Week at So Money. Did you even know I was doing this? So all week I am dedicating the show to various aspects of college, how to afford it, how to pick the right school, how to dissect the financial aid process, I ask guest, "Is college worth it?" And so much more.

By the way, this concept of doing a themed week is thanks to you. I asked a couple of months back to my e-mail newsletter fans, what type of changes or additions would you like to see on

the show as we're approaching the new year and some of you suggested "themed weeks" as I experimented with this a little bit in the previous year.

We did millionaires next door, So Money Millennials and they were pretty popular. So thanks to you, dedicating more of the podcast to these special deep dive weeks. Kicking us off to educate us all on the best ways to afford college and how to very importantly steer clear of too much debt is the author of the new book, *The Debt Free Degree: How to eliminate college debt at every step.*

John Wasik is here. He's an award-winning author of Myriad Books. He's a speaker, journalist, discussing financial topics from investing to student loans and much, much more. John is a personal finance columnist and a blogger for Reuters and prior to that, he served as a former special project editor for Consumer Digest Magazine. His work has also been featured in outlets including CNBC, Bloomberg, CNN and many other places.

And we talk about one, how do you identify the right school for you, financially speaking, how do you actually fill out a successful FAFSA that the free application for Federal Student Aid to earn enough financial aid and then can you modify it throughout the years? The answer is yes. Also what schools offer the best financial aid. This might surprise you. It definitely shocked me.

Here we go, here is John Wasik.

[INTERVIEW]

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**FT:** John Wasik, welcome to So Money. You're kicking off college week for us. Thank you so much for being here.

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**JW:** Well thanks for having me.

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**FT:** You're the author of *The Debt Free Degree: How to eliminate college debt at every step*. Now, you've written several books, multiple, multiple books, why did you want to write about this now?

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**JW:** Well, we had to go through this whole process when my daughter was applying to college over the past two years and it really starts in junior year of high school where you start looking at colleges and start asking the question, "Which is the right one? How much are we going to pay? Are we going to get into debt or not?"

Our family came to this pact that we weren't going to get into debt if we could avoid it and yet, we wanted the best possible school for her. So that involved a lot of research and the research turned into the book and I condense a lot of what I found out and there was, there's some startling things going on there.

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**FT:** Like what?

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**JW:** Well for example, that you should throw out the idea that whatever price tag you see is what you're going to pay. There's a retail price, a sticker price that colleges are going to throw at you and it's a horrific amount of money and you might not even consider that college because of that. But really, what you pay, you have no way of actually knowing the true net price that is until you do apply for aid until you do go through their whole process.

So it's not a transparent sort of experience where say, if you were going to buy a car, you could just stand in any car lot with your phone and find out the price on the car you want from any dealer in the country but you really can't do that with college. I mean you can have some idea of

what they're offering and what you might pay but it's not really a firm sort of offer until you go through the whole rigmarole of applying and accepting the offer and going through the aid process. It's just very daunting.

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**FT:** So daunting and paired with that, you're 19, 18 years old you're making these decisions. It's not exactly a sophisticated financial time in your life. You don't really even know the ramifications of compound interest, APR and all of that. So you're having to make this very serious decision at that point.

You really need some help, perhaps a practical, logical adults helping you steer your direction because sometimes the banks are not the ones educating you. They're going to give you the loan and they're not going to really care that you're just majoring in history and you're not going to make enough to pay off that debt anytime soon.

So with regards to applying, let's start with the application. There is a school of thought that you should narrow your search down to the "affordable schools". To understand your budget first and then proceed, but what you're telling me is that the sticker price is just the starting point and so should the approach really be, "shoot for your dream schools"? Kind of make that wish list, have some safeties but really don't avoid schools just because of their price tag.

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**JW:** Well, here is where this gets to be really counter intuitive. So you shouldn't avoid any school for the price tag that you see because it's not transparent. So let's say you do have a couple of dream schools, put them on your list, apply and see what happens. Now, the way college works these days is that some of the schools out there with the highest price tags also have the highest endowments.

