

EPISODE 738

[INTRODUCTION]

[0:00:31.8]

FT: Welcome back to So Money, everyone. I'm your host, Farnoosh Torabi. Our guest today needs no introduction. She had 22 jobs by the age of 23, she built a 5 billion dollar business with a \$1,000 loan, she's a shark on ABC's Shark Tank and she's the host of her new podcast called Business Unusual with the one and only, Barbara Corcoran. She's on So Money today. This is a huge deal for me. I have had the privilege of interviewing Barbara many times over the years and every time, I get goosebumps. Every time I get a little nervous, I get butterflies in my stomach. Is she going to like me? That's why I think I love her. She's the real deal.

On our show today, she talks about childhood; goes down memory lane and talks about the impact that her mom had on her relationship with money today as an adult woman. She talks about why she felt lost the moment when she sold Corcoran Real Estate, her real estate empire for 66 million dollars.

This was a little self-indulgent, but I had to ask her about Dancing with the Stars. Some of you know that this show is my pipe dream, to be on this show and dance my tail off. That's what I want to do. It's really why I'm doing anything at this point, so that I can get out there and someone will notice me at ABC and put me on stage. It's a pipe dream, I get it, but it's fun to think about.

Anyway, I had to ask her about it, because she was on Dancing with the Stars. She indulged me and told me the most ridiculous story, which is at the very end of the podcast, if you want to fast forward it to there, but really this is an episode not to be missed. If you listened to anything this week, and I know a lot of you try to listen to at least one or two episodes per week, make this the episode you definitely reserved for the week.

Here is Barbara Corcoran.

[INTERVIEW]

[0:02:24.3]

FT: Barbara Corcoran. Welcome to So Money. I'm so excited to connect with you here.

[0:02:28.8]

BC: I'm so happy to be here. I've been waiting for this call all day.

[0:02:32.0]

FT: Good. I'm so glad. That means a lot to me. I've interviewed you for Yahoo, CNBC, we've been on panels together, on The Today Show and Bloomberg, so it's really special to have you now on my podcast, especially –

[0:02:45.0]

BC: I miss your great face. I want you now.

[0:02:47.2]

FT: Oh, well we'll have to get together again soon. I mean, but this is great timing because you've actually launched your own podcast called Business Unusual. At least now, we have something in common.

[0:02:59.8]

BC: That's true. Well, we're both pretty before all this finally.

[0:03:03.9]

FT: We have our good looks. Well, why podcast Barbara?

[0:03:08.5]

BC: I'll tell you why. I've done a lot of TV work as you know. I've written books and that's a great experience, but there's something about a podcast that feels so personal. I almost feel like it's similar to a love letter, like it's just me one-on-one talking to you. I know that's not the case, but I put those earphones on, I start talking and I feel so cozy up, like I have a special person right there and it's all about them.

[0:03:35.6]

FT: What keeps you going? Because you got the Shark Tank show, you have your investments obviously, after the show you go and you be that investor, you are that shark, and then you have all your other projects, you're constantly doing media. Are you cloning yourself? How is it even –

[0:03:51.9]

BC: No. You know what I love? I love change. That's why I've always had my own business. When you're in your own business, you're the lead dog. You get to see all the best views on the front side. For me, I love causing change, just because I'm curious, "Oh, I wonder what that's like." I'm jealous. Like I saw your great success with your podcast I'm like, "I'm jealous. Why should she have a podcast and not me?" I'm motivated, because I'm competitive.

More than anything, I want to see how much I could pack in. I don't want to die and think, "Oh, I wish, I shoulda, coulda." I'm too greedy. I just want to experience it all and see where it all goes. It doesn't have to succeed. I just have to get there and see what it's all about.

[0:04:29.5]

FT: You heard it here first, everyone. Barbara Corcoran is jealous of Farnoosh.

[0:04:32.7]

BC: I am of you.

[0:04:35.1]

FT: I was listening to your podcast. It's very good and I love that it is this five-minute storytelling that you do, that's sharing a lot of your personal experiences and insights as an entrepreneur. One of the things you talked about was that the only business guru that ever mattered to you was your mom. How so?

