

EPISODE 502

[INTRODUCTION]

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FT: Welcome back to So Money. I'm your host, Farnoosh Torabi and it is the last day in November. I hope you all had a really great Thanksgiving. Looking forward to the holidays, spending some time with family and friends and as we round out November, I thought it would be really important to feature a female entrepreneur. You know, in light of the election, there's a lot of concern about the role of women in business, the role of women in entrepreneurship.

Believe it or not, some women are worried about harassment and discrimination and I recently lent some insights and my plan of action to Inc. Magazine on just what I think it's important for us to understand as we're working together in this post-election. How we can continue to support women, how we can continue to fight for equality in the workplace and Charisse Conanon is our guest today. She's a financial wellness expert but has a lot of experience as well starting businesses and she's going to take us behind the scenes of what has been like for her specifically raising capital, working in the very busy, crowded, competitive FinTech space, which is really hot right now.

A little bit more about Charisse, she once worked at JP Morgan and from there saved up enough money to begin her own business. She co-founded a company called Smarteys and the business actually shut down after a few years and so we're going to talk about what brought her to that point, what it was like running a tech startup and now, she's a financial wellness expert taking all that experience. She's combined it with a CFA, and so she's going to share advice that she also lends to her blog, Charisse says, where she merges her passion for entrepreneurship investing and all things finance.

Here is Charisse Conanon.

[INTERVIEW]

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FT: Charisse Conanon-Johnson, welcome to So Money.

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CC: Thank you so much Farnoosh for having me. I'm so excited to be here.

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FT: Just came back from Japan I understand. How was the trip?

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CC: It was amazing! The husband and I got a chance to just relax, step away from all the gadgets and just enjoy three years of marriage.

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FT: Wow. But Tokyo doesn't seem to be a very calm place to me. I feel like that's like going into Time Square for your honeymoon. I mean, what was the best part of the trip?

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CC: It's funny that you should say that, we had the same impression going in and you know what? We were pleasantly surprised, we were in an area called Akihabara, which is the tech/hip-hop/anime area and quite relaxing to say the least because there are plenty of parks nearby, there are plenty of cafes and we just took one day at a time and tried to just enjoy the food, the tea, and just being outside of the United States. So it was actually quite a blast.

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FT: And you were there how long?

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CC: We were there for 10 days.

[00:03:40.8]

FT: All right. So such is the life of an entrepreneur. You can take time off and relax and speaking of that, you are now a financial wellness expert by way of business school and working in corporate, in the financial industry, starting your own business as well. When we met up a few years ago, you were at the time launching a company called Smarteys.

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CC: That's right.

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FT: Which you learned a lot from that experience. It's not something that you're working on anymore and now you have taken all of that experience, all of that success and failure and said, "I want to help now people one on one as a financial wellness expert." Tell us a little bit about how you differentiate because we've had a lot of money wellness people on the show, CFA, CFP's, where do you see yourself being competitive and differentiating?

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CC: Absolutely, great question and you're right, the space can be very crowded and as you know, lots of folks have good advice and what really makes me stand out is my unique voice around investing and I've taken my years on Wall Street investing in the stock market directly but also running a business in the Fintech space and really coming back to the market and saying, "Hey," specifically for my ladies out there who want to take it to the next level when it comes to investing.

So many people feel that they can't get their handle around some of that concepts or even just take that plunge to not just have their money sit in the savings account or checking account, but really invested in the market and that's really what I want to bring. The authenticity of having done it and then really trying to help people take it to the next level and overcome the fear because fear is one of the main reasons that keeps people back. When people see someone who's done it but also is encouraging to them and where they want to go, that's where I come in.

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FT: Where does that fear come from? I just read a statistic from Barkley's that said something like "68% of women overall in the states keep all of their money in cash or not investing", that's horrifying. I didn't realize it was the majority of women it's not the case with men. So in your work and with talking to so many clients, where do you see this fear stemming from?

