

EPISODE 662

[ASK FARNOOSH]

[0:00:34.5]

FT: Welcome to So Money everyone, it's Friday, your favorite day of the week for a lot of reasons. Got a lot of questions over the last couple of weeks, hoping to get to as many today as possible. It's December 8, 2017. Raise your hand if you're done holiday shopping, I am not raising my hand. We have a few more gifts to get but I will say some good news as my father-in-law, at Thanksgiving, asked us all if we would be into doing a gift swap. Not this year he said, but next year and I kind of wish he had said this year but I'm all for the gift swap, we just pick names, we just for one person – one person each, and you can have a blast getting that one person a gift and that's all you have to do and let me tell you I look forward to 2018.

Not because I'm not a giver, I love giving gifts, I give gifts all year and that's part of the problem is that when it gets to Christmas I have nothing left to give or I end up giving stuff that is frivolous or I just like lost, I've run out of ideas but it's always great to spend time with family and friends and just spend time with you. And, also, going to bring her on stage is Liz Theresa. She – I'm going to brag about Liz for just a second.

[0:01:43.6]

LT: Thank you I'm so honored.

[0:01:47.4]

FT: So Liz, let me tell everybody why you're awesome. So, Liz and I have been working together for a number of years. She's been with me through a lot of changes in my business and all the way has been helping me, supporting me on my website, through my emails, she's been helping me, you know, develop a lot of great online assets as I have been coming out with new products and new ideas. Even the podcast cover, So Money podcast cover, was a Liz Theresa creation, can I say that?

[0:02:18.0]

LT: I was – I would be like it's a Liz Theresa production, like it's a movie.

[0:02:21.8]

FT: The Liz Theresa production. So Liz, sort of your one stop shop for all your digital needs whether that's I need a new website or I need a logo or I need copywriting. She can do it all. She can do one thing really well or she can do it all and so I bow to you Liz, you're the reason why I've gotten so far, I can't do it alone.

[0:02:42.6]

LT: Oh, get out of here. I'm the reason, I would like to think you're pretty fancy and cool and I just - so I'm excited that I get to be part of that.

[0:02:51.9]

FT: Well, I don't know what took you so long to volunteer to become a co-host but I'm glad you did anyway.

[0:02:55.9]

LT: I'm dying to be here, I'm so excited – like, if you could see me, like my face looks like it – I look like a pumpkin, like Ron Holiday, like by the way December 8 is a week before my birthday.

[0:03:06.7]

FT: Oh, happy early birthday.

[0:03:08.6]

LT: So, I'm going to be 30 in a week.

[0:03:11.5]

FT: You will be 30 in a week.

[0:03:12.5]

LT: Yeah.

[0:03:13.7]

FT: I didn't know you were so young.

[0:03:16.5]

LT: Old soul.

[0:03:16.5]

FT: That's why, you're an old soul.

[0:03:19.4]

LT: I think like I'm 40 but I am -

[0:03:22.4]

FT: Well, you had a really busy month and a busy season, you know, your birthday is coming up and you've been really helpful with this podcast as well, not just for the cover art but, you know, recently we've been talking about strategizing for the new year. How to make the podcast more engaging. Get you all, who are listening, to maybe subscribe to the newsletter and also I will be soliciting you soon, listeners, not to sell you anything but I just want to know like what do you

want to learn more about when it comes to money? What's top of mind? What's a goal? And so, I look out for that email. Liz and I are going to craft that but enough about our questions. Let's answer everyone else's questions, we have a question here from Shauna, Liz, and she and her boyfriend are recent graduates, where? Guess what? They went to Penn State, go Nittany Lions

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[0:04:14.9]

LT: Is that where you went?

[0:04:14.8]

FT: Yeah, that's my alma mater.

[00:04:19]

LT: Oh nice.

[00:04:19]

FT: So, obviously I'm best friends with these people, I already love them. Shauna says they just moved across the country, across the country, to start their careers. And, they're engineers and they haven't had a lot of experience with money and financial issues and she feels like they may be a little behind the game. They reached out to some financial planners but those planners say they will only work with them on an ongoing basis as supposed to maybe just dealing with a situation as it comes up. Just, she wants to know, "Is this common and do they really need a financial adviser?" How, will you take this question? But, then I'll also I'll chime in as well. What do you think Liz?