Which means that, if you do qualify, if you do qualify in a number of ways, and I'll talk about that a little bit later, you may get all the money you need and avoid debt. If anything, your first decision should be to say to yourself, to say to your parents, "How do we do this without

incurring any or a lot of debt?" And it is possible to do. But the first thing you have to throw out is the idea that certain schools won't help you.

Even some very non-brand name liberal arts colleges that are regional in nature may be able to give you a lot of money versus the State school which is the traditional fall back safety approach. They may be more expensive than a private school, that's what's completely throw this thing on its ear. So you have to keep that in mind.

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**FT:** In terms of getting financial aid, what works in your favor, what works against you?

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**JW:** Well, if you're middle class, you have a good shot at getting aid. Certain schools, the real top tier schools sort of have sort of a fudgy sort of definition of what middle class means but it's based on income and assets and they don't expect you to pull out money from your retirement fund or to get home equity loan to put somebody through college.

So that money is sort of off limits in the aid calculation. What they want to know is how much income can you dedicate to paying for college? And that's a pretty simple formula if you fill out the FAFSA, the Federal Aid Form for financial aid and everybody has to do this. There is another one for private colleges called the CSS profile.

You pretty much work through that stuff. It's more difficult than going through a tax form but it's extremely worthwhile and even if you don't think you will qualify, you need to do that to see where you're at and then you'll have an expected family contribution. This is kind of the nut that they think you will be able to pony up but it's not a final number either.

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**FT:** To hear you go through this, it almost seems like there is another barrier here which is access and understanding and resources and time to actually fill out the FAFSA successfully in

your favor takes a lot of know-how. So how does the average person master this relatively, easily and without having to go out there and hire some expensive consultant to help them navigate this?

[0:10:07]

**JW:** Well, it's just a matter of being methodical, just have all your tax forms in front of you. If you have a business, you need to have your tax return for that but FAFSA makes it easy because if you have your tax form, it can be downloaded from the IRS directly. All you have to do is kind of work through their online form and it's free and you don't need any consultant to do it.

You just have to plug in the numbers but if you download it, most of the numbers will be plugged in for you and then you have to supplement it with anything else that might be extraordinary. For example, if you're getting divorced, if you're a single parent, if you are seeing some unemployment coming up or huge medical expenses you should note that.

And if you can't do it on the FAFSA, I know you can do it on the CSS profile, you can always tell the financial aid office in writing saying, "Hey, you know, my parents are breaking up. I'll be the dependent of this parent and this parent is making so much." They need to know that and you need to tell them. They will not ask you for it but it's very important to tell them any change in your family's financial situation and they will take it into account.

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**FT:** That's a really good point and something that I know a lot of people don't realize is and actually there's a term for what you're talking about. I believe it's called the "professional judgment review" or something along those lines. Essentially, updating the financial aid office about your economic status at home.

Yeah, if you're parents — a parent lost a job, there's a break up, if there's any adverse effect on income that year that wasn't implied in the FAFSA, the previous year, it's in your favor to bring that up and you don't get what you don't ask for. So you had a very personal experience with

this with your daughter John. Share with us how you ultimately, together as a family, curbed the college debt scenario?

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**JW:** Well, this is really funny because I was in the mindset of, “We’re going to get the best deal from the public universities,” and they actually offered the worst deals. There were several colleges that we visited that we didn’t know what we would get from but they were private and one of them offered us a fairly generous deal and then the ones you ultimately accepted was her dream school and she got a phenomenal deal.

The odds of her getting into that were very small but we held out hope and it did work out and we’re very lucky. But it’s funny, the conventional wisdom was always like, “Oh, you know go in State. You’re going to get the best deal from that college,” and it’s like, “Not true.” A lot of outer state colleges are for lack of a better word, poaching some of the better students in offering in state tuitions for their state which is often a better deal than in state tuition of your own state.

This actually was happening and we’re saying, “Wow, you know these are equivalent big schools, 50,000 kids on campus kind of schools that were offering — at least making offers, they weren’t great ones but you’ve got to keep that in mind.” Schools are competing for students and the other side of this equation is always mirrored aid, so this is aid that is not related to financial needs.

