

EPISODE 663

[INTRODUCTION]

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FT: You know, it's never a perfect time to talk about things like life insurance and estate planning and wills. It's kind of a downer, but your financial life would not be so solid if you didn't take care of these issues and I think it's important that we talk about them on this podcast to help us. I brought on Estate Planning Attorney, Laura Cowan, you know, she just wrote a free e-book that you can all download, it's called *Wear Clean Underwear*, the subtitle is *A Fast, Friendly and Essential Guide to Estate Planning For Busy Parents*, and you can download it by going to momdadfreebook.com

Laura practiced law for many years at a big legal firm before opening up her own practice in New York City. She drafts wills, trusts and other documents to make sure families are taken care of and she has seen it all, experienced it all. We go right to the topic and find out why we need wills, how do we get one. What about life insurance? Do you really need it? Not to mention Laura's own personal financial experiences.

Here is Laura Cowan.

[INTERVIEW]

FT: Laura Cowan, welcome to So Money, great to have you on the show. We're going to learn a lot from you.

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LC: Yes, thank you for having me.

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FT: You're an Estate Planning Attorney, based in New York City, tell me what you're learning from families these days? How are they coming to you? Are they prepared? Do they often even know what they need when it comes to estate planning? How do you help them?

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LC: Yeah, so I think, you know, everyone needs an estate plan, whether you're married, whether you have kids. But, it really is - mostly people who come in who - they're young families, they have one or two kids and they know that they need an estate plan. They have some sense for legal documents in place now that they're a parent but, they don't really know what. One of the big things that I hear is that parents want to name long-term guardians for their children that's number one on their minds. Estate planning is about, you know, where is your money going to go when you pass away? But there's also a component of naming guardians for your children, making decisions about your healthcare should you become incapacitated.

So, there's a lot more that goes into it other than just deciding who gets your will when you pass away, so young families really need - young families really need an estate plan. I tell people almost as much, if not more than elderly people, and the reason for that is because young families have minor children at home and there's no more important job than raising your kids and God forbid if you weren't around to be able to do it yourself, you want to make sure that you've named the long-term guardians that you would want, because if you haven't named guardians in a will and something does happen, a judge will end up choosing guardians for you. So, nobody wants -

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FT: You never want to be in a situation where there's - where you're in probate, right? Because that's like -

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LC: Yeah, and probate is something a little bit different. Probate is the process that your assets go through, the court process when you pass away whether you have a will or you don't have a

will, your assets will go through probates and which is kind of a misconception, a lot of people think, "Oh, if I have a will that means I'll bypass - "

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FT: Yeah, there you go, I just misconnected that.

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LC: Yeah, and I totally understand why people would think this. Yeah, so if you pass away without a will, you definitely will go through probate and then if you have a will, your assets will also go through probate. The only way to avoid a probate is by setting up something called the Revocable Living Trust. A lot of people are setting this up today, this probate is very expensive, it's time-consuming and it's also public. So - but I would say that the one thing I would want, any parents on this show listening to know is, if you have minor children at home at a minimum, you have to have a will because this is the document where you name the guardians that you would want for your minor children.

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FT: And so, let's get specific about the how-to. So, how should - how do you advise your clients to identify the guardians? And then, also, how do you identify the, I guess it's the - the Executor of the Estate, right?

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LC: Yeah, the Executor of the Will, exactly. So, yeah, so I definitely have a lot of tips about naming guardians because it is - it's a big decision and it's hard to think about, it's not fun to think about. Some of the suggestions that I give parents are to think about, if you're naming a couple as a guardian, you want to make sure you've thought about what would happen in the event of divorce or if one of the people in the couple predeceases you. So, for example, if you've named your sister, Amy, and her husband, Joe, you want to make sure you've also made clear what would happen if Amy predeceased you.

If you want Joe being your children's guardian without your sister? Or, what would happen if there was a divorce, would you want Amy serving on her own without the help of a husband? So, a lot of people named couples as guardians and that's completely fine but you just want to make sure you've thought about what will happen if they were divorced or if one of them had died before you.

Something else to think about is, you want to name people's long-term guardians who, not necessarily the people you know who have the most money, it's really up to you as a parent to make sure that you're leaving behind resources to help with the upbringing of your children, something like life insurance or, you ought to pick their guardians based on the care that they would provide and how that would match your values as closely as possible, not necessarily the person in your family who just happens to have the highest income.