[0:05:00.9]

LT: So, well, first when I saw that they are engineers I was like they really knew how to pick a good degree because you can't - I mean like when you hear them like, I mean, like yeah, I

obviously, I live in Massachusetts, I'm like this isn't obvious but everybody listening, I live in Massachusetts and like, you know, we have MIT and like every girl wants to date somebody that goes there because they all end up being like really successful people so by being engineer, Shauna, you're already off to like a really, really, good start was kind of my first reaction.

I'm a big believer in hiring people that are smarter than you at something else though. So like, sticking to what you're really, really, good at and then like, you know, hiring other people to like, you know, help you be better at those other aspects of your life and so that's something like I call a 'zone of genius', you know, staying in your zone of genius. It's like a phrase sometimes people use to understand that concept and I have a few clients, like, you know, that do work in money and a lot of them do work on an ongoing basis as well. Because I, kind of, feel like otherwise their clients don't end up seeing results. Like just because of accountability.

[0:06:09.0]

FT: Yeah, that's really a good point, I mean, I get that millennials and young people don't have a lot of money to be investing in a financial planner and a lot of times the traditional planners will charge, you know, a percent of your managed assets and that includes like all the cash that you are getting them to invest but I think before you get to the investing part of the strategy you also want to get some help with, kind of, getting your ducks in a row. Making sure that you have, for example, a good budget and you have the right kinds of automations whether that's automatically saving for a rainy day, for retirement, automatically paying your bills. Do you have sufficient insurance, what are your goals, do you and your boyfriend expect to get married? Okay, how much is that going to cost? What about buying a home, is that in your future?

And so, a planner, a good one will want to help you with all of those milestones and all of those strategies, that said though, there are financial planners out there and we've had a number of them on the podcast and a lot of them work through this network called, XY Planning Network, where you can find a planner that, yeah, might just work with you guys on, for one meeting, maybe that's like an initial meeting if there's a flat fee you're going to come to the meeting with a specific problem or specific issue at hand maybe it's budgeting.

But it may not just be a one meeting, sort of thing like a one and done. Maybe, it's a series of meetings, maybe it's like you pay a monthly retainer and that month includes two Skype calls, unlimited emails. The planners these days are with the times, the younger ones and the ones that are, I find, looking to have a future in this industry, they are not like tethered to this concept of like, "Oh it has to be necessarily a management fee", maybe they'll do a retainer, maybe they'll do it by the hour.

So they exist and maybe you just need to cast a wider net in finding the right fit. But, like, to Liz's point it's definitely worth the investment paying for a service that's going to save you time but also give you a knowledge that you don't have or, you know, want to acquire necessarily on your own and it's good to interview a few people so if, you know, I would say maybe you've interviewed a few people that had fit your financial criteria but there are others who may, and even there you want to interview at least two or three people. But XY Planning Network is probably a good place to start and good luck to the two of you and go Nittany Lions!

Alright, you want to tell us what's on Heather's money mind Liz?

[0:08:37.2]

LT: Oh, I'd love too. Heather, I'm so glad you submitted and it's nice to be connected to you and I'm excited to read this. So Heather, she interviewed for her dream job and she's going back for the second interview but here is the thing, she's 11 weeks pregnant and doesn't know when is the appropriate time to disclose this information. Should she tell them when she accepts the offer? Or should she tell them on her start date assuming everything goes well?

[0:09:07.2]

FT: Well, I've never been pregnant at a job interview, although I was pregnant when I was shopping around a book, which is, kind of, an interview because you're interviewing for a publisher to potentially buy your book and I'll tell you even when you're working for yourself and you think that you don't have to like make excuses or hide your pregnancy there was, I – I was a little worried that – concerned that if the publisher saw me pregnant or knew I was pregnant before buying my book that they - I know part of them might be bias and think like, "Oh well, will

this impact her ability to then go out there and promote the book? When you're going to have the baby, will it conflict with the timing of the books release? I mean, because it's a physical feat, like its not like you can get back up on your feet the next day. Although some may make it seem like it's that easy, it's not, it's a huge toll on your body and you should have time to go through the course of recovery both mental and physical, takes months.