So you could say, “Oh, you know there’s no way we’re going to qualify, our household income is a \$150,000 plus,” but you may qualify for aid if you have a good student and that means somebody who’s taken advanced placement courses, who’s done some significant community service, has a good interview, really good essays, GPA helps but it’s not as much important as it used to be but you’ll get into the ballpark.

If you’re SAT essay’s above 30, your GPA is above four and everything else looks good on paper and then you have a good interview and then you express interest in that school because schools really pay attention to you if you’re on campus more than once, beyond that first campus visit.

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**FT:** So now, some kids just have to take out loans. I mean that is just the reality in some cases. So in your opinion, how much is a safe amount to borrow so that you're graduating from college and you're not paying back those loans for decades and in some cases, that student loan payment is the largest share of your budget?

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**JW:** Well, there's two pretty basic answers to that. One is to avoid it as much as possible to get in with at least the least amount of loan debt that you can possibly afford. The second is to kind of look at the profession or degree you're getting and there's all sorts of government stats online that can tell you what you would expect to earn in that field.

There's another great site called Pay Scale that would tell you what you'd expect to earn and then your debt repayments should not be more than what you're expecting to earn. So if you're getting a degree in dance, you're not going to earn any money and your debt repayment is way above what you're going to be bringing in, then that's trouble.

I just would avoid that, not to say that any arts degree is not worth something but you really have to be realistic and say, "Is this worth getting into debt for?" Some degrees are definitely worth it. Well, most degrees are and some are not.

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**FT:** Would you say that the problem is not just that students are over borrowing and over leveraging but that college is too expensive and also the system is broken? The financial aid system in some ways is not easy to navigate and it doesn't reward students the way that it should. I guess my question is, as someone who's been covering the financial landscape for a very long time, do you think that there is a sea change about to happen?

And I always say, some shoe has to drop. This problem is so huge in this country. Your student loan debt has surpassed credit card debt which is unbelievable and it's really to the detriment of this young generation who's going to be making up for this for many years. So do you feel like something has to change and if so, what?

[0:16:37]

**JW:** Well, you're talking to a person who really thinks that student debt is amoral because it bolts an entire generation's ability to move up the economic ladder. I just think it's wrong and I think that as a society, we should do everything we can to reduce the amount of debt or at least make college more affordable.

Yes, college does cost too much. Are there ways of getting cost down? Absolutely and there will be a sea change that will come through technology as soon as the online courses get their acts together, their accreditation is sound and workers can take it to their employers and say, "Hey, I got this online degree," and the employer says, "Yeah, that's worth a raise," which isn't happening right now by the way except for legitimate degrees from accredited institutions.

Something will have to happen that will be major. It will be a combination of technology and outrage in the fact that politically speaking, more people have to bring it in the public dialogue. But can things happen to improve this? Absolutely. Can they streamline the financial aid process? There is no question in my mind.

I think if somebody was to come up with an app, a phone app that could tell you, "Let's do a search of some of my dream schools and see how much they are really likely to give me if I apply given these certain parameters." You can do this with robo-advisers. You can manage your money online. You can do anything you want on your phone now except for this.

There's one really good site that the government puts out very unsexy in terms of its design called College Score Card, who will give you some basic information like what percentage of students who are taking out loans, how much aid do they offer, graduation rate is critical. If you see a college with a low graduation rate and a high debt ratio for its students, I would stay away from it.

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**FT:** Well, in some cases their rate shuttered. They have to go away.

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**JW:** Yeah and I would avoid for profit schools if I absolutely could because they have no skin in the game. They could charge anything they want and they will saddle everybody who walks in the door who can't pay cash with a loan, so they have no incentive to keep their rates down.

[0:18:58]

**FT:** Right. Now, something else I think worth noting as we are talking about eliminating debt, trying to keep your leveraging to a minimum, graduating on time is imperative and by "on time", I'm using air quotes, I mean four years. College is only a four year experience when in reality and for many case, it's a lot longer.