So, yeah, that's something, as well, and there's something I also like to tell people which not many people realize this but, in addition to being able to name the guardians that you would want, you could also confidentially exclude people who you think might step forward and petition the court for guardianship of your kids that you know you would never in a million years want raising your kids. Because maybe, you know they have a substance abuse problem or they just have values that are very different from yours.

So, I would say about half of my clients knew what's called this Confidential Exclusion which is naming someone that they would never want raising their children and it doesn't see the light of day ever, no one knows about it unless something happens, that person petitions the court for guardianship and then that's when the court will pull this out and say, "You know actually - you know, you've been excluded." So, not everyone has a family member that they think they would want to exclude but many people are thinking, you know, actually, you know I can see my sister but just in the court and she actually, you know, lives a lifestyle that's very different from mine and I would never want her being my guardian. So, that's - that's an option as well.

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FT: And then I understand when we - my husband and I were executing our will and our estate plan, our lawyer advised us to - have the executor be someone who wouldn't be so emotionally fraught, you know, that they could, then you know, so they wouldn't take things too personally that they could almost be an objective third party and I think we selected like, our financial adviser, you know -

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LC: Yeah, that's actually a great idea, the - being an Executor of the Will when someone passes away is actually a really big job, there's a lot of work involved, you know, just dealing with account statements and wrapping everything up, there are - there's a lot that goes on with that. And you're absolutely right, you want to pick someone who you think can handle the job and you know, be not as emotionally attached to it. You don't have to name someone in your family or someone who you're really close to, you can do exactly what you did, which is just pick someone who you know would, would be able to perform the duties of being an executor because it's a pretty big role.

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FT: Let's take a step back, Laura, and if you could tell us who should have a will, I mean, people listening to this show, they're thinking, "Oh, I don't have a family, I don't have dependents, so do I really need a will?"

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LC: Yeah, that's also a very big misconception and the answer is, everybody should have a will, and the reason for that is, if you pass away without a will, you're passing away intestate. It's called intestate and it means you haven't made a will, which means the court will end up deciding according to state law, what happens to all of your money. So, for example, you know, here's a great example, Heath Ledger passed away without a will, right? And when you're not married in the State of New York and you have children, if you pass away without a will, by law all of your assets go to your parents.

So, but he had a daughter, of course, so because he didn't have a will and he hadn't named his daughter as his heir, all of his money went to his parents instead of his daughter which is not what he would've wanted. So, you don't want state law deciding where all of your stuff goes.

If you pass away without a will, like I said earlier if you don't have a guardian's name for your kids, the courts might end up deciding. So, there are just - there are a lot of things that can go wrong or it's going to be more expensive to probate your estate if you don't have a will, it's going to be really time-consuming and it's just going to be a really big burden on your family.

Another misconception is that, "Well, I don't have a lot of money so I don't need an estate plan" And I tell people "You actually, probably need a plan more when you don't have a lot of money", and this is the reason why. The reason why is because estate planning is really, it's about making decisions about your health and your family and your assets while you still can. If you don't make decisions about those things while you still can and something goes wrong, it's going to be expensive because you're going to have a court make decisions for you, and if you don't have a lot of assets, you can't handle, you know, this unexpected expense of having to go to court to have, you know, a court name a guardian or have a court name a healthcare agent to make decisions for you if you're incapacitated.

So, ironically, it's oftentimes people who don't have a lot of assets to want to have an estate plan in place because then if and when something does go wrong, you've made decisions about what you would want to happen, it doesn't matter, you know, something goes wrong for Bill Gates, you know, he's got the money to handle any kind of court issue or anything but, you know, if you have modest - modest income and not a lot of assets, and something goes wrong, it's a lot harder.

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FT: Right, that's a good point, that's a - in different way of looking at things. You're right, I mean, we all have, even just like, our digital assets, right? There's like, there should at least be like a protocol that you're keeping somewhere, that gives, you know, if something, God forbid, happens to you, that someone could reference to figure out what you want to happen to like,

your online assets, right? We have so many things online, our data, our photos, our accounts, all of those things need to be reconciled in a tragic event.

