

EPISODE 376

[SPONSOR MESSAGE]

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[INTRODUCTION]

[00:01:23]

FT: Welcome to So Money everyone. I'm your host, Farnoosh Torabi. Thank you, thank you, thank you for joining me. It is countdown to my CNBC show. We premier on March 23rd, two weeks away, and so please DVR this or set your alarm clock so that you remember to be in front of a television on March 23rd at 10 PM. Check out the premier of CNBC's Follow the Leader. I'm hosting this show. It's big, what can I say? It's a big deal and I'm really excited to introduce this show to everybody.

I've been working really, really hard on it, it's been a passion project, but also a serious project. We're really bringing some invaluable insights, advice, skills, ideas to the public through the lenses of some of the world's biggest entrepreneurs and business leaders. And so for me this was an absolutely joy, dream come true. And I just hope that it does well and that you like it. So check out Follow the Leader the 23rd of March, 10 PM pacific and eastern, and then we can talk

about it. We can stop talking about the anticipation of the show, then we can actually talk about the show. That'll be exciting.

Very excited also for today's guest. She is Steve Harvey's money maven, an accomplished author, financial expert, Patrice Washington. Patrice has dedicated herself to helping the masses move away from debt to mastering their money and she knows this first hand. She was \$2 million in debt not too long ago. Got out of that, and rebuilt her career to now where she is giving advice on money management. She's a featured columnist, television commentator, radio host, author, speaker, leading authority on personal finance for women and youth. It's incredible!

Her work has been featured in numerous newspapers and magazines, all over. And she's been on Fox News, the Today Show, every week over 8 million listeners tune in to hear her Real Money Answers segment on the nationally syndicated Steve Harvey morning radio show. To say that she's accomplished is a complete understatement and so we're gonna learn from Patrice her own journey of wiping out \$2 million in debt. How did she get there in the first place, that's where we start the conversation.

Then we go into talking about digging your way out of debt, how she actually did it, not just emotionally because emotionally, I mean can you imagine getting into that kind of a hole? But tactically, practically, how did she rebuild her career? And how did she become the Steve Harvey money maven? How does one exactly get a title like that? I love Steve Harvey and so this was a real fun story for me to hear.

Here we go, here is Patrice Washington.

[INTERVIEW]

[0:04:13]

FT: Patrice Washington, welcome to So Money. I'm very excited to connect with you and learn more about you. I feel like it's about time.

[0:04:21]

PW: It is about time.

[0:04:22]

FT: Right? We've been running in the same circles. You're very tall, it's hard to miss you. You're strikingly beautiful and tall and when I see you at conferences from 50 yards away, I'm like, "I need to talk to that woman." But then of course, you get into the rush of the conferences and you have to go to your things and your webinars or your seminars.

So unfortunately, we've never met in person but I'm very excited now to have you on the show because you have an incredible story and today, you are the Money Maven and you are a successful financial expert author but it wasn't always this way right? So let's just get the bad news over with.

Let's talk about the rough starts now so that we can spend more of the show talking about your successes but I'm really curious to learn about how you rebuilt your life and your finances after your 2008 as you say, your seven figure business crumbled. Seven figured business crumbled! What were you doing? What was the seven figure business? I mean I don't have to guess that in 2008 it was a hard time for everybody but what specifically happened to you?

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PW: Well, when the recession hit and the real estate bubble burst, I was a real estate and mortgage broker. I had started real estate at 19 as a sophomore in college and became a real estate and mortgage broker as a senior in college at 21 and really built this great business in Southern California and the business was built on me educating other people and educating in churches and schools and non-profits.

Really helping people see a bigger vision for themselves, see what they could accomplish financially, one of those goals is a home ownership and it's what I thought was going to be the key Farnoosh to like me, just living this life for 60 years doing my

thing. I never saw anything else because I was making so much money at a really young age and by 25, it was a seven figure business and by 28, the real estate market crashed and I went crashing with it.

So after exhausting my savings, juggling properties for a couple of years and paying my employees out of my savings, out of my pocket hoping and wishing and praying that the market would turn around quickly which we all know that didn't happen, I lost everything. I went from that seven figure business to scrapping up change to feed my daughter and just found myself in a very humbling place, you know?

When you're the one in your family or much your friend who's "made it" and then you have to go back to those same people and ask to sleep on their couch, that does a duddy on you on your self-esteem and everything else and so yeah, by 2009, I was sleeping on my brother's couch in Atlanta, Georgia. I had moved from Southern California and was just happy to have a roof over my head and someone, my brother, gave me a shot and an opportunity to rebuild without judgement.

And that's where it started for me. When I look back over my life at that time and thought through what gave me the most joy, did making a lot of money, well hell yeah it did. Of course, I did but what I enjoyed even more was the education piece with seeing other people have their "aha moments" and helping other people achieve their dreams of home ownership or starting a business.

