

EPISODE 455

[SPONSOR MESSAGE]

[0:00:34]

FT: Need a website? Why not do it yourself with Wix.com? No matter what business you're in, Wix.com has something for you. Used by more than 84 million people worldwide, Wix.com makes it easy to get your website live today. You need to get the word out about your business, it all starts with a stunning website.

With hundreds of designer made customizable templates to choose from, the drag and drop editor, there's no coding needed. You don't need to be a programmer or designer to create something beautiful. You can do it yourself with Wix.com. Wix.com empowers business owners to create their own professional websites every day.

When you're running your own business, you're bound to be busy, too busy. Too busy worrying about your budget, too busy scheduling appointments, too busy to build a website for your business and because you're too busy, it has to be easy and that's where Wix.com comes in. With Wix.com, it's easy and free. Go to Wix.com to create your own website today. The result is stunning!

[ASK FARNOOSH]

[0:01:32.2]

FT: Welcome to Ask Farnoosh, it's So Money. I'm your host Farnoosh Torabi, thanks for joining me and I'm actually on Vacation right now but that doesn't mean that I'm going to skip an episode. I am here for you, we got a lot of questions to tackle, can't afford to skip a week. So I'm back with Sophia. How are you doing Sophia?

[0:01:50.5]

SY: Good, how are you?

[0:01:51.9]

FT: Great, awesome. Vacation's a good thing.

[0:01:56.4]

SY: It is.

[0:01:58.7]

FT: It's been pretty quiet though around the office, hopefully you haven't been like slammed.

[0:02:01.6]

SY: It has been, it's been lonely. But it's good to have you back.

[0:02:07.9]

FT: The irony is folks, we work at a WeWork, if they were to hear that we're lonely at a WeWork, we would not be poster women for WeWork. The whole point is to come here and mingle. A lot of people just keep their head down. So funny story, you're going to laugh and I'm even laughing because I can't believe I'm doing this but when I get back to the office next week, I'm meeting with, I made an appointment to meet with a coach who is going to help me figure out the whole private public school puzzle that is New York City.

You know, Evan is two and we're fortunate he got into a really great preschool program for being two. We have no idea where he's going after, there's three, there's four years and then there's kindergarten. Three and four and five and ever after, there's so much to consider. Where are you going to send him? There's no public school for preschool in New York, there is public pre K

but in the meantime, we have to really figure out this private school situation and it's not like you can just give them money, it's a waiting list or you have so much competition.

I'll let everybody in on a little funny factoid, here's who I'm competing with at schools. It's like millionaires who have a ton of money and don't let anyone let you believe that the more money you give, it doesn't matter. It matters. Private schools love parents who give money beyond the tuition and then I went to a picnic recently for my son for his school and discovered that one of the families there is a famous family, a very famous family.

The mom is an actress and I won't divulge any further but you would recognize her and I almost fell over, I was like, "Oh my god, A, super cool that we can all like hang out." Maybe like this friends with this person's son and I can just say, I'm casually friends with a celebrity couple but also I'm like, "Great, you think they're not going to get into a preschool over me? I'm screwed."

I'm a little, I didn't think I was going to be one of those parents that was like stressing over the whole preschool thing but I kind of am. I heard this woman is like not a Magic Bullet but she's going to come and talk to me about the options and understand what we want to do. Like my husband and I not ruling out public school because we think we were both public school kids, but New York City is kind of rolling the dice with public schools.

So we have to have a plan B and right now plan B is plan A, which is private school and that's a whole — I need to be schooled on that. I'm hiring a coach for this for three hours, I'll let you all know how it goes and a friend of mine used her coaching services and said it worked like a charm. So I'm hoping, fingers crossed, that we will be — this will just be recent memory in a few months and we'll all be able to look forward to living our lives again.

[0:05:07.2]

SY: My beach read this summer was a little, you know, it wasn't the most educational book but it was this anthropologist took a look at Manhattan mothers and one of her chapters was about applying to schools for her two young sons at the time and it's definitely a process and so I think you're definitely going about it the right way.

[0:05:34.1]

FT: It is, right? I almost feel like I have to — I would feel better knowing that I did everything in my control and power and it's so competitive. I just don't know, I'm hoping that this woman will teach me something that will make me more relaxed about the whole thing, and I'm not one of those parents that's like, "He has to go to a particular private school because then he has to go to Harvard and this is going to set his path for Ivy League." It's like, "Come on, give me a break."

