

EPISODE 665

[ASK FARNOOSH]

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FT: You're listening to So Money, everyone .Happy Friday, December 15th, 2017. Two weeks to go until 2018. If you're me, you have a lot to get done in the next two weeks, including work and personal stuff, school related stuff for my kiddos. I wish that the days had another maybe like 4 to 5 hours per day just so I could sleep more. I don't really want to do more. I just want to catch up on sleep and feel whole again.

Parents, when does that ever happen? Write to me, let me know, and I will look forward to that day. I'll put it on my calendar.

All right, because we have only two weeks left to the end of the year, I want to dedicate today's to Ask Farnoosh to answering some sort of end-of-year conundrums, financial quizzicles that we have around how to budget this time of year, prepare for the new year. Of course, holidays always bring up a ton of budgeting and money and spending questions. I have brought back on my pal, Kimmie Greene who you might remember Kimmie from previous episodes. She's been very helpful coming on and giving us her perspective as both an entrepreneur, and she works for Into It and she and I have been collaborating a lot on the Mint brand over the past year. She's also a mom of two. She has done it all and comes with a ton of great insights. So I want to welcome her and say happy early holidays.

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KG: Thanks, Farnoosh. I'm so excited to be back, and be back in New York as well.

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FT: Right, because you live on the West Coast. I'm so jealous this time of year. How's it going out there just in terms of this time of year? Anything different happening on the West Coast that's not happening here?

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KG: . Well, my gosh! New York is a magical place to be this time of year during the holidays, but unfortunately I would love to say we have it figured out on the West Coast and it isn't crazy with kids during the holidays and work, wrapping up year-end demands. Unfortunately, I think it's the same for all of us, whether we're in the coast or in the middle of the country. I'm excited to tackle that one today.

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FT: Yeah, and you are a mom of two little ones. Tell us how old are they and where are they in their lives right now.

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KG: Of course. The girls are three and five, so I have preschool and kindergarten. I am weathering the first year of being part of our public school system. Really — Gosh! The email. The emails has been the biggest thing this year. It really takes it up a notch, and once you've got that, then you've got all the events. My husband travels for work. He's actually in Europe right now as we speak. So it's a great week to be gone before we head out for the holidays next week. That's what we've got going on.

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FT: I appreciate you coming on and sharing your advice with us. I know you've got a lot going on. Let's get right to it, okay? Let's talk about what's on Jessica's money mind. She lives on the West Coast like you and she is married and has two children like you. Is this you? I don't know. What's going on here? She says her parents and siblings live over on the East Coast, and I actually can relate to this. My parents are on the West Coast. I'm here out in New York. She

says that she has offered to host the holidays at their home, but her family wants to stay where they live and have her come to them. This sounds all too familiar.

She says the problem isn't that it's so expensive. I mean that is a consideration, but it's really like all the accommodations. I mean, for me, the reason we haven't gone out to the West Coast since our daughter was born was because like I am having anxiety around like the car seats and strollers and the gear and all the formula I have to pack. Of course, I can have my mom maybe get me some stuff out there, but it's a lot to take on. So she's really wondering how do they negotiate with her family over the holidays. Is that even a possibility? Have you had this experience?

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KG: I have totally had this experience, Farnoosh. Jessica, I hear you. My family's not quite as far from coast-to-coast like Farnoosh, you have, but they're in Colorado and we've been out in California for two years. Usually it was my sister going to see her in-laws, but I was always planted in Colorado right near home. Home, wherever you're from, that's where your family traditions are. So I absolutely get your family's point of view too and really wanting to lure you back to home base. Those traditions can be magic, not only for you but the next generation for your kids.

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FT: Yeah, I mean I would suggest, because the holidays are so hectic and expensive. Getting a flight around Christmas or Hanukah or whenever, they take advantage of you. So if it's really tough this year, why don't the first week of January or the last week of December? I know that vacations don't often fall on those times of year, but if you can get a break from work on an off-week, make that maybe your gathering time and maybe pick a midpoint destination so it's something that each family has to participate in to some extent. That could be a new tradition that you start. Finding a new place to explore as, now, a blended family.