Five years, at least four and a half to five and a half years simply because in some cases, in the big schools I know in California for example, they were suffering from a shortage of teachers and so courses were not as abundant. You have to wait as a student to get into the class you needed to graduate on time.

In other cases, students enter college not knowing what they want to do and they major in something and then realize in sophomore year, "Oh, you know what? I really don't want to study biology. I want to be a dancer," or whatever it was. I mean I switched major twice and luckily, I finished on time but that can delay your graduation and that can mean more money spent.

So how important is it for students and it's hard because you're only 18, how are you supposed to know what you want to do for the rest of your life or at least in the next four years to really understand that A, the school that you're going to is the right school and that two, B, the major that you want to major in is supported there and you can graduate in good time. Because that

can be a huge sinking financial shift if you go to school for five years when you're planning only for four?

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**JW:** Well, I couldn't agree with you more Farnoosh, because there's a whole lot of people who will go to school and they only get a degree and they do something else. I mean, I got out of school with a bachelor's degree in three years, I worked really hard with the summer school. I couldn't wait to get out of college and I got a degree in psychology. Did I go into psychology? No!

But I think the important thing is to have some core competencies. Get some math under your belt, get some statistics under your belt, see what the work place is demanding, know some science, know some history, get a well-rounded education and most employers will look at that and say, "Hey, I think this person can do something else because they're smart enough to handle physics or algebra or anything."

So it's really building a good base if you don't know what to do. Now, if you want to be an engineer, yeah, go to engineering school. You'll probably have a great career. If you want to be a nurse, go for it but don't spend too much time and if it's not working out for you, you need the honesty to say, "You know I really can't hack this and I should be doing something else." I mean you just have to be honest with yourself.

[0:21:37]

**FT:** Right. I mean if you're going to take out the loans, make it a good investment and not to say that you can't pursue you — I wanted to major in theatre but my parents were like, "Not on our dime." They were worried about my prospects as an actress and I think that at the time, I was very distraught but I was like, "Okay, fine. I'm going to do this college thing and take it seriously and try to make a return on our dollar spent."

I majored in finance and you know what? In the end, I did end up doing something in the entertainment industry. I mean I worked in television, media with the finance background so it

doesn't have to all go to waste. You can still end up where you want to end up but I do agree with you that college needs to be examined as an investment and look to really maximize your studies there.

I will tell you a story about my brother. He graduated not too long ago from the University of Arizona with a degree in economics and I think a double or a minor in entrepreneurship. But truly and also, he'd be the first to admit and this is feedback that he got from perspective employers, you don't really have any tangible skills.

You're a great thinker, you can analyze, maybe we can throw a PowerPoint project at you or an excel spreadsheet, but I think to really be hire-able and desired in this market place, it's important to have a trade, a skill, something that you can do that you can show and so he spent the summer following graduation in a technology school like we had talked about earlier for eight weeks, a boot camp learning how to do UX design.

And you know what? The jobs came pouring in. And I think schools need to be more up to date on what the market demands on this young graduates if they want to be competitive and fortunately, my brother got some advice, some unsolicited advice as he was doing the job fair circuit and someone just said to him, "You know what? You need some hard skills on your resume."

Just coming out of school, everyone is graduating from college these days. Everyone's got a bachelor's or a science or something or rather what's going to differentiate you, what's going to allow you to hit the ground running and so I wish that would be part of the education as well.

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**JW:** You know Farnoosh, I think you're hitting it right on the head because I was like you. I was thinking, "Well, I'm going to get a degree in music composition. I'm going to go to this private school, they have this great music program," and then I kept thinking to myself, I was like, "What am I going to do when I get out?" I don't like poverty, that's not going to work for me.

[0:24:12]

**FT:** Poor does not look good on me and anyone, yeah. I completely agree. So now let's say you're a young adult graduated, you didn't read your book, you didn't think to maybe negotiate that sticker price at the very pricy school. I'm in New York so NYU is not too far and it's a scary financial reality on that campus but let's say, you're struggling. You've got a huge, huge student loan bill every single month. You've got some private loans, some public loans, what do you do?