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CC: Yeah, I mean that's a stat that's really important because some of the data that I have seen and just in talking to hundreds of women, it really comes from a lack of confidence and that lack of confidence comes from not having done it before and not having other women who look like you who are, quite frankly, a bad ass about their investing and sharing the tips and the knowledge that they've endured and the successes and failures that they've had in the markets or in other investing realms.

And so, I think that once women have other examples but also equipping themselves with the knowledge that they can do it just as well as men because the studies and statistics show that when we do invest, we actually outperform our male counterparts.

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FT: Isn't that something?

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CC: Yes.

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FT: Isn't that? I love that statistic, I mean it's like nip it in the butt. You know, like, "If only you knew that when you do attempt to invest, you would actually on average outperform your male counterparts." That's motivating to me.

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CC: That's right.

[00:07:19.2]

FT: And you said, we don't have as much practice. It's not something that has been introduced to women as a class, as a gender for many, many years as it has for men. I mean at this point for men, generally speaking it's more like an assumption like you just are going to invest whereas we don't really have the role models as the men did or just even the historical reference to feel comfortable doing it. That makes a lot of sense, so then how do you get your clients over that fear?

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CC: Sure, I think a big piece of that is all about the attitude and one of the things that I believe in strongly, this is one of the things that I live by is that as women and men sneak and listen to this too, so it's applicable to both. We have to be the CEO of our money and that assumes a posture that we want control and we want to be that chief executive officer and pull the strings for what we want to do with our money, set the vision, and then surround ourselves with the right kind of people that can help us execute on that vision as a CEO.

Because if you ever run your business, and you know this Farnoosh, you are your own CEO, it's all about, "What do I want to do?" Having an attitude that "I can do better than my competition but also, I want to do better for myself and when it comes to your money." Unless you have that

CEO attitude and that's something that I tell my clients and the women that I speak to in workshops often is that assume that role of CEO of your money.

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FT: Because I think, not just women, I think there's a general feeling sometimes especially when the stock market crashes, when were in a recession, when people and companies are laying workers off that it's not in our control. You know, that our finances sometimes are up to somebody else because somebody else has to give us the job. Somebody else gives us the handout, as it may be, or doesn't.

And so I saw that a lot during the recession where people were like, "Where's my handout?" Or, "I can't get a job so I'm screwed." But then at the same time, you also saw people who got laid off, lost their savings and rebuilt on their own. They just bootstrap their way to another level of success and so you get to see both sides of how people react to financial challenges.

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CC: Absolutely. I mean, and part of that, you talked about the recession, you talked about when things go wrong, I think that's when the stripes that you get as a CEO really come to fruition because that's when you learn the most and that's when all of the philosophies that you might have learned when things were going well come into play.

So one of the things that I tell people when the stock market crashes is to just pause, take a step back, and revisit the philosophy that you put together as that CEO of your money such that when bad things happen, i.e. the stock market, you can take stock of whether or not I'm to hold, whether it's time to buy, or whether it's time to say goodbye to some of the investments that you have based on a situation and how it ties back to a philosophy that you need to come up with as a CEO of your money.

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FT: Speaking of maybe you just mentioned you know, shutting things down, letting things go, let's take a few years back to when you were in the midst of growing Smarteys, your financial platform. You made the very conscious decision to discontinue and there was even an article in the Chicago Tribune that you talked about how you, in doing so, you were just following your own advice. Shutting down your company was you, following your own financial advice.

Tell us about that and what the reasoning behind it was. I mean, because look, these days if you look at financial technology, it's booming. There's so much demand for tools and resources and apps that help us with our money. I would play the devil's advocate and say you should have stuck with it, you could have been very successful with it. Why did you want to move on?

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CC: Absolutely. I mean, it's a great question because it forces me to share exactly the thought process that I was going through at the time. So if I rewind to the decision that I've made, which was one of "how is the business, going forward, going to compete, going to excel and going to actually produce a scalable business model that can make money?" When I looked at those things, I had to be honest with myself in that A, can I compete with the level of funding and the level of exposure and marketing that this company has?