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KG: I think that that's exactly — Like what the traditions look like. So you guys also have a right living where you live to start new traditions and not always be beholden to the way things have been done for the last handful of years. So one of the things we've done is kind of gone on an every other year schedule where we'll go back, we'll ink ourselves in the traditions that have been years in the making and then we'll also invite the family out here. Unfortunately my sister isn't able to join on those years. She goes back to her in, laws but my parents have made the commitment to come out on those off-years. So we all gather, the parents with both siblings and our extended families, and then my parents come to us. At least that's how we've tackled it the last two years. It saved us a little bit of money in the travel and everything, but it really has opened a new opportunity for what the holidays look like. But try talking about it, maybe this year might not be the best year, but after the holiday season, to say like, "These parts were awesome. These are the parts I feel like I'm missing."

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FT: Yeah, and make it a conversations. Obviously, come to the table with your ideas, but it's not like this is what has to happen pronto. One other thing I might add to that is if money is really not the issue, you could say, "Look. It's a lot of stress for us to travel as a big family of four with young kids to another coast during the holidays. What if we bought your plane tickets and that's our Christmas gift to you so that you can come in and we can still be together?" That's just something to throw out there if, again, money is no object and you want to uphold the tradition.

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KG: Right. If you are paying for those tickets, and I've got four of them that I've booked for December 22nd. When we got there, my parents really do try and jump in with lending a car so that we don't have to have the added expense of renting a car, or perhaps the people you're coming to visit, those family members can buy the groceries a little bit more, so you're not having those day-to-day expenses since you already have such a big outline, let alone shipping gifts or bringing in extra suitcase or whatever the case may be.

[0:07:18.8]

FT: All right. Jessica, good luck to you and your family and happy holidays. Next we've got Leslie. Kimmie, she swore that this year was going to be her year to take control of her finances, but she feels like she didn't really come even halfway close to meeting her goals. She still has student loans to pay off. She still needs to contribute with more effort to her retirement accounts and she also wants to save money for fun.

One goal she did meet though she says was starting a side hustle. Congrats, Leslie. Now that she's earning more and she's hoping to tackle her goals as we approach the new year, how can she actually make those goals a reality? I definitely think making more money helps, and that's probably a great start.

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KG: We've totally talked about that before, Farnoosh. The ability to diversify where your income comes from is a great way to help pay down bills. More money equals greater ability to just spend it in places that meet your financial goals. Otherwise, A, first off, congratulations for getting this far, for being aware whether we've got two weeks left through the year or a whole another 12 months ahead of us. You're having the conversation with yourself at the end of the year, and so you may not have gone as far you'd like, but pat on the back for being able to be self-aware about where your financial goals are.

Second, perhaps try checking in midyear next year. Really have the same conversation you're having now in June, because that will give you runway to course correct. If you can set yourself the bigger goal and put pictures out and be really mindful of what those goals will look like in the future why you're making the changes you're making and the way you spend money, that may help too.

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FT: Yeah, visualization. I also think compartmentalizing the side income, the side gig income can be really helpful when you know exactly what this extra \$80 a week that you're making is going to benefit. So it's perhaps the first goal you want to tackle. Are those student loans or that the savings cushion, making a very concerted and deliberate effort to be like, "Okay. I made the

extra 80 bucks or 90 bucks or whatever you make. That's automatically going into this particular funneled goal." I think that also is a psychological behavioral trick that we can all benefit from in addition to visualization.

Yeah, Leslie, we love the side hustle here at So Money, and congrats to you. For sure, the New Year's going to be a much more fruitful one for you. We're confident of that.

All right. Matt, his family is all about the gift-giving and it stresses him out, because he's on a tight budget and there're so many family members to get gifts for, he says. So any ideas on how he can convince his family to tone it down or maybe a great gift that's not super expensive. Really quit, I'll share an anecdote with you, Matt. I was at my in-laws earlier around Thanksgiving and they threw out the idea of a gift share, kind of like you draw someone's name — This isn't about the money, but now there are grandkids. Listen, by December, it's really hard to give a gift that is meaningful, because like you've had the whole year to buy yourself stuff. You have everything you need. Your family hasn't seen you all year. They don't know what you're into and so it becomes really stressful. Having to buy for one person as supposed to eight can make a real difference and how you approach the whole concept of gift-giving and you can be more thoughtful about it.

Listen, it was music to my ears. I was like, "Can we do this year?" They said, "Let's do this next year, because we're kind of bringing this up the last minute." Listen, I would've started it as soon as possible if it was it was my idea.

I think that I've always wanted to suggest this, but as someone who was like of the younger generation in the family and I think it was my place to be like, "Hey, grandparents and parents." Also my in-laws. It wasn't like my immediate family. I didn't feel it was my place to be like, "Here is what I think we should do," but I'm so glad that they offered it, because it's going to save us a lot of hassle.