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**JW:** Well, there's two things. One, if you have federal loans, you can get into the repayment plan. There's a generous array of different plans so if your income drops or if it's gradually going up or if you can't afford those loans right now if you're going to grade school, there's many number of programs to really help you on the federal side.

You have to go into the Department of Education to get them. Now, don't go on the internet and start searching for debt repayment. You'll get a lot of this scam sites and these people who will charge you basically money for filing a form to get the feds to help you. So those are total frauds and I wrote a piece about that in Forbes but don't do that.

Just go right into the Department of Education. Just Google "loan repayment plans" and you'll find a whole bunch of things. It's not a great site, it's hard to deal with but you'll figure it out. It's not a hard thing to do. If you have private loans, you can try to refinance them directly with the lender. There is a whole bunch of new online refinance companies like SoFi that will help you refinance and get the payment down.

I would explore those too but basically, keep it in your mind that you can negotiate on these repayments whether you have federal or a private or a combination, just start talking. You'd have to talk to your loan servicer first to see what options are there. Most of them are not very good and may not help you but there are options and you should explore them.

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**FT:** I worked a couple of jobs outside of my nine to five to pay off my student loans from graduate school and so I see that more and more these days, that was a decade ago. Now, it was a lot easier to find a few extra revenue streams online, renting out your stuff, whether it's a room or a car or bicycle, you can do that thanks to the various internet platforms and apps.

You can sell things and you can work, Task Rabbit, I talked about them I had Nosuim on the podcast and Tutor.com and Elance. There's a lot of different sites where young people in particular because they have generally speaking more time than others to dedicate to the side gigs on the weekends and so forth.

So take advantage of that. Take advantage of your youth to make the extra money that you need to dedicate that to paying off your student loans faster because the faster that you can become financially independent in your 20's, you know what? Lifestyle starts to happen not just a life and I think in that way, I feel like we can wait for the sea shift but in the meantime, we need to take matters into our own hands.

So we didn't even get to talking about your financial perspectives. We talked a lot on the show about our guest's financial failures, successes, habits and because this is college week, our guests are going to be in the hot seat on this topic, college in particular. But now you have a little bit of extra time, John, I'd like to ask you about what's your old look to meet financial philosophy?

I have to really say that you have an amazing career authoring 15 books. You've been in journalism for a very long time and you've been covering personal finance for years. What would you say, today, is your financial philosophy and why?

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**JW:** I think the most essential thing for me is to have the time to pursue the things that I wanted to do because when you're wedded or you're shackled by that, you have to think about that all the time and if you don't have it, if you don't have these huge debts hanging all over you whether it's from a credit card or a student loan or anything, you have so much more freedom to think your own thoughts.

If you want to walk away from a project, you can do that. I'm constantly thinking about new projects that I said I want to do and if I had the time I would do them. So by not being in debt, by reducing your debt, that gives you so much financial freedom that is just every time I get a little piece of it I'm thinking, "This is heaven. This is just where I want to be."

And that's my philosophy that of course to pay bills for my family and now, paying for college. If things work out then you could have a really, really good life in this country. If not, then you're a debt slave and I hate seeing people get into that and I want it for them and I say to them, "The purpose in life should be to pursue this passion that only you can fulfill."

That's my philosophy and part of it is to say, "Look, you don't have to buy all of these stuff. You don't have to rack up all these credit card debt, you can have this certain piece of bliss. It is yours for the taking but first, you have to be really disciplined."

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**FT:** Yeah, many families are torn as to how to prioritize their savings and speaking of college, some parents would rather, they feel it's their duty actually to put more towards the college savings than their own retirement. What would you say to a parent like that? It's very emotional.

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**JW:** Well, you always need to save first for emergencies so you need to cover medical deductibles and say something happens to your house, stuff happens all the time, the furnace breaks, the car breaks, things like that. You need emergency cash that should be a priority and then retirement.

Retirement is something you do over a long period of time and if you're not doing it, you won't really benefit from the miracle of compounding and it's just won't work for you. That's just part of the discipline and try to do it automatically and then I would say college is down there because there is money available for college and you don't have to go into debt.