I had just been through a round of fund raising, and as you probably know from your own business and talking to a lot of entrepreneurs, you take money from investors and before you go back out to take additional money, you have to evaluate, "Is this business operating at the level that it's going to actually produce a successful fund raise?" But also, "Is the market demand for the product there?" What we found is that no, we weren't operating at the level that we needed to be operating at and number two, the market demand wasn't there.

Now, there are a bunch of reasons for that and I think fund raising was a big piece in that we didn't have enough capital to really compete effectively. These days, FinTech companies that are successful, as you'll look at say of them and most of them have raised over a million to two million dollars just to compete, just to hire the right kind of engineers and developers to sort of play in the game and we weren't at that level. We bootstrapped a FinTech company, which is crazy when I actually think about it and who we were competing with and we made great strides

over the years that we ran Smarteys. But ultimately, I could not pour anymore of my savings into the company and I had a stop point.

Because we realized that the business wasn't saleable to the effect of actually turning a profit over the long term, we had to make the decision to close and I learned this lesson early on in my investing career, which is, when it's time to sell and it's time that the investment philosophy by which you made the original decision on a stock is no longer valid, it's time to close. For us, and for the business, that was a smart business decision and I'm happy and confident that we made the best choice at the time.

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FT: You hear so many stories about entrepreneurs who sold everything, they went from zero to success, it seems like it was overnight. Those are the stories that make headlines obviously because they're headline worthy. But being that you experienced this and probably know so much more about the real deal behind entrepreneurship, it's better to be prudent, right? It's better to, like you have talked about, have some savings, have some runway so that you can then make more, like you can make better risks.

I mean, I've interviewed people who are like, "I lived in my car for six months and I started my business that way or I sold my house. I didn't eat for six months." But that glorifies entrepreneurship in a way and it's, "Oh, these heroes of entrepreneurship." But the real entrepreneurs who are smart about it don't really go it about it that way do they?

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CC: no, I don't think so at all. I think the smartest entrepreneurs. A you'll find out that most of them have failed at a business before they've had the success so don't let them fool you thinking that this was their first time at having a successful exit or having a successful business from the ground up. Most entrepreneurs have failed one or two times before they make it big. Also, I think what's important is to always have some type of income coming in and this is a mistake that I made where because I had the luxury of having savings, I didn't I didn't feel as much pressure to get income so quickly and that's a mistake.

I would tell anyone to start trying to start a business that make sure that you cover yourself such that you have some form of income coming in such that you don't run through everything so quickly and you're not racking up their credit card bills. Because ultimately, regardless of the outcome, you have to be able to rebound and bounce back and also do so gracefully. What you don't want to happen is for the entrepreneurial journey to rip your heart out, your dreams deferred and you never are able to recover. So many entrepreneurs go that route and they try once, it's not successful, and they're back to a corporate gig or another type of gig and not able to rebound and that's unfortunate. If you can make that risk adjusted assessment upfront, that will go a long way into a sort of padding whatever outcome awaits you.

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FT: Completely agree. What made you so interested in the money space? I ask guests often about maybe a story growing up as a kid, maybe that was something pivotal? What brought you to space?

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CC: Yes. I mean Farnoosh, it was a combination of things. I wish I could tell you it was one magic bullet but I will tell you though, growing up in a household where my mom was a nurse and my dad was a teacher, I grew up around very compassionate people who understood that you're not in this world for yourself. You're in this world to be part of a larger community and it's important for you to always be thinking about others in addition to yourself. When I went off to college, I went to Yale. Yale is set in New Haven Connecticut, which is all about having this large academic institution in this community actually that that's not as privileged.

So I had to work my way through Yale. I worked every single year that I was there, my parents both worked two jobs, so seeing the sacrifice they made for me and my mom started to invest in the stock market just so I could go to school. So you take that experience of having this parents who care about the world, having to work my way through college and then being in an environment where there were other parts, members of the community that didn't have as

much, meaning that those who lived outside of the Yale walls, I got so interested in wealth distribution.