[0:04:53.5]

BC: It's really true. Well, because I got lucky I got a great mom. My mom would have been a phenomenal business person where she have done well with anything. She raised 10 kids on a shoestring budget, she got all her 10 kids in a two-bedroom flat with one bathroom, that alone is a feat worth bragging about, wouldn't you think? My mom was very efficient. She knew how to make easy work of a lot of work. She never laid down, she never stopped working. The very first time I ever saw my mother on her back was at her funeral, as weird as that was, right? I realized I never had.

Here's the thing; my mom gave practical advice, how to get it done type advice. I just took whatever she taught me and brought it to the workplace and it worked like a dream. It's just that getting stuff done business and making people around me happy, so they're willing to play with you. That my mother was the smartest person I've met in that whole arena of life.

[0:05:46.3]

FT: 10 kids on a shoestring budget. Our sponsor here for the show, Chase Slate found that over 50% of parents have had a conversation about money with their children. Did your mom ever have a conversation about money with you?

[0:06:01.8]

BC: Constantly. Those two things we all heard of growing up under her wing was money was meant to be spent. That was her attitude. Money is meant to be spent. When my dad got fired

from his job, which happened probably I'd say every eight to nine months, because of insubordination and I'm sad, I think he should have been in business for himself, but couldn't afford to be with all these mouths to feed.

When he got fired for insubordination, he would just act, "I told that boss, way to take his job and shove it." That was my dad's attitude. Now my mother would have to figure out how to keep us fed and clothed, right? Until he landed another job. For most kids, that would be a tragedy and a sense of panic in the family. My mother used to say, "I'm not worried about money. It all works out." That was her belief, and it did always work out. The greengrocer bubsy who loved my mother, I think you should have married her, honestly.

You see keep delivering the groceries until my dad picked up the next job and could catch up, and everything worked out. I do remember, I was almost going out of business in the second real estate recession I was living through and my mother sensed the yanks to my voice when we're just talking one night on the phone. She stops and said, "Wait a minute. You're not worried about money are you?" I go, "Yeah. I have 400 people. I owe Citibank this, I owe the advertising company that mom. I don't think I could even stay afloat. Of course, I'm worried about money." She said, "What a waste of time."

Then you know what? I swear to God, I think it cured me. My shoulders went down. I thought, "Yeah, what a waste of time." I just went back to the middle, pushing like crazy and somehow it will work out.

[0:07:30.7]

FT: The mind does everything.

[0:07:32.9]

BC: It's still not everything. It's a start point. The line frames where you're going to go, and then your effort and hard work ethic gets you there. If you don't have the right frame of mind and you don't really have the attitude of belief, how do you even work hard? No one wants to work hard in something you don't believe in. It starts with the mind, but it finishes with the legs; no doubt in my mind about that.

[0:07:55.6]

FT: You are also talking on the podcast, your podcast Business Unusual, that after 25 years of building Corcoran Real Estate, which then you sold for I think of a 66 million dollars.

[0:08:06.5]

BC: Cash is the key line. The cash.

[0:08:08.9]

FT: Cash.

[0:08:09.5]

BC: That goes in the bank.

[0:08:11.8]

FT: That would have been a good day to go to the ATM. I'm sure you did that.

[0:08:14.4]

BC: I did go to the ATM and I didn't know where the cash was. When I got my receipt out, I was almost had a heart attack, because I saw 44 million dollars in my checking balance. I go, "Oh, that's where the money went." Then I got the rest of the remainder about three months since.

[0:08:26.5]

FT: Oh, good, good, good. Yeah, that's a lot to be wondering where that is. You said after that experience that you did feel lost. You felt like nothing exciting was ahead of you. What changed?

[0:08:40.0]

BC: Well, I felt lost because I had sold my family. I had seen it as selling a business and I had become the number one broker in New York, which was my goal and I just had a baby at 46 and I was finding that I couldn't be a supermom and a supermom in both places. It seems so logical and such a quick decision to just decide to sell. Boom, perfect time to sell. Let's get out of here. Okay, and fortunately I found a buyer right away.

What went awry after that was my lack of giving thought to what I was going to do with the rest of my life. I really thought I'm a pretty good pasta maker. I'll take lots of Italian cooking classes and really widen my arena of pasta making. I swear, that's about as far as I thought. One class into it I realized, "This is not good enough to fulfill me in any way, anywhere soon." I had to sit down to figure out what I want to do with myself.