So, I get it, I get where employers might be a little worried that if we are going to get this person the job then she's going to be MIA for three months and you want to avoid being at the front of any, sort of, discrimination. That's my take. So, you're not lying to them, Heather, if you don't tell them that you're pregnant in fact if you're only 11 weeks pregnant you shouldn't be telling anybody other than, like, your partner and maybe very close friends and family if you want to, but it's not really, you know, time for the big announcement.

Even then, like, let's say you get this job offer at week 12, I would wait like another week. It's not like first day of your job, news announcement either. Maybe, give it like a week and then you bring it up and say, you know, "I am pregnant and, you know, we were in the first trimester and while I was interviewing it wasn't appropriate to talk about it but now this is what's happening" and just, kind of, leave it at that, like it's just really a matter of fact.

There's time for your company to adjust to you not being there. That's my honest answer. What do you think Liz?

[0:11:04.5]

LT: I agree, I'm like you're, very – I mean you're barely pregnant, I mean, you're definitely pregnant but like it's so early.

[0:11:11.2]

FT: You're not sort of pregnant, you are pregnant, yeah.

[0:11:13.0]

LT: Definitely, like you're not like 50% pregnant, I mean, you are but I also thought I'm like 11 weeks in, I mean, I have friends that were more pregnant than that. Like my best friend is pregnant and I won't say like which best friend because like I don't know she's told everybody, but like she didn't tell me, I mean like, she's passed - I think she told me when she was like - maybe like 13 or 14 weeks and like I've known her 30 years. Known her like as long as I have existed. Like we were baby friends. Like the show Rugrats, we were like babies and friends. So like, so I've known her for so long so I kind of think, I mean, listen to your instincts and I think with that type of thing you have to feel really, really, ready.

Yeah, focus on getting the job, get the job, and then let – wait up, like a few days, a week and then have a private one-on-one with your boss and let him or her know they can't fire you at that point, if they do, lawsuit. But this does remind me of the movie Knocked Up, remember, she had an on camera job and she didn't tell her bosses until they brought it up and they are like, "So we've noticed that you might be carrying a little weight down there and her –

[0:12:25.7]

FT: Kristen Wiig is in the scene, she's so funny.

[0:12:26.6]

LT: Yeah.

[0:12:28.0]

FT: Oh my gosh it's one of the best scenes but I mean it was her costume designer or director or like, you know, the fashion person who was, like, always in charge of getting her clothing and she was like, "Are you pregnant?" She goes, "Why? She was – "Your uterus is like 10 times bigger than mine". What? Three months ago" -

LT: So funny.

[0:12:45.4]

FT: Like, “Do I have – Am I really showing”, she’s like, “Yeah”, so take it from Hollywood, you know, they don’t tell people until it’s a personal revelation, you know, not something that there’s no rule, there’s no hard and fast, and I mean I definitely not before the second trimester.

[0:13:05.2]

LT: Agreed.

[0:13:05.7]

FT: Yeah, good luck with the job Heather.

Alright, Steve says, Steve wants to know if we have any advice on how to give tips around the holidays for people like our house cleaner, dog walker, and if you live in a city, where you live at a doorman building there’s the door man, if you have a garage and a garage, kind of, like what do they call them? Like, basement on a garage –

[0:13:30.8]

LT: Parking garage.

[0:13:32.2]

FT: Parking garage, thank you.

[0:13:33.9]

LT: Yeah.

[0:13:33.9]

FT: I live in New York City I should know this. It's all – those people that run the garage, do you – I give a lot of tips around the holidays and to all the people we just mentioned. I'm including even like the person who delivers our newspaper. I know you are not supposed to give a mailman a tip but we'll usually leave him a little something. I think it has to be no more than like \$25. How about you Liz do you do a lot of tips around the holiday?