So I majored in economics and American studies and those interest took me to Wall Street and so here I was, 22, at J.P. Morgan, learning now how to invest under a star portfolio manager. It didn't just happen there, I had to work my butt off to get in that seat but my eyes were open to, "Wow, if I could learn how to invest on the stock market, what joy I could bring back to my own community to people who might not have had this exposure," and I got so excited because being around wealth is eye opening. It was just like my Yale experience in the sense that this cultural capital that people experience and what wealth can allow you to do is powerful and I got inspired to learn the skill set that would help me help others grow their wealth and do better.

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FT: I think what's awesome is that your mom was a role model in some ways, right? Because like you were saying earlier, what kind of stymies women to invest is because we don't see people like us doing it and there was your mom investing so that you could go to Yale.

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CC: Absolutely.

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FT: We've come full circle here.

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CC: Absolutely. See you pulled it out. My mom, just to give you the story, my mom bought me roughly \$2,500 worth of Dell stuff when I went to college. At the time, right? I had no idea how to invest in work, all I could remember is that I could own part of a company by buying stock, that's what she told me. If it did well, I would do well and so when I graduated from Yale, that Dell

stock, and you got to remember this is around 2002. So tech was coming on back and Dell was one of those bellwethers that still did well.

My stock turned into \$5,000 and so the amount went from \$2,500 to \$5,000. It doubled. Absolutely, if my mom hadn't done that, I would not have had that exposure to a woman who, again, professionally was a nurse but learned how to invest in the stock market, not just for herself but so that her daughter can have some extra money to help pay for school.

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FT: Yeah, I think she helped you make it seem very accessible and not this activity that is reserved exclusively for the wealthy or the white man, right?

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CC: Absolutely.

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FT: Because I think a lot of us still harbor those stereotypes of what investing is, who investing is for, and who invests. Tell me a little bit about your So Money moment. So, you know, we talked about Smarteys, and it didn't go as you would thought. You may or may not characterize it as a failure but it was a lesson learned, right? Now, let's transition to a So Money moment. A moment in your career or financial life where you just felt that the financial stars, aligned? You worked hard to accomplish something tremendous.

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CC: Absolutely. I mean, one of the So Money moments even coming out of Smarteys, because I think that was a pivotal point for me in recognizing that a business failure doesn't define you as a person. Particularly for us who strive for the top, or always used to getting what they want, you have this moments that sort of rebalance you. One of my So Money moments came after Smarteys when I still wanted to be part of this personal finance and investing space, I still felt

like I had some good advice to offer and that is the case today. So I ended up being a brand ambassador for SoFi. SoFi stands for Social Finance. Most people might know them as sofi.com.

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FT: We've had the CEO on our show, actually. You can look it up in the archives, yeah.

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CC: That's right, yes. So this is back in 2013/2014 and basically SoFi approached me, "Hey Charisse, we know that you were working at Smarteys but we'd love for you to be a brand ambassador for our company. Could you do that for us and just write about us as you would review any other product or service?" So I said, "Hey, sounds like a good idea." I wouldn't have done it had I not really believed in the product and I did truly believe in SoFi's product at the time, there were few competitors out there to them and they had a formidable product, which basically allows a student or an Alum to refinance a student loan.

For those who don't know what that means, it's basically just allowing you to get a lower interest rate on your loan, just as you would refinance a mortgage into a lower rate. I wrote about SoFi and that traction to SoFi ended up resulting in them getting over millions of loans because of my words and because of my recommendation of their product and I got paid pretty handsomely for that.

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FT: Millions.

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CC: Yeah, millions.

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FT: Hope you got like a dollar for every million loan. I mean, did you make millions of dollars?

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CC: I didn't make millions of dollars. But I made quite a chunk of change. I can't disclose exactly how much just because of the confidentiality.