That's when I came up with the idea that I would repackage myself. Some people call it reinventing, I call it repackaging. What did I know? I knew real-estate, New York, that's all I knew. I knew how to build a business, so I decided I might go and become a business expert, but nobody really saw me as that. They saw me as real estate lady, so I became a real estate expert in the midst of the real estate bubble, knowing full well that bad news prints.

Bad problems with real estate and I talked about it weekend in and week out at the Today Show. Eventually, that led to Shark Tank fortunately and they picked me up for that show, and I've been there nine years ever since, which has been just as much fun as building my corporate group business, because I'm building all these other businesses. 70 today and I've invested in and probably of those still standing out, probably 15 and I work day in and day out with all those entrepreneurs. I love it. They're my new family.

[0:10:21.0]

FT: Your co-shark, Mr. Wonderful has said that his most successful business is through Shark Tank have been female lead businesses. Has that been your experience too?

[0:10:34.2]

BC: I wish I could say that. I didn't know that Kevin even said that. I'd like to check that out. I'm going to actually call him right after you hung up with me. No, I have not found that. I have found the opposite. Believe me, I'm trying to figure out why that is. I would say that every one of my successful businesses are partnerships, meaning two people instead of one, and of course I'm attracted to that. It's like two people for the price of one when I invest in a business. I hitch my bets, you see.

Partnerships, I do very well with and except for one, every one of them are two men leading the business so go figure that out. Among all the women I've invested over time, or in partnership, or on their own, I can honestly say that I've had a success. Isn't that weird? I'm going to have to trade businesses with Mr. Wonderful. I much rather be working with the girls and the guys.

[0:11:32.6]

FT: We actually had Cousins Maine Lobster on this podcast, episode 726 not too long ago. You had mentioned that what gets them going is really their competitiveness, is what's –

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BC: Bet you.

[0:11:44.3]

FT: Yeah. I think they also are competitive amongst themselves a little bit.

[0:11:48.8]

BC: You spotted that, didn't you? It took me a while to see that. They're both growling for the mic and saying one more clever thing more than the other guy. Did you notice that?

[0:11:57.4]

FT: I did. So much so that I try to not give any one of the cousins any more of the spotlight during the podcast, because I felt like – I didn't want to disappoint one of them. Yeah, I definitely felt that.

[0:12:12.8]

BC: Let me tell you just for the next time you interview these guys, you should have them back because they are like dream entrepreneurs. If I could call them, I might be the happiest woman on earth. Next time they're in, start giving one more attention in the other. Then you'll really see the other guy come out.

[0:12:28.0]

FT: Oh, my gosh. Oh, my gosh. That will be a great episode for sure. I've interviewed you so many times. It's been such a privilege, and some of the financial facts about your life that have surprised me is one, you don't spend money on first-class plane seats. You like to fly coach, which I tell that story to people and it's great. First of all, it's great like bar talk like, "Hey, did you know that Barbara Corcoran doesn't fly first class?" Then no one ever believes me.

[0:12:57.7]

BC: No, wait, wait, wait. That's not entirely true. When I have to pay the ticket, I will not fly first-class. It's triple the price. What am I? Crazy? I don't want my children to learn that they can afford a first-class ticket. Let them get their own god – I can't say that. Let them get their own job and pay their own ticket. When I have a client paying, I'm always first-class, because that's their money. No problem at all. I eat as much as I could and I drink the free one.

[0:13:23.7]

FT: You're asking for a doggy bag on the way out of the plane.

[0:13:26.0]

BC: You bet you. Let me give my little hint on what I do in coach and I check who is my favorite best seats, I think. I get a little napkin, a pretty napkin, really stretched and pretty and I use as a tablecloth, I bring cloth, pardon me, that's like New Jersey accent coming out. I bring perfect little hors d'oeuvres, and I even go into that, the hamburger joint that's in every airport, the great delicious one and I buy a bottle of cold wine, and I have a picnic. I feel so special.

[0:13:52.3]

FT: That's awesome. You better be in the terminal with the Shake Shack, is –

[0:13:56.7]

BC: Shake Shack, that's exactly right.

[0:13:58.0]

FT: Because they sell the mini-bottles of wine.