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LC: Right, so that's something that a lot of people don't realize, if you leave a list of passwords to someone, you know, to access your accounts after you pass away which most people frankly don't do but even if you did, that doesn't give you the legal authority to access those accounts. So, wills today, have a provision that says, "I, Executor, has the legal authority to go and access my bank account, my Facebook, all of my, you know, Instagram or whatever" -

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FT: Facebook now and your wills -

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LC: It's all considered digital -

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FT: It's with you until you die, literally -

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LC: Yes, exactly. You know, so I don't know how much trouble someone would get in that, you know, but that the point being, estate plan really - it matters for everyone, if you're not married, what I tell people is, you want to make sure you have an estate plan because you'll be making decisions about incapacity, so, not married, you don't have a spouse, who's going to step in should you become incapacitated. If you want to have a healthcare directive, a power of attorney, these documents where you named someone to make decisions for you about your health and your finances.

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FT: There are services out there where you could create a simple will, a simple estate plan or even maybe a complex one, online and then there's of course, working with a professional. Obviously, we know what you prefer, but not everybody can afford an attorney and some people are just self-starters they love - they like the DIY route. What are some benefits and what are some things to keep in mind if you are going to go the digital way, the virtual way?

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LC: Yeah, so I would not recommend doing a will at yourself, in fact, I can - it's much - the bottomline is that it's actually much more complicated than people realize, even if you have what people consider to be a simple estate. A really good example I can give is Warren Burger, who used to be the Chief Justice of the United States Supreme Court, obviously a lawyer. He drafted his own will and he messed it up so badly that his heirs lost over \$500,000 to unnecessary taxes.

The point being, it gets pretty complicated pretty quickly and I think that people are surprised at how complicated it can become. It's not just as simple as saying, "Well, these are my assets and this is where I want it to go to, so, you know, where are them to go, or where they should go." So, you know, doing it online, it's just so easy to make, either mistakes or omissions, and omissions can be just as fatal. I think the LegalZoom website, itself actually has a statistic and it says that 80% of the people who fill out documents on LegalZoom do it incorrectly, and I actually got that from the LegalZoom site itself.

So, you know that I'd completely understand that money is the concern that, you know, extra cash is hard to come by for all of us. The thing I would say about that is, if you - you're probably going to end up spending more money in the long run because you're going to have to fix things that you didn't do properly. I think it makes a lot more sense from a financial perspective to invest in a plan from the get-go that you know is going to cover everything, there's not going to be any stones left uncovered because you're also paying when you work with a lawyer, you're not just paying for the documents, you're paying for the counsel.

So, there's a lot of - there's so many things that my clients, when they come in to meet with me that they have questions about, and they didn't realize the answer had actually a really big impact, you know, for example, I recommend for many people putting their assets in a Revocable Living Trust as opposed to doing a will, and the reason for that is, if you put your assets - if you just have a basic will plan, your assets are going to go through probate which is about 5% of the total estate, that's how much it costs, that's how much your heirs will be paying lawyer's due.

So, if you have proratable assets of about a million dollars, and you know that would - and real estate in New York is very expensive so that's an easy number to get to. You're going to be losing \$50,000 when your assets go through probate, that'll come out of your heirs' inheritance.

So, investing a few thousand dollars in estate plan now, just save \$50,000 when you pass away actually makes a lot of sense, but you're not going to know that if you do an inexpensive will on LegalZoom, you know. So you're actually saving money a lot of the time by working with a lawyer because they're going to show you, you know, "This is how you can do your plan to save on taxes, to have everything for your heirs in a way that makes more sense". You'll actually save money in the long run.

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FT: That's a good point. Let's talk a little about how you got to this industry, I know that you obviously are a lawyer, would you have a background in finance, as well or -

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LC: I do, I'm a former CPA, I worked on - I started my career at Ernst and Young and worked as a controller at a hedge fund and I was at Goldman Sachs for a while. So, I worked for many years as a CPA, my license is currently inactive, but that is my background and I went to law school a little bit later in life and I thought that estate planning is really good fit for me because it combines - it helps if you know about the finance side, the money side of things, that's a really helpful background to have for estate planning.

Estate planning is also very personal, you're talking about your family, you're talking about your children, so it's a really good combination to have that CPA background, but then also, be able to work with people, you know, I really liked working with clients that are in families and that's a really good combination for me.

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FT: What's the biggest question you get from clients that you find, that almost surprises you or maybe at this point, it doesn't because you get it so often, but that maybe is not what the average person would expect to think that is what people are asking you but it comes up more often than not.