[0:13:58.3]

LT: I do, I think the key is remembering the people because I always hate, like, when we forget someone and I actually I speak more to the office that I rent at, like everybody here tips the people like the UPS guy, the FedEx guy, and the post office men, like the post office men the postal worker, you know, the mail man, thank you okay.

[0:14:17.5]

FT: Yeah.

[0:14:17.5]

LT: I was like why can't I remember that and there is one year we forgot the FedEx guy and it was like –

[0:14:23.5]

FT: Yeah.

[0:14:23.5]

LT: And like he like found out somehow –

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FT: Oh no.

[0:14:28.1]

LT: Yeah, it was like very – it was, kind of, awkward but it's like you don't get FedEx packages that often and you just, kind of, like, so I would say one of the key things is making sure you actually remember everyone.

FT: Well, because they will remember.

LT: They do remember -

FT: There was that infamous blog that a doorman would keep on, that was like, got kind of famous, and he talked about around are on the holidays, he and a bunch of his friends who are doormen – they keep logs of like previous year, who gave and who gave what. So it's also good to also keep track.

[0:15:02.4]

FT: Logs, they keep logs? I didn't know that. So, he was a doorman who was friends with other doormen?

[0:15:06.8]

LT: Yes.

[0:15:07.3]

FT: That's so interesting.

[0:15:09.1]

I suppose they were all in the same building or like [inaudible] buildings.

[0:15:11.9]

FT: I didn't know if they unionized and like met for drinks or something.

[0:15:15.2]

LT: I mean, I don't know, that'd be an interesting documentary.

[0:15:19.1]

FT: That would be a good movie.

[00:15:23]

LT: Undercover report.

[00:15:24]

FT: But to give Steve a little bit more specific advice I think that if you're somebody who's questioning how much to give to say like a babysitter or a house cleaner or your dog walker, I think a good rule of thumb is to give this person the equivalent of one fee, of one visit so if your housecleaner charges a \$100 then you would give her a hundred dollars and it could be a gift card, it could be cash, cash is always king around the holidays because just like you and I, you know, a lot of these workers depend on the money around the holidays, their bonus so to speak to pay for gifts and year-end expenses.

The doorman, sometimes your building will give a recommendation, so if you are living in an apartment with a doorman or staff they will say, you know, the recommendation might be \$75 per person. I would say base it on how high maintenance you are like if you're a household with like dogs and lots of packages and people coming and going all the time and you're just somebody that needs a lot of, like, service then that should be reflected in your tip whether – versus like you're just single person who lives in a small studio, you don't take a lot of footprint, you're never home, you get a couple packages here and there that I think you can give, kind of, the standard tip.

Don't tip your teachers that's, kind of, weird. Instead, maybe go in on a gift for your children's teachers. I know that classrooms organize that, typically this time of the year. And with people who are like full-time in your household like nanny's there - it's normal in New York to give the equivalent of like one to two weeks pay as a bonus at the end of the year.

So, that's just some additional, you know, line items of how much to tip Steve, good luck.

Mary wants to setup a college account for her child. Would I recommend a college savings plan? Her child is only two months old and she's thinking of the 529 plan.

[0:17:23.9]

FT: Yes Mary, yes and yes, I would do - I do recommend a college savings plan and I do like the 529. We started one for our son a few months before he was born, we started the one for our daughter right around her birthday, her - I should say when she was born and it's a lot of money that we've been saving up to now it's like I probably allocate like \$500 for each kid every month and we have tens of thousands for Evan already and he's only three and a half.

Because of the market's just been really good and good to us but it's not going to last long I get it. But, for now the plans have done really well. You can go to collegesavings.org I believe and learn more about 529 there and learn about all the different states that offer them and you don't have to pick the one that's your state, you can actually pick like New York if you live in Utah. But, New York is great if you're a New York resident because there are tax benefits to it, you don't have kids Liz, not yet?