Or whatever that was, I didn't know that that could be a business for me one day. I didn't know that this life that I have today was even possible but that's what I wanted when I really took an assessment in 2009 of where I was, that's what I wanted and that's what I went after and here we are today.

[0:08:08]

FT: So when you say you took an assessment what really happened? I mean what was the process to rebuild not just your vision but your self-confidence too because like I always say during the recession and I was also a victim of the recession. I got laid off

and it's not just you lose these tangible things like your home and your job and your money but you also lose your bearings.

Psychologically, you go through the ringer and so while you might be able to see a day where you could re-accumulate those things, deep down personally and emotionally, that also needs a lot of work and TLC. So how did you really find the motivation and the courage to jump back and say, "I'm not only going to overcome this but I'm going to be even more successful"?

[0:09:00]

PW: You know, I really relied heavily on my faith. I really, really did and I have always believed and what I was taught as a kid that you don't go through anything just because. Every circumstance, every situation that you go through is supposed to teach you a lesson and you're supposed to grow from it.

And one of the things, even through tears, through sobbing and crying all the time because that's really, for a period of time what was happening. I had a little baby and she would be crying and I would just break down crying. I couldn't even console her because I was in my mess and I was just crying all the time asking God, "Why, why?" I've been a good person.

I've tried to be in integrity, I thought I was doing everything the right way, how did I get here and the thing that kept me going is understanding that this was a season and I would not be here forever and I just had to keep telling myself that, "This is a season, this time came to teach you something, you have to look for the lessons. What are the lessons?"

I realized that I had to take some form of responsibility like, "Yes, we're in this negative economy and there's a lot going on but what could you have done differently? What might you have done differently? Could you have asked somebody for help?" I was constantly soul searching for myself.

I realized honestly that if I made it about everyone else and I made it about the economy and the president and the this and the that, those other people and those outside forces will be in control of how I could get back up but if I really looked at myself, then I could be in control. Then I could go, “You know what? When I have it again, I will not do that. Oh no, I won’t do that. I won’t go there, I won’t use them.”

I really just took inventory of everything that I felt like I could have done and I relied on my faith and I talk to myself a lot. I know people might think I’m crazy.

[0:10:53]

FT: What did you tell yourself?

[0:10:56]

PW: I used to tell myself because I had a Range Rover back in the day and I used to see Range Rovers driving by me when I was in this old beat up yellow van that we all have a good time and I would look at the vans and I will say, “You know, been there, done that, on my way back.” Like, “Oh no, don’t worry I’m coming back for you.”

I would just say things that would just keep me motivated. I would just talk to inanimate objects and just keep me motivated and I’m a big believer in affirmations. I didn’t know they were called affirmations when I was a kid but I would say things to myself over and over again like, “You’re good but you’re going to be great. You’re going to be amazing, oh boy, they’d better not,” — I just get in the mirror and say, “I’m the CEO of my life. I’m in control of this. I call the shots, no one else calls the shots and everything that I do has to lead to me, steering my life back in the right direction.”

So I don’t deal with negative people. I don’t put myself in places where there’s a whole bunch of negativity going on. I have to keep my mind focused on positive things and I literally would just talk to myself all the time and when I couldn’t do it, my husband was very supportive. When he would fall off, I would say very positive things to him and when I would fall off, he would speak back it into me and we really relied on each other during

the time when couples were breaking up because of losing everything and because of the pressure, we leaned on each other even more.

[0:12:24]

FT: Wow. It sounds a lot like The Secret.

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PW: I know, you know what's so funny Farnoosh? Before The Secret ever came out, was like ever this big thing because one of the teachers in The Secret was actually my mentor now, Lisa Nichols, and I didn't know any of that stuff was. Listen, I grew up in South Central Los Angeles in the hood girl, nobody knew about laws of attraction and all this stuff.

[0:12:51]

FT: There was no secret, it was all reality.

[0:12:54]

PW: There was no secret! There was nothing but some of this stuff honestly came naturally to me. I used to make vision boards and I didn't know it was called a vision board but I was in third grade and I will put everything that I wanted on one of those — remember those boards you used to use for presentations? The same ones that people use now...

[0:13:14]

FT: Sure.

[0:13:15]

PW: ...for vision boards and stuff. Yeah, those poster boards. I used to do that in third grade. I wanted to be student body treasurer, like no lie, in elementary school and I had all these stuff posted up about I will guard the money for the school. I thought it was a real job, like a real thing and I make this big deal about it.

I looked at this thing over and over again and I focused in on it. I was doing that in third grade. So it was not The Secret but I'm a visual learner and I have a bit of adult ADD I think so if I don't have something in front of me, it is hard for me to focus and I have to just keep coming back to that thing. That's pretty much I've been my whole life.