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LC: Yeah, so, very frequently I hear people say, you know, "I have a very simple estate, so it shouldn't be that complicated." And you know, most people don't realize, and there's no reason why they would know this, so it's completely understandable, but a simple estate is not necessarily what people think, you know, like I just gave the example of real estate. Most people don't realize that they can plan, they can structure their plan in a way that actually saves them tens and tens of thousands of dollars or even hundreds of thousands of dollars.

Like I was just saying before, putting your assets in the Revocable Living Trust. So, it's a common misconception, I actually have someone say once, they had a simple estate and they owned property in like, Iceland or something, I was like, "That's not a simple estate". So, what I really want is for people to just to have a very basic, minimal, sort of, education for their on estate planning before they start making decisions because, you know, I really want people to understand all of the different pieces of it.

I give free seminars at my office at least twice a month and I'll be adding a webinar, as well. And the purpose of those are just simply to educate people, so before they start making decisions about all kind of a plan makes sense for my family, they really understand all the different options, and usually, once they understand all the different options, they'll pick something that's a little bit different than what they thought they might have needed, but they're glad to do it, because they realized those are the benefits.

So, I think educating my community is really important to me because I want people to be able to make - educated, empowered, informed decisions about what makes sense for their family and of course, no one knows anything really about estate planning and why would they, you know, it's not an interesting topic and what-not. So, educating my community is a really big part of my practice.

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FT: I think it's wonderful that one of your money philosophies is that, while it's important to plan and save for the future, as someone who does it probably all the time for work, you're always looking ahead and trying to look at ways to be prepared for the unexpected, that you also have a philosophy of - that it's important to live your life in the now.

Did you arrive at this because of your work? You felt that you were, kind of, forgetting that you know, life is happening right before you and that you should be a little bit more stopping and smelling the roses?

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LC: Yeah, that's a really good question, and I think that - I think the answer is yes, this has sort of, dawned on me more in the past few years I think part of my - because of my practice, but also partially because we're living in a day and age, I think where people are doing less of the - you know, you work nine to five at the same company for 50 years and then you kind of, save up for retirement and then also you retire and you don't do anything, you know, but play golf, and I think you know, we're lucky these days that we can, you know, it's a big economy so you can work from different places you don't have to go into the office all day. You can, you could - expand your working life into the future, so my goal is to work a reasonable amount, you know, while I'm younger and before my retirement age. But then, also maybe work a little bit in retirement, too, because it's going to be really easy to do that in the future.

So, it's sort of the opposite of, you know, putting everything off until you retire and I think that money comes into that. I think, you have to remember that, you know, you're living your life now

as and it's important to be smart about the future and to save and all those things. But, I'm a big fan of you know, living now and also living while you're in retirement, you know, and saving now, but maybe also working while you're in retirement, so I'm letting it all together.

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FT: Of course, I mean being self-employed, that's the benefit, right? You don't have to wait for someone to hand you a watch and your pension that you can just keep riding it out as long as you want -

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LC: That's a really good point, it helps when you're self-employed, you have a lot more control over that when you're self-employed. But, I think, like I said with this big economy, I think a lot of people are going to be moving, you know, towards this kind of, you know, being able to work different hours and being able to work from different places, it's really nice. It's not something that our parents had the option of doing. So, I think that we're really lucky.

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FT: And yet, you have a really traditional introduction to the value of money and making money. I understand you had a paper route growing up, and you know, long live the paper route. I don't really know who - I mean, if anyone has - if anyone knows anyone who has a paper route, let me know, I want to maybe, start documenting this because I think it'd be really fun to do like, I don't know, some sort of Tumblr or like, some kind of, some fun social media thing around like, who still has a paper route? Of course, people have paper routes but it's not the teenager living in the suburbs, I don't think. Or, maybe it is, maybe I'm wrong -

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LC: I don't know, it's I mean -

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FT: Paper circulation is down a lot, so -

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LC: It was a much bigger deal when I was growing up in Iowa, that's for sure. Yeah that was actually my first job and I - it, you know, my family didn't have a lot of money growing up and so, and I've always been a little bit, you know, ambitious even at a young age. And so I did, my first job was a paper route and I think I started out when I was you know, a 12 or 13, I was pretty young.

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FT: What did you think that paper route was going to - what did it mean to you back then, you know, what did you think it was going to add to your life other than obviously, like, money but what was it that, you know, about that, that sparked your ambition?

