

EPISODE 739

[INTRODUCTION]

[0:00:35.0]

FT: What did your parents teach you about dollars and cents? Welcome back to So Money, everyone. I'm your host, Farnoosh Torabi. How did your childhood impact your relationship with money? It's something that comes up pretty organically on this show. I do ask questions to prompt people to think about growing up and how they learned about money, their first experiences and it's always such a visceral moment, and it's something that stays with them throughout their adult years.

Today, we're going to dedicate a large portion of the show to going down memory lane with our guest, Mical Jeanlys. Mical is the General Manager of Chase Slate. Chase Slate is the financial services partner of this show, and I have the honor of being the brand's financial education partner. I've always wanted to talk to Mical about money deeply. She and I worked together, but this is the first time I've gotten the chance to really go there with her and talk about money and learn about her financial philosophy, her memories about money growing up and how she and her husband are paying it forward and teaching their three young boys about money.

A little more about Mical, she holds an MBA from Columbia University, Graduate School of Business. She has an undergraduate degree in business administration and finance from Villanova University. She lives in Pennsylvania, which is where I grew up partially. It's really a pleasure to welcome Mical to the show. Here we go.

[INTERVIEW]

[0:02:01.7]

FT: Mical Jeanlys, welcome to So Money. It's great to finally have you on the podcast.

[0:02:07.3]

MJ: Thank you, Farnoosh. It is great to be here today talking about a topic that is so near and dear to me.

[0:02:13.7]

FT: I know it. Firstly though, thank you so much to you and the entire Chase Slate team for really believing in this podcast and giving us the legs to pull it off this year as our financial sponsor, as our official financial services partner and sponsor. We couldn't do this show without you. It's really a nod to how much you Mical as a person believed in financial freedom, and I know just in having met you a few times in person and our conversations over dinner and in with other women, it's you are really passionate about this topic. It's not just because it's your job, but it's because you come to this world with a lot of real-world experience and perspectives, and I want to dive into all of that.

First though, we've been talking about this amazing survey for quite some time now on this podcast. I ask guests every time they come on the show about their money memories. I start off by talking about the annual credit outlook survey that Chase Slate did that they've been doing for a number of years now that what did your parents teach you about money and we found through the Chase Slate survey that over 50% of parents have had a money conversation with their kids.

We'll get to that later in the show about what your parents taught you. Mical, why was it important to do this survey? I mean, you do it every year and I'm curious in 2018, how are how are attitudes around credit shifting?

[0:03:43.3]

MJ: Yeah, you know Farnoosh, we've been doing this survey since 2015 and I would say this is one of my favorite things that we do for Chase Slate is this annual survey. Every year, the team gets together and we think about themes, about how people are thinking about their money and what questions we might want to ask. Really it's because we understand that credit is a tremendous part. It plays a key role in people meeting their financial dreams and objectives,

speed if you're trying to buy a house, or car, or if you're renting, your first apartment and going out on your own, credit is so critical to you meeting those financial objectives.

This survey is our way of staying in tune with Americans and how they think about their money, how they think about their credit and saving and budgeting. Then here we said, "Hey, let's talk about parents and children and how they're talking about money." I would say the findings are just amazing, they're eye opening.

I think a lot of people would be hard-pressed to believe that three-quarters of Americans today know their credit score, that's an increase of 15% just from last year. People are thinking about their credit and they're talking about it, but more importantly they're passing it down to their kids. We found that 59%, 56% of American parents say that they are already talking to their kids about money, and that conversation is starting as early as 13. That's pretty darn impressive.

[0:05:19.6]

FT: It is. What do you think it is about our current generation? I mean, I know, I think technology helps first of all, like you can access your credit score. Why people actually having the conversations about credit and money with their kids? I think this is more prevalent now than it has been in other generations. Why do you think? Do you think we're just – we're just more comfortable talking about money?

[0:05:41.5]

MJ: I think we're more comfortable about it. We've made some of these things, like credit score more everyday conversation items. I think we at Chase Slate have done a tremendous job in terms of offering credit score as part of product and even broader Chase, making free credit scores available to all Chase customers and anyone else who's interested. I think that has certainly made it way more attainable and a topic to discuss more freely. I'm thrilled to see that people are doing and having these conversations with their kids. I'd love to see those conversations happening even earlier.