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KG: We've absolutely done this, Farnoosh, and done in the last three or four years in our family, because there's really just six of us adults, but it getting sort of out of hand. You're like, "You

could just spend like \$75 to \$100 a person. That's a lot of money. So you're like a \$1,000 and adult gifts by the time stocking stuffers and a book and you know if it was a charitable donation, because that felt like a good thing to do in somebody's name. It was getting out of control.

Right now we've decided that you pick names out of a hat. You can't have your spouse. What you do with your spouse, that's for each couples, but I can have my parents. I can have my sister, I have my brother-in-law, and you get higher-quality gifts that makes gift-giving a little bit more fun, because it's not like how can I fit six or eight gifts, Matt, for you into my budget? If I get to really spend \$250 on one person, that's a much higher quality gift and that's not just one gift, like maybe it is a book and some socks and some often stocking stuffers. We buy stocking stuffers for everybody in our house, and then do the one gift or one person that you're gifting to.

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FT: I like stocking stuffers. It's like appetizers. I like having the variety. I like having the mixture, because there's really like the one thing that you want. You want maybe a bunch of little things. I would also say that if you're looking for thoughtful gifts, you brought up charity. Kimmie, I think that's a great way to really give forward as you're giving to a loved one, and if it's something that they really into a cause that they're really passionate about, then I think that's a really meaningful gift and not one that you have to even disclose how much you gave. You can be like, "I've made a contribution in your honor, and Merry Christmas."

Matt, I commend you for wanting to be the family member who wants to kind of get a handle on the gift-giving. Hopefully you're starting a new tradition. Listen, if you're feeling this way, I'm sure there are other family members who are in the same boat and would appreciate you may be raising your voice.

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KG: Farnoosh, I love this. Thinking outside the box on gift-giving, there was one year where we actually decided in addition to picking names we would all make a gift for that person. So you would buy them a bigger gift, maybe buy them a book, and what was your made gift, we were also nervous. I'm going to give a shout out to dad during the holiday seasons. He's not known

as being the most creative person. He's not #creativeclass. What was he going to come up with? He went downstairs, he has a bunch of old like coffee cans of screws and whatever and vices that none of which he uses and comes back up and wraps this thing. We had an old pair of skis in the house and he took the front binding off like a 1940s, it was the head bindings, super vintage, all metal, nailed it on to a piece of wood. When he gift-gave it to the person, and we've grown up in Colorado, so skiing is a big deal for us. It was a paperweight and it's super cute and I was just like, "That rocked," that he pulled that one out of a hat, and that's how he dealt with making a gift.

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FT: You were all capable of being creative, even Kimmie's dad. Okay. Good luck.

Julie, now. She's got three daughters, Kimmie, and wants to know if we have any tips for teaching children and that the holidays are not always about presents. It's hard because she comes from a big family and it seems like every house they visit through the holidays, her daughters are getting gifts all the time. I know that last year was very much, that was the case with our son. Grandparents get so excited, the aunts and the uncles are so excited to give gifts to Evan. As parents, we don't allow him to open everything at once. If there are more gifts that his grandmother want to give him, I say like, "Give them to me and I will space them out over the next few months, because there's no need to open up —" Even for his birthday, we do this. We don't open up all presents at once.

Then the other day I said to him, "This is not just about you. What do you think we should get daddy? What do you think we should get Mimi? What do you think we should get your baby sister?" He's also thinking about what kinds of special things can we do for other people, because it's not just another birthday.

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KG: This is huge, Farnoosh. It starts a Halloween. Just this notion of what were these holidays for in the first place, and you go through Thanksgiving and how do you give it all meaning. We've been chatting a bunch about traditions. I think the notion of making ornaments or cooking

together or, to your point, even coming up with the list of gifts is really important to make the holidays more meaningful in a different way outside of the gifts.

I was encouraged by somebody this year to think of gratitude. I expressed like, “I have anxiety going into what this next month is going to look like. How are we going to everything done for work? December is the most expensive month.” We historically see this. I mean everybody goes beyond their budgets in every category in the month of December.

How was I going to get through it? Someone’s like, “Every day, write something down. Put it in a jar, and on December 31st, open that up and just see how you did get through the month. Like all the things you're grateful for.

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FT: That makes me curious. What other trends do you see this month based on Mint usage and the way people are kind of — I don’t know, managing their accounts on the app?