[0:14:05]

FT: Well I completely agree that you are your purest most honest self when you're a kid and when you are a kid and you're envisioning what you want to be when you "grow up", it's not a coincidence that when you do grow up and you are following your passion, you're listening to your instincts, that you end up kind of in the same realm, in the same world.

I wanted to be a waitress but if you really think about it, I wanted to help and be of service and meet people and talk to people because when I was younger, I thought, "Oh my gosh, a waitress has the coolest job. She gets to work in a fun restaurant, she'll never have to ask for reservations, she can meet people" and so I love the idea of bringing someone a hot meal. I thought that was a cool thing, I mean who doesn't love eating out?

So I thought the waitresses were like the epitome of cool and I was probably six years old and that later transformed into Farnoosh wanting to be a journalist because it's again serving people, right? Sharing, serving, communicating and so listen to your six year old self or go back and think about what your idea of greatness was back then and it's probably true to this day. So that's a great story.

The Secret, yeah I haven't heard about The Secret in a long time. I just feel like it become such a big part of how we do things now. We don't call it the secret.

[0:15:32]

PW: Yeah, I think so.

[0:15:33]

FT: We just call it believing in ourselves. We're going to fast forward a little bit. You got back on your feet obviously. You're Steve Harvey's Money Maven. How did that happen?

[0:15:43]

PW: Well with Steve, I actually met him when I was in college. So at the same time I was building up this love for real estate, I was his intern. I went to his show when it was just locally in LA and I really just want to beg him for money to revamp this organizational campus and as soon as walk in the door, they were like, "No soliciting."

I'm like, "Well, they're not talking to me because I don't think this is soliciting," you know, I just ignored everything and I hung around. I hang out basically soliciting and finally got to his manager who was like, "You must be really persistent because people usually get put out by now," and I'm like, "Oh, well thank you!" He didn't mean it as a compliment actually in the moment. I came to find out.

[0:16:29]

FT: He was calling security, yeah.

[0:16:31]

PW: Yeah, yeah but it did work out a bit. Eventually after a couple of months, they did give me the money. I asked for \$500 and got \$2,000 so good for us. We had a great year at the dance on campus but they also said, "Do you want to be an intern?" and I was so about my money Farnoosh. I was like, "Well is it a paid internship?" and they're like,

“Well, no,” and I said, “Oh no, I’m okay. Thank you. I’m not interested,” because I’m not trying to get into radio or broadcasting or anything.

Then my dad made me quit my full time job because at the time, I was doing real estate and I worked full time at a hotel and my dad was like, “You’re doing too much. You have to quit,” and I quit the job and had way too much time on my hands. I didn’t know what to do with so much time that I was like, “If I don’t find something to do, I’ll probably end up in trouble.”

I called them back and I said, “Do you still need an intern?” And they said, “Yeah,” and it was supposed to be a 90 day internship and I ended up getting hired on and I worked with him for two and a half years until I graduated from college and so the relationship started there. I always saw him as a mentor.

He spoke at our graduation and everything. I kept in touch before my distance over the years and then reconnected when I landed in Atlanta and he moved his operations to Atlanta. By the time, it was time for *Real Money Answers for Every Women* to initially come out. I self-published that book in 2014.

Someone on his team reached out to me and said, “Hey, when does your book come out?” And I said January 8th or whatever date it was and they go, “Okay, Mr. Harvey wants to bring you on the radio,” and I didn’t even asked. People are always blown away but I didn’t asked and he told me that day during the interview.

He said, “You know why I would always help you?” He said, “Because I always see you out there doing your best and doing the work and you never ask. You’re one of the only people that never ask but you do the work,” and he had seen me.

[0:18:24]

FT: You should ask too.

[0:18:27]

PW: I cherish the relationship and I had seen out some people had just not done the right things and it didn't even occur to me honestly, I was like, "You know I can get out here and self-publish," and I was already doing a lot of local TV and I was doing other radio shows and I was really out there building a name for myself but for him to notice that and kind of go, "Man, I keep seeing you doing things. We want to help you." It was supposed to be one interview but it's been over two years now that I've been on every week as the Money Maven so yeah.

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FT: And how has that helped book sales

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PW: Oh my gosh, it was phenomenal Farnoosh. So with a self-publish — with *Real Money Answers for Every Women* which I self-publish, it was my second book, I ended up doing over 18,000 copies self-published and I know it was because, I mean his fan based is phenomenal but I relate to the fan base and I'm very transparent about my story and going back to that whole being on the floor sobbing and crying and asking God, "Why? And why me?" And all this.

At one point of my life that is not something that I would have wanted to share with people. Who wants to share that ugly piece? But I was having a conversation on the radio one day with Steve and I ended up sharing that and that was the thing, just about two years ago now, that was the thing that totally shifted my career because then I became real to people.