[0:06:18.8]

FT: I mean, they do in some ways. Except maybe we don't remember them happening, right? I feel like growing up, my parents always modeled for me. It wasn't until perhaps the teen years when it really became concrete and they started to have actual conversations around what things meant. All along, they were teaching me. What I also loved about – one of the survey findings that's my favorite is that millennial women are much more likely than millennial men to say they were motivated to talk about money with their kids.

Again, I think because women are a head of household, they're managing the money, they're making most of the purchasing decisions. I always tell women that this is a huge responsibility that your kids are looking to you more than dad sometimes to learn the good, the bad and the ugly about money. Make that what you want of it.

[0:07:15.5]

MJ: Make it a fun thing. I have three boys; they are nine, six and three. We're not talking about money with the three-year-old, but we're certainly talking about it with the nine and the six-year-old. It's not a big, let's sit down and talk about money. It's using it in the everyday conversations. It's being at the grocery store and my kid putting five more items in the cart and I say, "No, that's not in our budget this week." It's like just getting them thinking about hey, things cost, there's a budget, you have to stick to it, you have to have a plan. It's not about hey, let's sit down and talk about money for half an hour every week, but just making it casual, making it part of just like you would teach your child hey, don't cross the street without looking.

[0:08:03.8]

FT: I want to learn more about your kids, because I understand one of them is saving up for a beach home. When I when I read that, I was like, "Maybe her son is like, I don't know, 25?" Then I was like, "Mical is not the mother of a 25-year-old. I'm very confused." You said nine, six and three. We'll find out which one is saving up for the beach home. First, let's hear your money mantra. What is weather your financial philosophy, something that guides you as you make money choices.

[0:08:38.4]

MJ: Yeah. My north star about money is a pretty simple one. I like to remind myself, just because I want to, or just because I can, doesn't mean I should.

[0:08:50.0]

FT: Can you give us an example? Was there something that you –

[0:08:52.6]

MJ: I would say in any given week, we all see things that were like, “Oh, I'd really like this, or it would be cool to take this trip,” and just reminding yourself like, “Yeah, maybe you want that, but should you financially?” Am I not better off putting that money towards my kids college education? Just because the answer is no today that I shouldn't make that purchase, maybe I'll make that purchase in six months when it's more planned and thoughtful versus, “Oh, I just feel like it today.”

[0:09:21.4]

FT: Just because you can, doesn't mean you should. Apply to many aspects of life, including your financial –

[0:09:29.1]

MJ: It's how I manage my physical health too.

[0:09:31.8]

FT: Yeah, just because you can have that chocolate cake, doesn't mean you should.

[0:09:35.6]

MJ: Doesn't mean I should.

[0:09:37.2]

FT: Right, right. I feel that way a lot about just merchandise, physical purchases. The money's in the bank, but I think that's a really good way to check in with yourself too. It's like okay, so I can afford it on paper, but what is this tradeoff? Because everything you buy means you're not going to be able to buy something else, or save for something else. Coming to terms with that is important.

[0:10:04.6]

MJ: Yeah. Making sure your money really reflects how you're spending your money. For me, it's important to make sure that hey, my financial decisions really reflect the things I really care about. If I look around and I look at a number of purchases over time and they're not really in mind and with my financial goals, or what I really care about, if it's about spending time with my family and spending more family outings together, is that really where my money is going?

[0:10:32.5]

FT: I think I was talking to someone else earlier about this. What's the biggest mistake people make with their money? I go, it's I think it's actually not figuring out what they value and what is that ideal life that they would like. We always say are you spending and saving in a way that aligns with who you are and what's important to you, but have you thought about what's important to you? It's not something that I think is required of us, but it's so important.

[0:11:03.7]

MJ: Yeah. There's the old saying that says, "Show me how you spend your time and I'll tell you what's important to you." Well, the same could be said about your money.

[0:11:12.1]

FT: Yeah, 100%. I think Al Gore likes to claim that as his –

[0:11:16.1]

MJ: Really?

[0:11:16.9]

FT: Yeah.