I just want him to go somewhere where he's going to be happy and it's good facilities and there's like a nice community for everybody, parents, kids, teachers. Convenience is also, would be great. I don't want to have to haul ass to Manhattan every morning to take him to school, I'd like it to be somewhere in the neighborhood of Brooklyn. Wish me luck okay? Do your dance, do the preschool dance for me all month long because I'm going to need every good juju out there working on my behalf.

All right, what's in the mail bag this week?

[0:06:39.3]

SY: In the mail bag, our first question is from Marlon of Friends.

[0:06:43.0]

FT: Yeah, from CNBC.

[0:06:45.9]

SY: So he writes in and he wants to know how we should prepare ourselves for a financial stability over the next four years, pending the outcome of this year's presidential elections?

[0:06:57.4]

FT: Very timely question and you might be surprised by my answer, Marlon, and anyone else listening because it seems like there's so much uncertainty with the presidential election. How could it not mean something pivotal, instrumental, and implicative for our portfolios for the stock market. But the truth of the matter is, at least historically speaking, who becomes president does not sway the market in any one way or the other. There's no rhyme or reason to — there's no correlation I should say to the person who gets elected whether it's a democrat or republican and how the market behaves.

The stock market, for the most part, has been very cyclical over the past 180 plus years, ever since we've had every four year election cycle. This is actually according to the Stock Trader's Almanac, it says that, "Wars, bare markets and recessions tend to start in the first two years of a president's term. Bull markets and prosperous times mark the latter half. Since 1833, the Dow Jones industrial average has gained an average of 10.4% in the year before presidential election and nearly 6% on average in the election year."

That again has nothing to do with democrat or republican. You might be voting one way or the other but your politics really has nothing to do with your stock portfolio. As far as being prepared for the next four years, I would say, it's the same advice I would give, whatever four years we're talking about. You always want to have a cash cushion of six to 12 months reserved to cover your expenses in case you lose your job or in case you have a setback. Continue to invest, don't be concerned about dips in the marketplace, fluctuations, that's very cyclical, as long as you are in it for the long haul.

I think Marlon, you're a young guy. You're not like approaching retirement in the next few years, you can afford to move with the market. It will make up for those losses by that time you're ready to pull out money out. So just stay the course is my advice. Don't be too wrapped up in the unknowns of the next four years and whatever happens, rest assured, whatever happen in the stock market won't be a direct result of policy form president necessarily and even, we don't even know who we're going to elect, what ends up happening, right?

They have all these promises that they're trying to get elected on but what they actually end up doing may look very different. You can only prepare yourself based on what is certain and what is certain is that having a cash cushion will always come in handy and staying the course in the

stock market over the long haul will serve you for the better. That's my advice. I know, it's kind of not what people would expect, right? Because you're like, "How could it not?"

Some of this rhetoric that's being thrown around during this election could be a little frightening to some, it's a little frightening to me. It might be frightening in other ways in terms of national security, you might be able to tell who I'm not voting for. But I don't think it necessarily implies anything for your portfolio. So hopefully that puts some concerns to rest. We do talk about this in upcoming episodes, I have for example Rick Edelman coming on the show later this month and I believe it's this month. He is a well-known, one of the biggest financial advisers in the country and we talk about elections and what they mean for our money so stay tuned for those episodes.

[SPONSOR BREAK]

[0:10:44.1]

FT: On So Money, we spend a lot of time talking about how to live a richer life. Some of us are hustling as entrepreneurs, which can make managing money even more complex. Enter FreshBooks, the easy cloud accounting software made specifically for entrepreneurs and business owners who need to find a better way to deal with their paper work.

For example, invoicing. With FreshBooks, it takes about 30 seconds to create and send a polished, professional looking invoice. FreshBooks also has automated expense tracking where you can link your FreshBooks account to your credit and debit cards. The next time you expense that business lunch or tank of gas, it will show up automatically in your FreshBooks account. Accepting online payments can be a challenge sometimes, but with FreshBooks it takes two clicks.

For a free 30 days unrestricted trial, go to [Freshbooks.com/somoney](https://freshbooks.com/somoney) and enter "So Money Podcast" in the "how did you hear about us?" section. If you have any questions, FreshBook's award winning customer service is super helpful, friendly and has zero attitude. So give Freshbooks a try for 30 days for free by going to freshbooks.com/somoney and enter "So Money Podcast" in the "how did you hear about us?" section.