It wasn't this, "Oh great," you know the story used to have a big gap in it. It was, "She started a successful business in college, grew it to a seven figure business, here she the Money Maven." There was not that relatable part where I lost everything in the recession and I used to tell people personally and I used to tell them in smaller groups but I hadn't said it in media yet.

Saying it in media for eight million people to hear at one time was probably the scariest but most fulfilling thing that ever happened to me because that's when people said, "Oh my gosh, you know I get her now. I feel her. I can relate to her," and so it's been a big blessing.

[0:20:39]

FT: Can I just say I love Steve Harvey? I love him and that whole snafu with the Miss Universe, when I heard that, I immediately just felt so bad for him. I know I should have felt bad for the winner, but I was devastated for him because I was like, "He's not a bad person. I'm sure it was an honest mistake."

It could have happened to a nicer person, people who maybe don't know him, I don't know him but I feel like he takes his work very seriously. That's my sense of it. I don't think he was just there to collect a paycheck and just went...

[0:21:15]

PW: Not at all.

[0:21:16]

FT: ...blank on the winner. I just think he got confused and it's live and he's human and so I couldn't even watch. People were like, "Watch the video, it's crazy," I'm like, I didn't even want to watch it because I know I'm always so sad for everybody.

[0:21:29]

PW: I know, it hurt my heart so much, it did but you know what? He continues to be, personally and just seeing him out professionally, to be a great example of just staying integrity when it comes to stuff like that, not taking the easy route because he could have

walked off the stage and just be like, “Whatever, they’ll deal with it,” but to come back out and take the hit.

I think for me was a great lesson and just being okay with however the chips fall as long as you stay true to yourself and that’s something else that I’ve learned from him just being in this space is that you have your lane and Suze Orman and Dave Ramsey and Mineka Finely Cox and Brittney Castro.

We all have, in the budget niche, we all have our own lanes and it’s okay to be who we are authentically and still support one another and all that great stuff but it’s okay to be who you are. It’s okay to own your mistakes. It’s okay to own your story and stand in your power because it is what it is.

No matter what our stories are, there’s someone who can be inspired by it, who can get their fault back or get their vision back and so it’s okay and I love that he handled it like a champ in my opinion and so it’s the good with the bad.

[0:22:47]

FT: Well put, I agree. Well okay, let’s now talk about your money philosophy. Do you have an overarching financial philosophy? I’m sure you have a lot of ideas around money that are unique to you but what would you say is your number one money mantra?

[0:23:05]

PW: Actually my number one actually kind of comes from Steve too. Steve taught me this quote back in the day when I was about 20 years old. He said, “The worst thing you can do for a broke person is become one of them. The worst thing you can do for a broke person is become one of them.” It’s sounds harsh sometimes people think but it’s really about not giving to your own detriment.

We want to be givers and we want to help people out but sometimes we do it to a fault and so the one that my husband and I live by is that, "Other people's lack of planning is not our emergency. Other people's lack of planning is not our emergency." And we have to stand on that because both of our careers are very visible and people see us all over the place doing all these stuff.

Again, we're back to being "the ones who made it in the family" and so then that starts to mean that your family and friends, people you love very much sometimes treat you as you're their personal ATM or they think they can or they would like to and so we have to remind ourselves because we were in a place in 2009 where we were down and out.

If it weren't for my brother and giving us an opportunity and allowing us to sleep on his couch literally for three months and rebuild and stuff, we wouldn't be here but there's the difference between someone who is typically a productive citizen who's fallen on hard times and someone who just will not get it together and will not step up and take responsibility.

They want you to basically enable them and so we're not above having some friends, well really friends you can choose. I won't say friends. More so family members that are in that place where they want us to be responsible every time they can't pay their rent or make a car loan or this happens or that happens meanwhile they want to live their lives however they chose to.

That is one where we have a full script Farnoosh on how to deal with basically saying no to friends and family and we had to make it up and we both stick to it and when people come to us asking to borrow money, we have to say, "We love you and so we are very empathetic to what you're going through however we don't lend money. We just don't want to get into that.

We don't want you to feel pressured to pay it back or figure a way out to pay it back so here's what we can do. We can offer you a onetime gift of X amount of dollars. And that X is not based on what they asked for. It's based on what's in our budget and what we

feel comfortable giving. Once we give that onetime gift, what you choose to do with it is your business but understand it's a onetime gift and that's it."

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FT: Has that worked?

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PW: Hell yeah.

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FT: In other words by worked I mean, they're grateful, they understand, you don't ruin the relationship, yeah.

[0:26:00]

PW: Yeah. It definitely has worked. Of course, I'd had some cousins that I haven't heard from in a while but that's probably a good thing because they're hitting other people up for money. I mean they took their onetime gift. When I see you it's not that I didn't want to help you. I helped in the way that was okay for me because I believe in being a cheerful giver.