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LC: One of the few things you can do when you're younger, you know, to earn a little bit of money and I think, you know, unfortunately, it was my family's circumstances that kind of drove me to it all, that's not the right way of putting it, but, you know, I grew up with a mom who was a single mom and I had two sisters and so, there just wasn't a lot of extra money in the house growing up. So, and I've always just had this idea that, you know, frankly, if you want something you can have it you just have to go work for it and I wanted to take [inaudible + 00:23:15] classes when I was growing up and this just wasn't on the budget with my family. So, I got this paper route that let me do that and, you know maybe that's not the ideal situation growing up, but it really - it taught me a couple of things.

One that, if you want something, you just have to go work for it, you know, anything really is possible if you're willing to work hard. And that also, the money that you've earned yourself, it really teaches you the value of money, I think, you know, it's so much different when you earned that, you know, that twenty dollars yourself and someone else is just giving it to you. So, that

was my introduction but I've always had a job because, you know, I love working and I think that it is just it's very rewarding.

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FT: I had a really inspiring experience this morning. My Lyft Driver picked me up and, you reminded of this experience because you said something about how anything is possible, you can basically fund whatever you want to do but you have to work for it and this was a guy that picks me up and he has a full-time job in sales, drives Uber before the job starts and after it ends. He's got three kids, one is heading to college and later like it was a long ride, I was going from actually Brooklyn to the Upper West Side, it's like a 45-minute drive and finally he's like, "My real passion is fashion and I want to start a men's suit line." Now this guy like, talk about second act, third act, right? He's - I think, he's driving Uber to basically fund that passion project and I'm like, "Go, you" and he said, "You know, my wife is, has been a director of medical clinic for like 15 years and now she wants to go to law school."

He described themselves as go-getters and I said, "Yeah, for sure", I mean gosh - actually we ended up exchanging emails towards the end I was like, "I like you", it's like "Let's keep in touch". So, speaking of second act you went to law school later in your career journey and I think you're still working on those student loans with law school.

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LC: Yes, I'm working on law school student loans, not my undergrad.

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FT: Right. How did you make that decision ultimately? I mean there are - I sometimes I'm in the camp of, "Don't go to law school", because some people I feel like make the wrong decision, they think that law school is going to answer so many of their questions and uncertainties about their careers and it just ends up being a load of money to pay off.

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LC: Yeah, law school is very expensive. The advice that I would give to anyone thinking about going to law school is you shouldn't go to law school unless you actually want to practice law which sounds sort of ridiculous but that's what they teach you how to do in law school. They teach you how to practice law. And so, if you're just going because you think, "Oh, it will be interesting and I'll learn a lot." That's not really what happens in law school. They really teach you how to think a different way and that's - it's hard to explain, you know, they teach you how to think like a lawyer but it's, you either - you wouldn't go to medical school just because you thought it might be interesting. You go to medical school to learn how to practice medicine and this is the same thing with law school.

It's a very expensive endeavor, so I would think very carefully about doing it because you're not going to come out to having just like this general random skillset that's going to apply in a lot of different places, you're going to come out knowing how to draft, you know, documents for the courts and knowing how to read the case and that's what they teach you and so if that's not really what you want to be doing I wouldn't recommend going to law school.

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FT: What would you say was your financial failure? The worst financial move you've made today?

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LC: You know, I probably didn't think enough about how I was going to fund my new law practice when I started this about a year and a half ago. I practiced for a few years at a bigger law firm doing estate planning before I decided to open my own practice and I didn't think probably as hard as I should have about where those funds were going to come from and the smartest way to fund my practice. So, I wish that I had done that. I got it more under control now and I'm now working with a CPA which I think is a really good move someone to check that my taxes are all done properly and all of that.

But I don't know why, I just didn't put as much effort in to thinking about, you know, starting a business as I really should have from the money side of it.

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FT: A CPA?

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LC: I know, it sounds crazy! You know, I think I did a little bit on a whim. I think that's part of the reason why which also sounds a little bit crazy but I think I just got to the point in my life where, you know, I've worked for some really, really great companies for some really great people and I don't know how other people feel but I just got to the point where I was sort of tired of working for other people, and I thought, you know, I'm really smart, I'm really capable even more important, you know, I have a lot of gumption and I think that's the most important part about starting a business is being able to take those risks and I knew I have that in spades.