[CONTINUED]

[0:11:53.1]

SY: Our next question is a job related question and it comes from Karena. She just recently quit her first full time job after college graduation, after only working there for a week because the job was not what she expected and she felt she wasn't learning much. She wants to know if she includes it on her resume or not? Because she's not sure if keeping it on there will look bad. She does have other part-time and internship experience she can include. So what do you think Farnoosh?

[0:12:25.5]

FT: Yeah, I think you were there for a week. It's like you date someone for a week, is this really someone you bring up to your significant other now? Maybe but it's like a blip on a resume, it's a blip on your history. So I would instead keep it in your back pocket when you're interviewing. Sometimes interviewers will say, "Talk about maybe something difficult that you worked through a decision that you made that wasn't the best decision." You know, they always ask you for your weakness and a challenge you tackled.

This could be an example. "I applied for this job, I thought I was going to be great, I got there, it was terrible. Rather than stick it out, I decided to cut my losses and leave and I'm so happy I did because it allowed me to find an even better opportunity three weeks later." So turn it into a positive, if you have an opportunity to talk about it in an interview and use it that way, I wouldn't put it on your resume because in a week, what did you learn? Where the bathrooms are and names. You know, there's not a lot of skill development in a week. Unless it was like a boot camp or something, you know? But it doesn't sound like that's what she experienced.

[0:13:35.1]

SY: Especially if she has other experience that she can include on her resume with that part time job that she mentioned, an internship. I think that's definitely where she should focus on putting that on her resume. Because, also, a resume, you don't have much space, you know?

[0:13:50.5]

FT: Yeah, you should keep it to a page but you're right, she has other experience. There's really — I don't see any concerns here. Use it as an anecdote if it makes sense.

[0:13:58.4]

SY: All right, we have a question from a felony worker named Allison. She's looking to get involved with an organization that promotes financial literacy. She's a complete nerd when it comes to tracking her own finances and researching retirement accounts, robo investors and so now she kind of wants to put all of that to use and help others. She wants to know if there are any organizations here in New York that you'd recommend?

[0:14:26.7]

FT: Sure. Well I love that you're interested in financial literacy, there are a lot of resources in New York. For women, I would recommend an organization called Savvy Ladies, it's a nonprofit that was started by Stacy Francis who has been on this show, she's a certified financial planner in New York and the goal of Savvy Ladies and I've attended several of their events is to inform and empower women to take control of their finances and they've helped like over 10,000 women, they have one on one financial counselling, workshops, retreats, really awesome.

The women in that group are just so rich and resourceful and interesting. I think it will be worth your time to attend and I think their website — just go to Francisfinancial.com and you'll be able to find more about them or Savvy Ladies is the website for the nonprofit, Savvyladies.org. Then, there's another one called financial women's association, fwa.org. This is more for women who are professionals in the financial world.

So if you are a teacher and you're interested in financial literacy, go to Savvy Ladies but if you actually work in the financial industry, Wall Street, investing, this might be more up your alley. So check out fwa.org. They've got their events on there including some upcoming events, webinars too. If you're not local, you could do something. But it looks like they have a lot of events like in the jersey and New York area. So check out those two resources and let us know what you end up doing if any of these really work out for you, we'd love to hear.

[0:15:59.6]

SY: Perfect. Our next question is for Mya and I can completely relate to this question.

[0:16:04.4]

FT: She's your age, she's 25.

[0:16:05.9]

SY: Yes she is, she's 25 and she has a Roth IRA that she's maxed every year for two years straight, in addition to a regular Wealthfront investment account and a high yield savings account that she is contributing to monthly. Her current employer doesn't offer retirement plans, so should she open a regular IRA?

[0:16:24.7]

FT: Sure, yes, sounds good to me, get some diversification in your retirement planning, she's got an investment account through Wealthfront, which as we know is a sponsor of this show. Roth IRA is great, she's got the savings account for a rainy day and another IRA can't hurt. So yes Mya, you have my blessing. Sounds great, and hopefully your employer does offer a retirement plan soon because they need to get with the times. I mean, come on people! Sorry.

[0:16:55.0]

SY: No it's fine.

[0:16:56.3]

FT: I get upset. Like come on, I know it's expensive but I think people just expect it this days, you just have to. Like, what are we supposed to do? Do you want us to work for you for the rest of our lives and not worry about retirement plan? Maybe? Maybe that's what they're inadvertently telling us when they don't offer a retirement plan.