[0:14:00.2]

BC: The wine is really good. It's always icy cold.

[0:14:04.1]

FT: Okay, so you're a part of a community of spenders, Barbara, that arguably doesn't need to worry about price tags. I mean, you are a bit price conscious, which I like. I like to hear that. When you do make a purchasing decision, if price is not really the issue, what makes you want to buy something if you're comparing two things, a product, or a service, what makes you go for something versus not?

[0:14:29.9]

BC: Well, the first thing I ask and probably the main thing that I ask is how often will I use it? I'm just not wasteful. I don't mind spending a lot of money on a jacket that I'm going to wear on every flight, every rainy day. In fact, I recently remember what I bought. I had the salesclerk take the tag off, take my credit card and not tell me. Cover up so I sign it, because I knew it was a pricey label. Why I went ahead with that purchase as I wear that beautiful jacket, would look good on every air flight I take. I wore that yesterday in the rain. I had it on this morning. I'm going to wear the heck out of it.

If I get great use out of something, I will spend anything. If I don't get good use out of it, I'm not going to spend a dime. Forget about it. It's so wasteful. I can't help but to think what a family could do with that money who didn't have the means. It would feed their family for a month on the cost of a designer jacket. I just don't have that freedom of thought to be able to go there. Unless, I'm going to wear it and justify it, "Oh, no. It's all right. It's okay to do this." Then I'm okay with spending money.

[0:15:32.4]

FT: Yeah, you mentioned you bought a red dress, or some Gucci dress that you regret, because you're like –

[0:15:38.1]

BC: Definitely. The one with the little navy stripes on with the tie at the neck. You know what? I don't know. I'm not going to blame it on a guy that helps me dress with TV. He said I'd wear them on Shark Tank and I'd look a million bucks. Totally goes, I never wore them on Shark Tank. I feel so guilty. I only wore it twice a month. I'm not wearing more. As we speak, that dress is in the box that I had labeled my classical sisters. I have five sisters, all of which, except for one is exactly my size. Anything I don't use, it goes out that season to my sister's knit room to get some –

[0:16:15.1]

FT: Perfect. You can also sell it on consignment. I'm sure that would go for –

[0:16:17.5]

BC: Why would I do that?

[0:16:18.9]

FT: Just tell the [inaudible 0:16:19.9] to make sure to tell everyone that I wore it. Barbara's worn this and they might –

[0:16:24.2]

BC: No. I'd rather see my sister smiling. We have our sister reunions, which we do every other year. Everyone comes in my old outfits. It's so much fun.

[0:16:33.2]

FT: That's cute.

[0:16:34.1]

BC: I think, "Why did I give that to you? I love that dress."

[0:16:35.8]

FT: That is really cute. Who are your role models? Or who is your role model? Do you have a role model?

[0:16:42.0]

BC: I'm not really – Honestly, I mean, my mom was and she's been gone for five years, but I still lean on her. We all do in my family. What would mom say? What would mom do? We even say that to each other when we're talking in a bind, because she is a great source of wisdom. You

know what? We don't know what she'd say, or do, but we guess and we feel like we're right in our guesses. I haven't found anyone, honestly. I'm not looking for anyone. I think I'm okay with what I got. I got the big lucky break in life, a great mom, and then I got a great dad. I mean, how many kids could brag about that? I feel like I've been well fed, do you know what I mean? I think I'm okay now. Okay as maybe I'm the role model now, maybe my own role model. I think about what my mom would do.

[0:17:27.5]

FT: You're the North Star for so many people. You know I'm right.

[0:17:30.3]

BC: No, that sounds foreboding. Sounds like a lot of responsibility. I would think people would make their own North Stars, right?

[0:17:36.8]

FT: Yeah, yeah. It's always helpful to have great role models. For many reasons, you're my role model. This may be surprising to you, but I'm so obsessed with Dancing with the Stars. People who listen to the show know that I – that is my dream.

[0:17:58.2]

BC: I wouldn't think you do, would be one of those people. My God.

[0:18:01.5]

FT: I know, right? What's wrong with me? Tell me about your experience. We have a couple minutes left. I just want to get some behind the scenes from you. Indulge me.