So, I didn't - I started with a little bit on a whim. I thought, "Okay, you know, I'll try this for a year, I'll see how it goes and then I'll reevaluate after a year", so that might be a part of and the reason why I didn't plan as much as I should have but I wouldn't recommend it. I think a little bit more planning would've been a good idea.

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FT: I get that but at the same time I have heard of the advice of, "Just start."

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LC: Yes.

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FT: You know, because you're not going to have all your ducks in a row, you're not going to know all the answers but I think once you get over the hump of, you know, "Should I do it, should I not do it", just do it, right? And you'll probably figure it out, right, build the plane as you're flying it.

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LC: Yeah, yeah, that can happen to, I agree you can't wait for the time to be perfect necessarily. You know, one of the reasons, it was a bunch of different things for me. It was, you know, being ready to be my own boss which I always wanted to do. I'm thinking about starting a family soon and I was a little bit concerned about having sort of a nine to five job and having to juggle those two things and I actually read somewhere recently that a lot of woman start their own companies either when they're about to become a mom or when they have kids at home and the reason is flexibility. And it's a little bit counterintuitive because you think, well I'm hoping to have a baby, you know, not getting a paycheck every two weeks, every two weeks seems like a really bad idea.

But I think that in the long run if you can pull it off you're allowing yourself so much more flexibility. And I was really worried about holding down a nine to five and also having kids. So, it was the combination of a lot of different things for me that made me decide to start my own practice.

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FT: I give a lot of credit to moms who work a nine to five because, while yes, I think having the frequent paycheck, you know when your money is coming in, that's always comforting, but you're playing by someone else's rules and your playing to someone else's schedule and I think that it can get really challenging and, you know, life is not perfect, things come up. Like, your kids are sick, your kids miss school, like snow day, like that and then what do you do? You know, I've have seen my colleagues will bring their kids to work which actually I think could be fun, but that's not something that you can rely on, unfortunately we don't have a system in our country where, you know, kids can come to a workplace daycare.

Some companies provide it but we really need to support families a lot more in this country so that people can continue to work for business.

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LC: Yeah, I agree. You know, moms my dad they have a huge load. I agree with you, working nine to fives and being a mom is, you know -

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FT: Moms and dads, I mean it's all hands on deck when you have kids. It's great, it's definitely being an entrepreneur at least having your own - if you're a solopreneur or whatever, as long as you're making your own schedule that is a huge gift to yourself and to your family if you can be flexible that's like, that's it. That's So Money.

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LC: Yeah, that's So Money I totally agree, yeah.

[00:31:19]

FT: Before we go, let's do some quick So Money fill in the blanks alright. You came prepared, I know because you just had great answers and you gave me some backgrounds so I feel smart pretending like I know so much about you, you really - you just giving me some great details, well I'll let you fill in these blanks. If I win the lottery tomorrow, the first thing that I would do is ___?

[00:31:41]

LC: Yeah, this is an easy one, my answer is probably the same as everyone else is I would payoff all of my debt right away. All of my student loans and I would probably invest in some decent real estate, nothing too pricey and then the third thing that I would do is hire a really good financial adviser so I won't end up being one of those people who ended bankrupt after

winning the lottery. You know, how that happens is beyond me but apparently it happens a lot so

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[00:32:07]

FT: Oh, more often. More often than it doesn't. Alright one thing that I spend on that makes my life easier or better is ____?

[00:32:15]

LC: Yeah, so this is a great question for anyone whose thinking about starting their own business. The very first lessons that I learned when I got up running was that my time was more valuable than my money. And, especially when you are working for yourself because if you're bringing in - you're the one who is bringing in business, you are the one whose generating everything. So, one of the things that I do. I try to delegate as much as I can or outsource as much as I can, it just doesn't make a lot of sense for me to be spending time, doing something that I could pay someone much less to do when I can be out sort of educating my communities, speaking to people who might be potential clients.

So it sounds, on the one hand, I feel like some lawyers feels like they have to do everything. They have to pick up the phone and they have got to, like, be everything in the office. But I think in some ways you're doing your clients a disservice when you do it like that. I don't think anyone of us would want our doctor picking up the phones, scheduling our appointments. You want you doctor practicing medicine and nothing else and I think it's similar with lawyers. So, although it cost a little bit more sometimes to outsource things.