[0:17:12.7]

SY: That's not cool though.

[0:17:13.6]

FT: No. I don't know.

[0:17:17.0]

SY: Well we're finally at our last question.

[0:17:18.7]

FT: Really? That went fast.

[0:17:19.5]

SY: I know, today was a quickie. But it comes from Emily and she's a recent college grad, she graduated in 2015 and she's been working at a small company with just three people for the last eight months and recently she was contacted by a recruiter for a big company that she says is an amazing opportunity with more money and full benefits and right now her salary is okay with no benefits.

So she asks if she pursues this opportunity, is she ruining her relationship with her boss who has been very good to her? She wants to do right by them but also focus on what's best for her career and her future.

[0:18:02.1]

FT: Yeah, so Emily, don't feel bad. You need to look out for number one, and that's you. There are many ways you can leave your job gracefully and with your relationship intact. It's one thing if you're like, "All right, sayonara, peace, thanks for the experience, I'm out of here and I'm leaving tomorrow." I mean, that's burning a bridge. But your employer has certainly seen people come and go, they know this is the drill.

You might be a little insecure about it because maybe you just arrived there and you feel like you haven't been there long enough but I think that they will understand that when you present it to them and say, "I got this great opportunity, it's a job that has all this responsibilities that I can take on, it's exactly what I'm looking for, I feel so grateful for the time that I've had here with you, you've taught me so much, I couldn't have ever gotten this opportunity without having had this experience. Your mentorship has been so vital to me."

Really speak from the heart and tell them how important the relationship has been, the job has been and how this is like for you a step up. I wouldn't talk about that it's more money and better benefits. I think if they bring that up, you can say, "Yeah actually it's," — you don't want to seem like that's the only reason you're leaving because that could make them a little annoyed. They may even say, "Well we'll give you more money," but if you're really serious about this other job, you really want it, you need to go to your employer with a firm decision. It's not about negotiating anymore, it's like, "I'm doing this and I wanted to let you know," and if you really want to leave on great terms, maybe give them more than two weeks.

Maybe you say like, "They want me to start really soon but I have some loose strings here that I like to tie up and not leave you guys hanging. So I'm actually going to start in a month, if that's okay with you, but I really want to transition easily out of this job and make this easy for everybody." Really make it seem like you're being a team player. I think if you do all of that, no one should feel resentful or angry or hurt. I think if anything, they'll really respect you and they'll

be supporting you all the way. Just always be confident in what you want to do and present it in a graceful, thoughtful, appreciative way and you're good.

If your employer is still going to be nasty, you know what? Good riddance. Then you know what? You don't want to be there. It wasn't the relationship you thought you had. Let this be a hard lesson. It's not something it's going to come rolling off the tongue when you go in and tell your boss you're leaving, it's going to be something that you'll have to practice. Practice with a friend and be really confident when you go in and good luck to you and congratulations, this is like, I love hearing when people get this amazing opportunities.

[0:20:54.0]

SY: I think that's great advice. The first, you know, back when I was applying to jobs and really talking to my parents about careers, they gave me that same piece of advice too, which is you always have to look out for yourself. It doesn't mean that you can't be as you said, there's definitely a way to handle this situation but at the end of the day, you have to do what's right for you and your career and where you have that goal in sight. So what are the steps that you're going to take to get there? If this opportunity is one of them then obviously you want to take it.

There's a way that you can be very graceful about this situation but at the end of the day, you really do have to look out for yourself and I know even when I was deciding to come work for you Farnoosh. I was so scared to tell my employer at the time that I was leaving, but it just — I really felt that I got everything I could out of that opportunity and it was time to make a change and I presented it to my boss at the time and she totally understood. You know, it's always sad to say goodbye, it's always sad when one door closes. As they say, another's opening. It's exciting but also a little sad and it's just part of the process I think.

[0:22:19.8]

FT: It is. You'll grow from this so much and thank you for sharing it with us and letting us be a part of your experience Emily. We hope that it's been helpful, and good luck to you and let us know what happens next. What a nice way to end Ask Farnoosh. By the way, besides Marlon, Marlon's the man. Many women writing in this episode. Thank you to all my lady listeners, you

guys ask really smart questions and Marlon we hope we made you a little less nervous with the unexpected twist and turns ahead depending on who gets elected.

Thanks for tuning in every one, back next week, back to work. Hope you have a great weekend, I hope it's So Money.

[END]