LT: No, but I mean I'm just, like, I wish I had one of those so anybody that's thinking maybe do that like they're thinking like, "Oh maybe I'll do that for my baby", like please do it. I have student loan debt and I - I'm fine with, like, I mean I've embraced it as much as you can embrace debt. Like, I really have because I talk about it publicly which I think is like the five stages of grief. I don't know, right, like at some point like the acceptance maybe that's it, yeah, I've reached acceptance with it and I'm more grateful that I can pay my student loan debt but like I mean it's definitely like a condo that I don't have the privilege of living in. That's how I think of it.

[00:19:07]

FT: I know, yeah, just kind of –

[0:19:08.0]

LT: Not to put pressure on parents to say “You got to do it all”, I think it’s nice when you arrive at the college chapter in your life that your parents are like we actually have some savings for you, we have therefore more flexibility in where you can choose to go and maybe you don’t have to bear a lot of the burden but I don’t think that - it’s not easy for parents to save the entirety of college. I mean, it’s hundred of thousands of dollars depending on where you go but having just even one semester or one year, two years covered is amazing.

Don’t do it at a detriment of your retirement account that’s priority as an adult, if you got to choose, I’d stock money away in your 401K before a 529 because college your kids can definitely pick up some of that tab, they can work, they can choose a better fit, financial fit. They can go part-time, they can work while they are in school. So there are a lot of ways to do the, kind of, financial patchwork of affording college. To your question, Mary, I do think that if you can do it and you’re interested and you’ve done some research a 529 can be a really great solution.

[0:20:12.8]

FT: Alright, we have time for one more question and this is from Sarah, who just got married, yay!

LT: Yay Sarah good job.

FT: They got \$30,000 in wedding presents.

[0:20:31.8]

LT: Wow, that's a lot.

[0:20:31.8]

FT: I don't know if it came from one person or was like the collection of gifts that's a lot of money.

[0:20:35.3]

LT: It sounds like its one person because it says as a wedding present.

[0:20:41.6]

FT: As a wedding present, damn.

[0:20:42.8]

LT: Yeah, generous benefactor.

FT: I need to invite this person to my wedding.

[0:20:44.0]

LT: I was just going to say that.

[00:20:52]

FT: So, this is her question, she wants to use the money to buy a house in the next five years where should they keep the money?

[0:20:55.0]

FT: Well, I think we're going to be on the same page with this one Liz. We, kind of, put our heads together before this episode and we both believe Sarah that you should put it in a five

year CD, you're looking just five years ahead so within five years the stock market could go up, it could go down, it could go sideways and it will recover in time for you to really make that loss in time for the home purchase.

A CD is a guaranteed return as long as you invest it for the term. There are five year CD's, there are 18 months CD's, there are 10 year CD's, the longer the term, typically, the longer the interest rate. So, you can go on the site, like NerdWallet or Bankrate and look for different CD options and they'll rank them usually by rate, sometimes too, if you're putting down \$30,000 that's a really high amount of money so you might be able to get even a higher interest rate as a result of this bigger chunk of cash that you're plopping down.

I still can't get over that \$30,000 gift that's pretty, pretty, pretty good, that was pretty good. Pretty, pretty good. When I got married the first time like its only been twice. I act like it's like all these times.

FT: I love that you're open about it.

[0:22:15.5]

LT: I know, I love talking about it. But it's like my first wedding cost \$36,000 and so I'm like, will that – I mean I paid cash for my wedding so my other thought was like I wondered if she had any debt that she should pay down but like assuming she doesn't I was thinking the CD like you said but, yeah, no my first wedding was \$36,000 and then the wedding that I just had was like did they tell you, did they tell you this? It was like not really a wedding it was engagement party and I like –

[0:22:44.5]

FT: So, I knew ahead of it that you were going to do this, we haven't caught up what was though you have this like amazing, kind of, turn of events after your divorce, you met, reunited, with an old friend and immediately clicked. The relationship moved quickly I'm telling the story, right?

[0:23:03.5]

LT: Yeah, yeah, yeah, please.

[0:23:05.0]

FT: Am I telling it right? And then, you're like childhood buddies or maybe high school and then you got married.