So if I give to you and there's a lot of nasty feelings that goes along with my gift, that's not a good thing. That's not a good place to be in either and I don't want to resent you. I don't want to be mad with you and I don't want you to hide from me at Christmas dinner or any of that, you know?

[0:26:38]

FT: Because isn't that the truth?

[0:26:40]

PW: Yeah and I don't want you to have to take off your new shoes and put on old shoes when you see me coming because you don't want me to judge you for buying something new. I mean there's so much baggage that comes with that whole borrowing money. It's just a lot and so we just try to avoid it and once we give you a gift, it is what it is.

Whatever you do it, it is on you. I know I've done my part and whenever you used it for is what you used it for. I don't feel any kind of way about it and that's been really helpful for us to clear our conscience and also to set boundaries so that people know that it's not a revolving door over here.

[SPONSOR BREAK]

[0:27:24]

FT: You do whatever it takes to make sure your business runs efficiently, I know this firsthand. But constant trips to the post office can get in the way. With stamps.com, you'll be able to spend less time with the post office and more time growing your business.

Stamps.com makes mailing and shipping easy. Use your own computer and printer to buy and print official US postage for any letter, any package. Stamps.com does all the thinking for you. With the digital scale, it will calculate the exact postage needed and helps you decide the best class of mail based on your needs.

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microphone at the top of the homepage and type in “So Money”. That’s stamps.com enter “So Money”.

[INTERVIEW CONTINUED]

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FT: You mentioned in previous articles, I’m reading an article here about you from the New York Post that your husband and you were about \$2 million in the hole in 2008 when you shattered your business and that’s including business statements, personal expenses, \$2 million in debt. Let’s talk a little bit about failure. We talk about failure on this show but that’s probably your biggest “financial failure” is two million in debt, unless there’s another one?

[0:29:04]

PW: No, it’s not bigger than that. Nothing bigger than \$2 million.

[0:29:08]

FT: I’m going to take a guess here and say that was the big failure. How did you get yourself out of that? We talked about earlier emotionally but now let’s talk about tactics, steps, what did you actually do to get rid of that debt and then to rebuild your wealth?

[0:29:27]

PW: Absolutely. Well for us, like I said I was in real estate, so at the time we owned 13 pieces of property. So I always want to let people know we’re not talking about just cars and bags and shoes and credit cards and stuff like that. There were a lot of property that was involved and I’m from Southern California. So the home that we lived in was almost a million dollars on its own.

Unfortunately, we put a lot of money into that home and when the market crashed, the value of that home dropped down to \$500,000 and that's a lot to deal with when it's basically now worth half of what you started with if not a little less than half and so my husband and I really tried until about 2012 honestly to modify mortgages and due payment plans and make payment arrangements.

We tried everything we could and I also have \$400,000 of medical debt from having my daughter. I went into premature labor and ended up on hospital bedrest for 10 weeks here in Beverly Hills and then she was born at 30 weeks and so she lived in the NICU for three and a half weeks there and so between she and I, we racked up \$400,000 of medical debt.

There was all of these at play, all around the same time and so with the hospital, we were able to get some of the debt forgiven and we worked out a payment plan for the rest which we were able to take care off, thank goodness, after years on paying on it but with the mortgage companies, we just couldn't. It just became too overwhelming with not being able to get any relief after years.

A mentor of mine said, "You know, you're on a million different payment plans. You're paying this company \$500 and this company \$200 and this company \$300" and he said, "You'll never be able to get ahead nickelling and diming your way out of \$2 million, you just won't" and so we ended up filing bankruptcy.

We did do a chapter seven bankruptcy so that we could start over and that even was one of the hardest things that we've ever done. That was harder than sleeping on my brother's couch because we never saw that coming. We truly thought that we could make it happen, we can create a plan, we can pay it off and we can do all these things but it started to hinder other opportunities because it was out there lingering.

Even with the plans in place, it just continued to tank our credit, year after year even though we were making payments and trying to do everything the right way and so we did file bankruptcy. It's not anything that I advocate. It's not anything that I would tell anyone to run out and do by any means but after getting rid of basically \$2 million and

have an opportunity to start over, it helped set my mind free because I wasn't sleeping at night for years literally. I wasn't sleeping at night. I was tossing and turning.

It was a lot of pressure just trying to figure it out and trying to get ahead and that wasn't the first mentor that had the talk with us. We probably have four or five people advise us to do that before and we didn't because we wanted another way out and it just got to the point where that was what we needed to do to move forward. Today, I am glad that we did it and I'm glad that I lived to tell the story that you can rebuild after you file bankruptcy.