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FT: Come on — no I'm kidding.

[00:24:40.8]

CC: You know, right? You know this. But I really was able to see the value of my words as well as a different business model for which financial advice can be given and again, it's a delicate balance in wanting to maintain independence and authenticity but also standing behind brands that you believe in, as you well know Farnoosh. So one of the things that I learned in my So Money moment is that what I can offer is valuable and there's a price tag that comes along with my words.

For those who have a brand and who can influence others around them, there is a business to be made out of that and that's what I learned coming out of that Smarteys experience, which was powerful too, and led me to the Charisse Says platform, which is what I do now and it's a totally different business model and it works in part through some of the relationships and brand ambassador relationships that I have and writing and speaking, all of the different things that take my unique voice around investing, models it up in a different way and it's a different business model. So I was very proud of that So Money moment for myself because it took me in a different direction and really excelled my ability to...

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FT: Influence.

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CC: Yeah, come to market.

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FT: Talk about being influential, I would say also a So Money moment for SoFi, is hiring you.

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CC: Yes. Thank you.

[00:26:22.4]

FT: Tell us about a habit that you practice. We want to always learn from guests how they make their financial lives easier for themselves. So if there's something that you use or something that you do to that end, tell us what it is?

[00:26:39.0]

CC: Sure. So, one of the habits and this relates to finances and investing but it actually is separate. One of the habits that I have every morning is a daily devotion and I get up, I got up this morning, I had it where I go into my happy place, have a chair in my house that is just made for me and to get comfy, to get into my journal, to get into my devotion, I have a book called the *Word of Life*, which has every day it has a daily devotion and take my Bible and all those things come to fruition for me. I take some time to just pause and think about and pray about what I want to happen today, but also trying to listen in for what God is telling me for that particular day.

What that does is it centers me to a place of peace and calm and whatever is going to happen in this day, I know that the strength and the energy that I get from having that daily devotion, it just sets me off to the right path. And so it's that habit that actually helps me to have my own mindset of a CEO that helps me to have a habit and perspective that "today is a new day.

Whatever happened yesterday, forget it, it's gone. Whatever's going to happen tomorrow, leave it for tomorrow". But it allows me to be present and it's that presence that helps with everything that I do.

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FT: It's such a — how do I explain? I mean it sounds so obvious to me, but yet so few of us do it. I don't do this, and I want to do it. But it's not effortless; you really need to be conscious. Did it at some point become effortless? I feel like it would be a lot of effort in the beginning, you've got to remind yourself to do it, life gets busy especially if you're a parent. But at this stage, do you feel like it's just become second nature for you to have this presence and to have this realization and actualization of your life on a daily basis?

[00:28:49.4]

CC: I mean, I would be lying to you to say that it's always effortless Farnoosh, I can't do that. I will tell you though that by making it a habit and disciplining myself to do it even when I don't want to do it and I don't always want to do it every time because I'm sometimes rushing out of the house or, you know, I have a husband and other people just take up time as well and I took the time to develop the habit and once the habit got formed, there were less instances where it got disturbed.

So again, it doesn't always work perfectly but I do try to lean on the fact that the discipline is there. It takes a little bit of time, but once you do it, I think you'll find that it's so beneficial to your day and it sets the course and the tone for how I interact with people, the desires that are in my heart, the things that don't go right,= and I can just sort of put them there and put them out there and let them be as they will.

[00:29:58.4]

FT: Well, I'm going to let you be and let you go back to work and thank you so much for really just these nuggets of inspiration. I really appreciate you coming on the show and talking about

your journey, your childhood, your realizations, your failures, your successes. We really appreciate it and it's definitely influential. I mean, you're changing lives just by being you Charisse.

[00:30:27.1]

CC: Well Farnoosh, it is always a pleasure to hang out with you. Thank you so much for having me, and I couldn't think of another better place in this moment to spend than with you. So thanks so much.

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FT: Our pleasure, thank you.

[END]