[00:33:22]

FT: That's a good point, that's a really good point. Although some people will say I love that I can just like pick up the phone and call my, you know, my lawyer but, you know, that is if they're like really small practice and maybe you're their only client.

[00:33:34]

LC: And it depends too on what kind of law. I would say that it depends on the kind of law as well. So, you know, for example if you're going through a divorce or something and that you're really hands on with your lawyer but that's a little bit of a different scenario but I see what you're saying.

[00:33:48]

FT: Yeah, exactly it depends on the type of relationship. Okay, one thing I spend on that is my guilty pleasure is ____?

[00:33:55]

LC: I spend a lot of money going to the ballet, here in New York City. I love, the New York City Ballet and American Ballet Theatre as well, they're both really good centers. The definitely my guilty pleasure. I can go everyday if I could afford it I would. It is just one of the things that I love doing and spent a lot of money on it, probably more than I should but it's definitely a guilty pleasure.

[00:34:19]

FT: One thing I wish I had known about growing up money is ____?

[00:34:23]

LC: One thing I wish I had a better understanding of is that there might be ebbs and flows in your financial situation and that's okay. So, I used to just bank, you know, "This year my net worth is, it's XYZ and next year it should go up and you should just continue going up and it will be just like a straight line and you know that ended up not happening for me because I did go back to law school a little bit later in life, you know, now I've got more loans than I had before. But I learned from starting my own business that, you know, it's okay if there are times where you're investing a little bit more in business or in education that you know there's going to be a

financial, of great financial payoff hopefully down the road and it's okay that everything is not happening on a straight line as long as you're making smart decisions.

You know, any business man or a woman is going to know that there's - they're going to have debt, there's going to be investments, hopefully not a lot of debt but you know, you have to - you have to incur a little bit of debt in order to get things up and running and that hopefully it will payoff down the road. But I think I wish I had known that it's okay that things don't always move on a straight line.

[00:35:31]

FT: Right, giving yourself permission to take risks sometimes. Sometimes you have to take two steps backward to take four steps forward because you got to pair down, you got to payoff debt, you have to do things to be able to, you know, to get to the next level and that's great and we never learn that. It's always like, "More is more, don't be in debt".

[00:35:53]

LC: Yeah, taking two steps back to go forward four, that's a really good analogy. That's exactly what I was trying to say.

[00:35:58]

FT: Yeah, I mean you take the law students loans out but now you got your own business. So, that's obviously a direct payoff. Okay and last but not least, I'm Laura Cowan, I'm So Money because ____?

[00:36:11]

LC: You know what I think I'm So Money because I recognize the value of money and it's importance in living a comfortable life and being able to provide for yourself and your family. But I also try to maintain a little bit of balance and have prospective. You know, penny pinching doesn't always make sense, that actually sometimes it can backfire like I was saying earlier in

terms of doing everything yourself doesn't always make a lot of sense sometimes it's better if you delegate that downwards or outsource something so I like to think that I got a good perspective and a good balance of, you know, money matters, you want to be smart about it, but you also don't want to be so kind-of stringent or stressed about it that you're not living your life as well and I think you have some sense of control over "I know where my money is going and I know what I'm doing with it", that can help alleviate a lot of the stress just understanding your finances.

[00:37:08]

FT: Don't be a tight [inaudible].

[00:37:11]

LC: Yes.

[00:37:10]

FT: That's why I got out of that. Don't be a tight one.

[00:37:11]

LC: Exactly and you might be doing yourself a disservice, like I actually just read an article recently about a woman who, you know, she, like, made all of her own food or something along those lines. She was just spending hours and hours, you know, making food in her kitchen because she was trying to save money and then her boyfriend encouraged her to figure out what could you be doing with time instead and it turns out that she was actually making herself almost poorer by making her own food because she wasn't doing that time to do something would actually bring in revenues, so that's kind of my point.

[00:37:44]

FT: Exactly. Well, Laura Cowan thank you so much and by the way, everybody, I teased this in the intro but if you want to download Laura's free book offer go to momdadfreebook.com. The book is called, it's an e-book and it's called *Wear Clean Underwear - A Fast, Friendly and Essential Guide to a State Planning for Busy Parents*. Thanks for offering that and thank you for coming on the show. Good luck with the business, good luck with the student loans, hope you get to the ballet every year for years to come and congrats on everything and congrats on the success.

[00:38:20]

LC: Thank you very much for having me.

[END]