[0:32:56]

FT: What was the first revenue stream that you had after filing bankruptcy? How did you make money after that?

[0:33:03]

PW: Actually, I was volunteering for over a year at a non-profit organization in Atlanta that taught financial management and after being one of their leading volunteers, they hired me on full time to do that work and to go through out greater Atlanta, talking to people about budgeting and credit and those types of things.

Again, like I said, I had never said it in media up until about 2014 but in 2012 when I was first getting into that gig, I would tell the small groups and I would tell the people in the audience about my story and I thought at first that that will make people go, "Why would I talk to her?" But actually it made them go, "Wow, I'm so proud of you that you could stand and tell that story."

It was actually the exact opposite of what I initially thought and I would just tell them and I would go, "You know what? I lost all my money but my mind isn't bad. If I could figure out what to do to create a seven figure business by 25, life happens, stuff happens and I'm going to do it again and if you want to come with me, I'm willing to take you with me. If you judge me for that and never want to hear from me again, it's okay because there's

a lot of other people in this space that can serve you, and that's all right but this is my story."

[0:34:23]

FT: Isn't it amazing what happens when you are completely authentic and open yourself up to not just the positive but the negative? I mean it's scary to be honest, right? Especially when you aren't so proud of your own past. You weren't proud that you went through bankruptcy but you decided to share it and suddenly, everybody came to you.

[0:34:48]

PW: Yeah, even what you're reading on the New York Post and then ending up on Fox News, sharing the exact same thing. I think I've seen you on Fox News, I was on the same couch. We're on the same area and being okay with saying that because you know what? It's my story. It's my story. At this point, I can't go back in the past and change anything.

Are there things that I would have done differently? Absolutely. Could I have closed my business down much sooner? Could I have put some of the tenants out there weren't paying their rent when they lost their jobs in the recession. I could but I have been to their homes and seen their children and I couldn't bring myself to do it in that moment because I was just becoming a new mother myself and I couldn't imagine.

So I made decisions that probably weren't the smartest but those decisions at the time did help me sleep at night and I am one of those people that I got to get my beauty rest girl. I can't just keep staying up all night.

[0:35:49]

FT: I don't know what you're talking about, no, yeah.

[0:35:50]

PW: You live and you learn.

[0:35:52]

FT: Yeah, you're absolutely right.

[0:35:53]

PW: You live and you learn.

[0:35:55]

FT: I just entered my late 30's so I know all about the importance of under eye cream and SPF, and sleep and water and all that stuff. It's all the basics right? Don't be in the sun, drink a lot of water, get your rest, exercise. Too bad I'm learning this now wish I had done this when I was like 21. By the way, I just saw The Big Short. Did you see it?

[0:36:19]

PW: I have not seen that. My husband has seen it. I didn't get a chance to see that yet. He said it's very much like our story.

[0:36:25]

FT: What did he think of it?

[0:36:28]

PW: He loved it. I have some friends that didn't like it at all but probably because they didn't understand that industry and that culture at the time but my husband loved it and he said, "Babe that was us. That's a part of what we went through."

[0:36:42]

FT: Yeah, it's a wonderfully scripted and directed story to be able to really describe and show what happened in that crisis, in that bubble and then the crisis in a way that was so understandable, so comprehensible. But at the same time, I watched the movie and I want to shake, I want to throw objects. I'm so angry because really what happened was fraudulent in many ways and I don't think we've really had enough perp walks since 2008 I related to that.

[0:37:20]

PW: Right, absolutely and that was a time when even for us, we're watching the banks get build down and we're like, "Can we get some help though?" These very banks that we helped create success for them, they wouldn't help us because we were in real estate and it sucked but they were getting bailed out, you know?

[0:37:41]

FT: Let me ask you this Patrice, what's your take on real estate today? Do you feel as though it's still a legitimate way to build wealth in this country?

[0:37:52]

PW: I think that it is but I think that it needs to be monitored so much more when I look back Farnoosh, although I was making a lot of money, I was making a lot of money at the time my husband and I had no business at that age even with the money we were making having 13 pieces of property that were leveraged that much.

I really think that some of the stipulations still need to change. I think that some of the programs still need to change like they did away with things like 100% financing but we weren't using those even with 10% down, it was still too easy. It was too easy and even if someone who loves real estate and loves buying properties, I'm almost okay with it being harder.

I'm okay with the fact that if you want to own all these properties and have multiple pieces of property that you should be in a place where you have to put 30 if not 50% down on some of these stuff and not just waltz in with these mortgages because properties go vacant and tenants don't pay and you run into financial hardships like we did where all these things happen.

I still love real estate. My brother is in real estate and we kind of invest in some of the things that he's doing but for myself, I know that as we move forward my husband and I, we're definitely more on that put 20% down, put 30% down but I do think it should be more regulated for investors and if it's outside your primary residence, you need more rules to help protect you not just for them but to help protect you from yourself.