If you do make yourself into a great student, people will want to have you in their program and will want to help you out. So that has never been a real big concern of mine and you can look at some of these stories saying how much it's costing and how much more it's costing every year. Don't get cowed by it. Just say, "Look, there is a way to do this." It just have to be very focused and do your homework.

[0:31:15]

**FT:** Yeah. It's startling actually for a new parent. I'm a new parent, to do the projection of what it would cost in 18 years to send one child to college. I mean you're looking at the cost of most homes in America today. You're looking at a \$300,000 sticker. So you're saying don't focus on that. You can run the calculators but don't be dissuaded or think you have to put every single penny towards that in order to achieve that because that in some ways is not the reality.

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**JW:** It isn't. I mean you just go on to College Score Card and you can see some of these schools and if you're a decent student, you can get Merit Aid, you can get financial aid if you qualify and there's no reason why you can't tap into that but most people don't even approach that the right way. They say, "Oh no, they'd never consider us," or this school would never take my son or daughter." You have to keep an open mind and you really have to cast a wide net and to kind of defeat yourself before you even dip your toes in the water is not going to help you.

[0:32:20]

**FT:** Why did you get interested in writing about personal finance? I don't think anyone wakes up and goes, "Someday, I'm going to be a financial journalist." I mean maybe they do but someone told me that joke once and I thought it was really funny and I mean in some ways, it is true. I didn't design this life intentionally from the beginning but I love it and I love my work. And I think it's important work but for you, what was the reason? What was the impedes into this world?

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**JW:** Well, first of all, it is fascinating. I mean it's an endless source of things that you need to learn that are constantly evolving. I got into it because when I had my second reporting job, I was with the newspaper in the south side of Chicago and I had to learn about finance and economics and steel mill closings and what happens when people are thrown out of work.

It's a very bad time, very much today in many ways but I knew nothing about these things. So it was like I had to learn on my feet and they gave me a labor history and a labor reporting and what are COLA's and things like that. I really had to learn through a trial by fire but when I got into it, it was fascinating because there was this whole mysterious world that I knew nothing about, had no academic training and I was learning while getting paid to tell people stories. I mean, how good is that?

Then there's an infinite number of things you could do to enhance your knowledge and you'll never, never be an expert as a journalist but you can translate some of these complex economic things on a personal scale and it's very satisfying. The more I do it, the more I realize that I don't really know anything about this and you get into these other issues as you get older and its fun. It's just learning every day.

[0:34:19]

**FT:** Yeah, it's your job to be educated about important things and that in turn helps a lot of people in addition to yourself. I feel the same way. Well John, I'm going to do a little fast forwarding here and go to my So Money fill in the blanks. This is my lightning round where I ask guests to finish the sentence.

[0:34:37]

**JW:** Okay.

[0:34:37]

**FT:** And we will learn a lot about you in return. Yeah, the first thing I would do if I won the lottery is \_\_\_\_\_.

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**JW:** I would probably pay off my mortgage and then put some more money into my daughter's college funds and beyond that yeah, go ahead...

[0:35:01]

**FT:** So there is a question there about the mortgage pay off. I mean some people are of this rule of thought that unless it's really weighing on your budget that you could keep that if it's a low interest rate and you can deduct to the interest, it's not a bad thing to have around. But psychologically, if you don't want it there then better to get rid of it. What do you think?

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**JW:** You know, I've seen both arguments and you know something? I'm not in a big hurry to do it because it's just out there. It's not very much at this point but I would have that extra degree of financial freedom if I didn't have it. And part of my assumption here is that I would pay all the other bills that I needed to pay and fully fund retirement and college stuff. This is kind of on the bottom line list so it's not really high priority but if you mentioned the lottery is like...

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**FT:** Yeah, a hundred million bucks. Yeah, you might consider it.

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**JW:** Yeah, sure I would do that and beyond that, I would set up some sort of charitable foundation focus on education and opportunity.