[0:18:08.4]

BC: Behind the scenes, a few things you don't know about Dancing with the Stars. I'm going to cut right to the chase is when you're eliminated, okay. I have the claim to fame. I was the number one last season, eliminated. I got myself a t-shirt and had a printed number one, and then you turn around the back it says, "Eliminated." I made a joke of it, because I had to return to Dancing with the Stars for the final episode and dance again when you were the number one loser, so easily done.

Here's what's interesting behind the scenes; when you lose, they tell you the night before pack a toothbrush and a change of clothes, because if you lose tomorrow, you have to get on a plane immediately. You're not going back to your hotel and flying to New York to be on Good Morning America. I got that memo like everyone else competing there. I thought, "Ha. How cute. I'm not packing a toothbrush. I'm not getting eliminated. Whoa, I got eliminated."

They take you right off the set, like I would say 30 seconds. You're off the set, they track you down a secret door that I passed every day. I even know it was a stupid door, get on metal staircases in your high heels and ball gown, trackity, trackity, trackity right down, and then they put you in an armored car, and I say armored not because it has guns, but black windows, a big-ass car –

[0:19:20.1]

FT: What is this? Handmaid's Tale, my God.

[0:19:23.0]

BC: No, this is the truth. I'm telling you what happens. Then there's a guy in the front seat, like a FBI guy with an earpiece, doesn't say many words. He assures he get to the airport. I don't think he's guarding me. No, he just didn't want me to escape. Now my dancing partner, my big handsome, beautiful dance partner, only what? 25-years-old, I'm embarrassed in front of him, I made him lose because I can't dance. He's next to me. They pushed us into a JetBlue flight first-class, they hold all the other people, we go through the back door at the airport to get to the flight on the runway, and then they let the other passengers.

Next thing I know, I'm waking up and my dance partner is saying, "You snore when you sleep." I was snoring all the way across. I was so exhausted. Then we go right to the Morning America and the first question is, "How does it feel to be a loser?" "Oh, it was a great experience."

[0:20:09.6]

FT: Oh, my gosh.

[0:20:11.0]

BC: Let me tell you. I love being a loser.

[0:20:14.0]

FT: That is – That's so – I don't even know how to describe.

[0:20:16.7]

BC: Surreal. Surreal. Yup, yup, yup. It was like very exciting. Guess what? They got the right girl for bouncing out, because I am so comfortable being a loser. I've been loser my whole life, and boy, do I know really how to smile through and bounce back up. That's exactly what I did on Good Morning America. I act like I was so happy. I was crying inside. Amazing experience. Amazing. I love being a loser. Yeah, I came to be.

Nobody could see through my eye. I'm sure they're really, "She's amazing. She's amazing." Then I went home and cried for two days. I was embarrassed. Not really, I cried for two minutes, and then signed up for my next 10 dance lessons. Found a guy in New York and I've been dancing ever since. That's the upside to hanging in there.

[0:20:57.6]

FT: Wow. That's really impressive. That just shows everybody who you are, right?

[0:21:03.3]

BC: Well, I'm not a great dancer, but my mind, I still am a good dancer. I don't care what the judges say. Now I have no judges, but me.

[0:21:10.8]

FT: Well, you're a winner here. You'll always be a winner on this show.

[0:21:13.6]

BC: I know that.

[0:21:14.5]

FT: We love you, Barbara. Congratulations. I know you have to now go on to your next interview. This is one of the shorter interviews I've done, but –

[0:21:22.8]

BC: You're not even doing your so money moment and all the habit rituals. I listen to you and I don't always forget –

[0:21:27.1]

FT: Thank you.

[0:21:28.5]

BC: All right, another time.

[0:21:29.9]

FT: Yeah, another time. Please, please come back. We'll do a more formal So Money interview, but I really wanted to ask you all these questions, because there's just so many things I want to know about you. You're just –

[0:21:40.5]

BC: Thank you very much for promoting my podcast, Business Unusual. I really mean that. You shouldn't have done it, because I'm going to tell you something, I'm going to be your number one rival.

[0:21:50.4]

FT: You know what? I'm okay with that. It's okay.

[0:21:53.5]

BC: Okay, good.

[0:21:55.4]

FT: It's going to a good person. Thanks so much, Barbara.

[0:21:57.1]

BC: I love you. Bye-bye.

[0:21:58.2]

FT: Take care.

[END]