[0:39:36]

FT: And I still think that banks sometimes pre-approve you for a loan amount that's far too high and whatever formulas they're using, I've been through the process several times. I've bought and sold homes and I'd laugh with the pre-approval comes back at. I'm like, "Well, thank you for being so optimistic about my ability to afford this seven figure home that I'm projecting but I'm going to stick with what I'm comfortable with." But I think I have the wear with all, I have the prudence to say I'm not going to do that but I think a lot of people will get really excited and go, "Okay, well the bank says I can do it."

[0:40:15]

PW: Oh yeah, you know what I used to tell my clients? I used to tell them, "The bank is looking at raw numbers. They don't know that you like to salsa dance every Friday. They don't know that you like handbags. They don't know that your kids are in little league and that there's dues and fees associated with it. They don't know what your taste in furniture is."

Like, there's a lot of other things that the banks are not considering that you have to consider for yourself. So with my clients' especially first time home buyers, you know the

numbers might say here in Southern California that they qualify for \$500,000 and I would give them a letter all day for \$380, all day. They're like "Someone else approved me for more!"

I'm like, "They don't love you like I do hon, \$380," because this takes in to consideration your life. The fact that real life happens and again, my primary was what it was but with the investment properties, you have to be ready for a whole other ballgame. You just have to be ready and that's one of the things that I always say, I did a really good job of chasing money in my youth.

I was really good with figuring out ways to create an income and going to chase it but I wasn't great at seeking wisdom and I wish that I would have sought, when I looked back, I told you during that time and thought of, "What could I have done?" I wish I would have sought out mentors or coaches or someone to help me think about the purchases we were making differently.

And go, "You know what? Five is good. Five properties are great. You know what? You don't need 13," you know what I mean? But it was too easy for me to get and so that's a lesson I learned and that's what I wish any young person especially in this space is don't get in over your head too quickly. Take some time.

[0:42:03]

FT: Yes and if it's too easy to get a house or too easy to get a loan or too easy to get a credit card, you should be wondering why, and what are the caveats because it's very rare that opportunities like that come so easily at no risk. Let's do some lightning rod questions. Well, these are more fill-in-the-blanks sentences. So I'll start off a sentence and you finish it, first thing that comes to mind.

If I won the lottery tomorrow, let's say you won a 100 million bucks that would be great right?

[0:42:39]

PW: Yes.

[0:42:40]

FT: The first thing I would do is ____.

[0:42:44]

PW: The first thing I would do is retire my mom. I'm tired of seeing her work.

[0:42:47]

FT: She's still working, what is she doing?

[0:42:49]

PW: She's still working and she might fight me to stay but she works in the hospitality industry. She's been with the Major Hotel chain for like 30 plus years and everyone knows her and calls her Big Mama and she loves it.

[0:43:07]

FT: Big Mama.

[0:43:08]

PW: She is Big Mama and she loves it.

[0:43:08]

FT: Well if she likes what she's doing, there's no harm.

[0:43:11]

PW: Well, I like her to do it like once or twice a week, let's not get carried away. I don't want you driving every day but I want to be the mama now so you know, I don't know.

[0:43:23]

FT: That's sweet.

[0:43:23]

PW: I'm just bossy.

[0:43:25]

FT: In a good way though, I like the word. I asked someone, "What kind of boss are you?" And he was like, "I don't like that word boss," and I was like, "Well, I like it. You can call me boss."

Okay, the one thing that I spend on, money, that makes my life easier or better is _____.

[0:43:44]

PW: Car service to the airport.

[0:43:47]

FT: Is that the only time? Do you use Uber?

[0:43:50]

PW: I use Uber sometimes but I also just have an account with a car service company. I don't like to drive. I'm not a big driver and if it's going to be the situation where I have to

sit in traffic or drive anything more than 15 or 20 minutes, I get a driver and it's one of the things I'm okay with paying for because driving, I've been in so many accidents to Southern California. In Georgia, I've hit so many deer or almost been hit by a deer that I don't like the pressure of driving. I don't. So I use a driver, yes.

[0:44:30]

FT: So I totally agree. I actually think about one day if I ever just hit the jackpot or just start making ungodly amounts of money, I wouldn't really change much about my life but I think I would definitely invest in a personal chef and a personal driver.

[0:44:48]

PW: Yes, I'm getting on the chef tip too. I just have to be more consistent because I'm not very domestic.

[0:44:56]

FT: Oh yeah.

[0:44:57]

PW: That's not my thing. I eat to live but I don't live to eat so I'm not in the kitchen throwing down the grill, no, that doesn't happen.

[0:45:06]

FT: I like a clean and organized home and I love warm meals, I love home cooked meals but don't expect me to be at the forefront of that.