[00:23:10]

LT: We were sweethearts.

[00:23:10]

FT: You were sweethearts?

[00:23:15]

LT: I was the cashier. I worked at the grocery store. I was the cashier and he was the bagger and we met when I was 17 and he was 16 and we met because he broke a jar of Prego at the register and then I like made him feel better about it. I was like nice about it. I told him that everyone breaks jars all the time and that it's a thing that happens.

[00:23:34]

FT: As someone who is older and wiser, "I will tell you that I -"

[00:23:37]

LT: "I am six months older than you and I will tell you of the world". Yeah, no and then like we were friends but like he was always wanted to go out with me and I like said, "No" because he didn't have a car it sounds awful but that's like what I was like, so then I said, "No" and then like

- "I'm not driving us everywhere" that's what I said. I said, "Get a car and we'll talk." And then like the next summer that I came back to work, he was like, "Oh, I got a car so."

FT: No can we marry now?

[00:24:05]

LT: Yeah, so we went out and then we like broke up because he joined the Air Force and then of course then I married somebody else and of course they joined the air force which is the irony of my life is that the Air Force like wanted me to be part of it. It's like there's something.

[00:24:17]

FT: They're just trying to get it to you so they took all your husbands.

[00:24:19]

LT: I think probably they took all my husbands away. So then, he's now a veteran so he's out, so he did his term and now he's separated but, yeah. Now, he works for the V.A. in Boston so he still like military stuff going on in my life but not as like I'm on a base like I was when I was married.

[00:24:39]

FT: And so you surprised your friends, they thought they were coming to an engagement party and you're like "Psych! We're actually getting married."

[00:24:49]

LT: People were shocked. My aunt could not - I thought she was, she cried, she was like so happy-mad because she thought that like if anybody would have known like we would have told her, but really only my mom knew and like my brother knew because he officiated it, he like did it. Then my sister-in-law Anouk she stood up like she stood up -

[00:25:07]

FT: Well, so now does that mean that guests don't have to give you gifts?

[00:25:10]

LT: They still got me gifts that was the kicker. I was shocked that I got gifts. I got gifts.

[00:25:16]

FT: That's nice.

[00:25:16]

LT: That was very nice, very generous of people. Some people are sending me an additional gift because they felt that their gift wasn't like adequate because it became a wedding and I was like that's kind of -

[00:25:27]

FT: Look, I only got you a blender and now -

[00:25:30]

LT: And now, things have escalated. Yeah, so some people are like sending additional gifts. The gift protocol was weird for them. I mean, I put out a gift box because I suspected there might be gifts and then there were a lot. There are like almost everybody brought something so -

[00:25:45]

FT: Well, congratulations. What's your husband's name?

[00:25:47]

LT: James.

[00:25:48]

FT: James, congratulations Liz and James.

[00:25:51]

LT: Thank you.

[00:25:53]

FT: Nice way to end the year.

[00:25:54]

LT: Well, yeah. It was a big year.

[00:25:58]

FT: It was a big year and I'm really glad that we got the chance to connect and help people with some of their So Money questions Liz. Tell us how we can learn more about you and by the way I should've - I buried the lead. Liz has a podcast.

[00:26:09]

LT: I do have a podcast, yeah, if you like the way I sound and talk and laugh then you probably like also The Liz on Biz podcast which is all about entrepreneurship and life and where those two things intersect. It's just really, it's very much like this it's like a casual fun conversation where I get to learn all about my guests. It's at liztheresa.com also, like, if you go there at

liztheresa.com and click 'podcast' you can find out everything about the podcast and that's a good way to do it too.

[00:26:41]

FT: And once again, if you need any work done with your online presence, your website, your podcast, your copywriting, your logo, Liz can do it all. She is like the seven at one stroke. Liz Theresa thank you so much and happy holidays, happy wedding and happy almost new year.

[00:26:59]

LT: And birthday and thank you.

[00:27:00]

FT: Oh and birthday.

[00:27:01]

LT: Happy holidays and happy new year to you and I'm so glad everybody tuned in with us.

[END]