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**FT:** How about this, the one thing that I spend my money on that makes my life easier or better is \_\_\_\_.

[0:36:13]

**JW:** I would say my computer because it's very efficient. I do all my work with all my editors online and if it doesn't work, I am very grouchy and very inefficient and I can do my work so much more efficiently in my home not being in an office, not going to meetings and doing everything by e-mail or Skype or any other electronic form of communication than I would if I'm committed to an office.

So that's a principle investment. I like to have a good high definition monitor, ultra-high definition so my eyes don't pop out of my head after 10 hours sitting here and have something that works fast and keeps the viruses off. I mean that's my principle investment. It's like if I was a carpenter, it would be my saw, my drill and everything else.

[0:37:04]

**FT:** I think it was John Stein, he's a columnist for Time. I read in one of the back page columns and he wrote about how he got laid off or something and when you get laid off, you're not really in the mood to spend money but he decided to really splurge on a new Mac book, which at the time, I think they were relatively new to the market and it was really expensive.

But he said, "You know what? I got it and low and behold, it led to so many more jobs and I was really good at doing my job," and he was like, "It was the best expenditure that I made." at a critical time in his career and so anyway, that was a good story. It kind of reminded me of that and I totally agree.

When I was growing up, the one thing I wish I had learned about money is \_\_\_\_.

[0:37:55]

**JW:** Oh, I definitely wished I knew more about accounting. I mean I came out of school, one of the first things I did is I started a business. I started a little local magazine and I said to myself, "God, why didn't I take accounting? This is so important." You can't run any business or be an entrepreneur without knowing this.

It was like, "Yeah, I wish I knew it in high school." I wish somebody taught it to me and said, "Here is double entry accounting," this is really easy but you need to know this. It's like certain people would turn up their noses as creative types like, "I don't even know accounting," but you do.

[0:38:31]

**FT:** Someone I meet says that they're majoring in accounting or they love accounting and I'm like, "I wish just for a day that I was you." I mean if you love accounting, go for it because there aren't enough people who do and who can do it well, you will be gainfully employed because let me tell you, that is one of the things that I do not want to do.

I don't want to do my own taxes, I did not do well in accounting in high school or in college rather and my brain does not work that way and same with physics, even though my father is a physicist, who'll go figure. All right John, last but not the least, I am So Money because \_\_\_\_\_.

[0:39:12]

**JW:** I'm sorry, what was that question again?

[0:39:13]

**FT:** I'm John Wasik, I'm So Money because \_\_\_\_\_.

[0:39:18]

**JW:** Well, I think because saving is so important to me. It gives you a cushion. A couple of years ago, we had a major health crisis and if we hadn't had savings through investing and single stocks and a little emergency funds, we would have been wrecked.

[0:39:40]

**FT:** Yeah.

[0:39:40]

**JW:** And it's so critical for anybody, no matter what happens to you. If nothing happens to you, then it's great but if something does and it will, you don't have to worry about that part of it. You don't have to worry about losing your home or your car and things like that. You're just like, "All right, we're going to make it through this and we'll come out of this okay and here is this little rainy day fund that really makes a difference," and if you could do anything else in money, do that and it will help a lot.

[0:40:10]

**FT:** Well you raise an important point which is that it's so important to have savings but particularly in the event that something impacts your health because bankruptcies in this country are led by people unable to make good on their health expenses and loans related to medical bills and so forth, often drive bankruptcy in this country.

So it's really important and it can strike when you least expect it and even if you think you're saving enough, sometimes you have to multiply that by two, three to really get to a place where you can comfortably manage those unexpected health risks. John, thank you so much. This has been very educational and a wonderful way to kick off our college week at So Money.

I would love to have you back so we could dig more into your personal finances because I want to be even more intrusive but thank you so much and good luck with the book, it's wonderful. Everyone, check out *The Debt Free Degree*. Everyone who is about to go to college or even

graduated or wants to think things through now that they have student loans a little more wisely, a great read. Thank you so much.

[0:41:18]

**JW:** Thank you Farnoosh, it's been a real pleasure.

[END]