[0:45:18]

PW: Exactly. So yeah, I have a housekeeper's help twice a week and stuff and all that but I do want like a vegan chef. I will love a vegan chef who could just come once a week and prepare all the meals and I am like queen of the heat up. I'll eat if you put it in the pot and heat it up. I won't put it in the microwave

[0:45:40]

FT: That's going to be your tweetable, "I am queen of the heat up". I love that. Okay, my biggest splurge that I spend a lot of money on but I wouldn't have it any other way is

_____.

[0:45:55]

PW: Getting massages. I get a lot of massages now just with all the travel, with always being on a plane and the speaking and the standing and I'm like a really personable person so right now I'm on a book tour and every place I go, I will stand there and look in the eyes and talk to every single person that comes and hold a personal conversation but I'm doing that on like four or five inch stilettos.

[0:46:24]

FT: Ooh and you're already tall.

[0:46:27]

PW: I am, honey. Unashamed, unapologetic and I will still throw some heels on in a second and I love doing that. I'm really not good at just sitting down and signing and stuff. It keeps my energy up to be standing but you know I'm also in my mid-30's and so my body doesn't handle that the same. So after I've done that for a week straight somewhere, the next week, I always go and get a massage, that's my splurge and my way of taking care of myself and replenishing.

[0:46:57]

FT: When I donate, I like to give to ____ because ____.

[0:47:03]

PW: When I donate, I like to give to two places. One, my church because that's just a big part of who I am and my faith means a lot to me so I do give a lot to my church and the other place is organizations like March of Dimes or St. Jude's because I went through two really, really difficult pregnancies and my first child unfortunately passed away at birth.

It was six hours after birth and then with my daughter, I had another really touch and go pregnancy where she might have made it, maybe she wasn't going to make it and so I am really big on donating to organizations that do research on what causes a totally healthy woman to have all these issues that they hadn't found anything but yet there's issues there and I've heard the story too much. So that's another place that I donate to.

[0:47:55]

FT: Listen, childbirth is — society makes it out to seem like it's so easy. It's not.

[0:48:02]

PW: It's a freaking...

[0:48:04]

FT: I know.

[0:48:05]

PW: It's a lot.

[0:48:07]

FT: I'm so happy now that we're talking about miscarriages and that we're talking about just the agony that so many men and woman go through that is unheard of, was unspoken and having a baby is an absolute miracle. Think about what it takes.

[0:48:24]

PW: It is a miracle. Yeah, I tell anyone the fact that you're here is a miracle. So that means you have purpose and that's why I'm always so big on, in my books and with my talks, encouraging people to use their gifts and their talents and their skills because it's not just about you, you made it here so that you could hopefully be a blessing to society or to the universe with something that was stored within you. When you don't exercise that and use it, it's a shame because that's why you're here. You are a walking, talking miracle, you know?

[0:48:57]

FT: I don't care what religion you are if you even have religion but I feel like that is undeniable. Like what you just said, the fact that you're alive and that you were born is so rare and miraculous that that is so special, you just have to really make the most of that.

[0:49:14]

PW: Yeah, you do. You totally do and I agree with you. I'm glad that women are like myself are okay with just saying that we have that experience and just letting people know that there's hope on the other side of that because it's so painful and people, for many years, it was so private and folks just wouldn't share with you.

You get to talk into a mom and she's like, "Well yeah, I had nine miscarriages before this," it's like, "Where the heck have you been?" Like, "I needed you. I needed to hear your story so that I would know that there was life after this and I could go on," and it

was so taboo at one point to talk about it and share. So I'm glad too, I'm glad that it's out there.

[0:49:58]

FT: Well, I had a miscarriage. I have never said that out loud before, at least not on my podcast, and I agree with you. You go down this dark hole where you don't know who to turn to. You feel like you did something wrong, there's nothing on the internet except sad sobbing stories. It's not right and I just felt like there were no resources. It felt good saying that in some ways. Learn something new on So Money every day.

All right, let's finish it off with something really upbeat and inspiring. Tell me this Patrice, I'm Patrice Washington, I'm So Money because _____.

[0:50:38]

PW: I'm Patrice Washington and I'm So Money because I didn't let past financial failures dictate my future and I've lived to tell the story.

[0:50:50]

FT: Yes, what an inspiration. Thank you so much for sharing your story and then some.

[0:50:55]

PW: Thank you Farnoosh. It's been a long time coming. I'm glad that I finally made it and we finally connected.

[0:51:01]

FT: And you know what? It's just the beginning.

[0:51:02]

PW: Absolutely.

[0:51:03]

FT: It's just the beginning. I can't wait to see what the rest of the year has in store for you Patrice. Thank you. Thank you so much, congratulations.

[0:51:11]

PW: Thank you.

[END]