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KG: Right. I mean absolutely. Charitable giving, this is the biggest month for charitable giving by far. There’s obviously a tax benefit to that as well as just people opening up their hearts and their wallets. In addition, travel. I mean do you think we get a lot of requests for how do I manage my travel budget in the summer months, but that spread across June, July, August. Travel, all of us gets blown out of the water and it is an expensive time to buy tickets.

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FT: All right. Good luck, Julie. Last but not least, Mark. He says, “Now, looking to the New Year, what can I be doing to set realistic financial goals for myself? It seems like we all make these resolutions. We only stick to them for the first couple of months. How can I hold myself accountable? What should be on my checklist? How often should I check in?”

This is sort of similar to how Jessica is feeling. She made a resolution in 2017 to tackle debt and save more and fell like she did not deliver on those fronts. I think to your point, Kimmie, making sure that your checking in with yourself regularly, like not obsessively, Mark. You don't have to do it every day or week, but have points of awareness throughout may be at the end of the month or at the end of the quarter to make sure that you are on track. If you did have a bad week of spending or you didn't, maybe you weren't able to contribute to your 401(k) as much in the first quarter, that you can somehow move things around to up that contribution, but it has to be a conscious and really, I guess, proactive thing. You can't just like make a budget and hope that it's going to work itself out the rest of the month, the rest of the year.

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KG: Unfortunately it's not the activity of budgeting is where it all starts, not where it all ends, Farnoosh. Absolutely. It's setting some goals and being mindful of those goals. Do those goals really fulfill you both from a short-term and long-term perspective? You need to know. Yes, I do want to travel and I don't want to travel just once for one big trip by having handful of weekend. So don't leave those weekends out of your budget, because that will only make things feel worse come April, let alone come September, October.

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FT: He wants to know how we can hold himself more accountable, and there have been studies around telling people what your goals are. So it's been proven that saving money and having the intention to save in a silo without sharing it with others, whether that's like on your blog or just telling family members or sometimes people go on social media and Facebook and be like, "These are my top goals for the year." It keeps you accountable. I don't know what it is. Call it like The Secret, like putting your intentions out there in the universe.

I do think that it does make you feel more responsible with these goals. You want to kind of follow through, so that you can tell people later like, "This actually did happen." The study found that people who tell others that they have these goals around money management and saving end up not just saving more frequently, but ultimately saving more money in the end as well.

So find a money buddy as I sometimes say or just tell your partner, your colleagues. Get a community around you to rally around you to support you, because this is not something that is intended for you to go alone.

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KG: Absolutely, Mark. Shout out from the rooftops. I mean we talk about this all the time. It's kind of scary to talk about money. People say money is not a sexy topic. Why did that have to be the case as we all head into 2018? Let's be there for each other and help each other meet our goals, and the more we talk about it, whether we're talking about our goals or just what's coming up, what feels expensive, what feels inexpensive, what's the great deal, is going to help all of us in the long run. I think the same thing goes if you're looking at making a career shift and that feels really scary. Tell people where you want to be, because then there's more people out there networking for you to help make those transition as we head into the New Year.

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FT: That reminds me, Kimmie. I had been profiling a guy name Aaron on the Mint blog who it was his goal starting earlier in 2017 to, I think, shed like \$11,000 in credit card debt. So was checking in with him a couple of times, a few times. He reminded me, I need to check in with him again, because we're coming up on a year and I'd be really interested to see how far his goals have come along. But he really love that I was keeping him accountable, because I would literally email him like every few months, "How's it going?"

Truth be told, he was having setbacks and because life happens, but he was always going back to the goal, right? Which is like, "Okay. I had a bad month, but now we have a new month and I'm going to be a little bit more conscious." Fortunately, he has a girlfriend who's also really supportive, and the two of them teamwork. They're getting him out of debt. So I will be checking on you, Aaron. Coming soon.

Thank you so much Mark and Julie, Matt, Leslie, Jessica. Happy holidays to everybody.

Kimmie, thank you so much for joining me. This is fun.

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KG: Thanks, Farnoosh. We always have a blast. I mean, again, it is about talking about these topics and it's not being shy. We are all vulnerable and knowing that we can do anything, but we can't do everything, and that comes to our money too. It is really important.

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FT: Yeah, no shyness around here, right? Thank you so much. By the way, if you missed any of these, just go to somoneypodcast.com and you can download the transcript and listen to the audio, share it with your friends.

Matt, if you want to throw me under the bus and tell your family that this lady who hosts a podcast suggested a gift share, I would be happy to take the bullet for you, okay? Have them listen to this podcast and let me know how it goes.

Happy holidays everyone, and I hope your weekend is so money.

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