[0:11:18.3]

MJ: He's claimed a lot of good things.

[0:11:19.1]

FT: He's claimed a lot of things, yeah. We'll give him that one. Back to the survey, so over 50% of parents have talked about money with their kids. What is your greatest money memory from childhood? What's a lesson that your parents taught you, whether they verbalized it, or they just showed you?

[0:11:38.7] MJ: I think my super clear money moment as a kid was going down to the local bank and opening a savings account with my mom. It wasn't my happiest money moment, because it was at the end of the holidays. I think like most kids, your grandparents give you money, the aunties and uncles give you money and you're super excited like, "Yeah, I'm going to go to the mall and spend all my newfound wealth." My mom was like, "Put the brakes on this. You're actually going to open a savings account."

I sort of grudgingly went to the bank with her, sat down and back in those days, they had these little cards where I had to write my name and I couldn't write cursive yet, so I printed out my name, and I had to come back years later and update my signature, but I opened my first savings account and I was probably about seven or eight-years-old.

[0:12:34.2]

FT: Wow, before you even had cursive under your belt.

[0:12:37.7]

MJ: Yeah, and before I wanted to part with my money. It was good.

[0:12:44.0]

FT: Yeah. Did she talk about why, why you were doing this?

[0:12:47.4]

MJ: Yeah. She was kind enough to say, “Hey, you can have –” I think at the time, I probably had a total of 50 bucks across all the different holiday moneys that I got. I remember my mom saying, “Well, you can keep 10 of it to go buy something, but you have to weed the other 40 in a savings account.” Over the years, that became the thing. Instead of a piggy bank, because she realized we could dip into that, we had a savings account and it became a routine and as people gave me savings bonds to save for college, like those would go into the account.

Just became a habit. You get into the habit of doing it. If I got birthday money, most of it would go into the savings account. I could spend some of it and it just created this very conscious habit of your money is not just for spending.

[0:13:40.4]

FT: Over 40%, or how much she tried to make you save, like a majority of it. Said you get 50 bucks and you'd get to get \$10, like 90% of your money. What is it –

[0:13:49.9]

MJ: I couldn't do the math back then.

[0:13:51.8]

FT: No, I couldn't do the math just now. I was like, "40%?" No, it's like almost all of your money in savings. What was your mom – again, it's the mom right who took you to the bank. What would you say was her mindset around money that she was trying to bestow on you? Was she also someone who was super frugal, or savings conscious?

[0:14:14.8]

MJ: Yeah. She was very smart with money. I think she wanted us to just really think about like, hey, it's good to spend on the things that you want, but really think about why do I really want this? It's also important to save, like to know you have some money stashed away.

[0:14:32.0]

FT: How did that show up in your life later? My mom instilled the fear of God in me as a child growing up in a lot of ways. Like don't get into debt, look both ways when you cross the street, don't talk to strangers. In some ways, I was – I had this fear trigger, but it prevented me from making a lot of bad choices. As an adult, I feel like I still have my mother's voice in me, guiding me through some crossroads. How has that memory shown up in your life as an adult?

[0:15:05.0]

MJ: It certainly sticks with me, and I feel super fortunate to have a mom who is very conscious about teaching these lessons. A grandmother who's a supersaver, I think she was probably the pinnacle of money advice and guidance. Just having that at an early age, like it was not something that was this momentous conversation we had to have when I turned 15. It was just one of these lessons that were passed on, and just like hey, you need to go to school and learn, you need to have some awareness about your money.

I think I carry that with me every day and it's certainly something I pass on to my kids. It's just, like I would say, "Hey, you shouldn't have too many sweets. You shouldn't spend all your money." It just becomes so habitual, and it's like very easy organic way of passing that message on, and I suspect my kids will probably have some more quotes for their kids.

[0:16:03.2]

FT: Yeah. Which one of your sons are saving up for a beach house?

[0:16:07.4]

MJ: The older two. I tell people this, like your kids are more aware about money and things than you could ever imagine. This whole beach house concept actually started in school, some other kids were talking about vacation plans and going away to beach homes and hang out with their families over the summer at the beach. My guy came home and said, “Mom, why don't we have a beach house? I want a beach house.” That turned into a money talk and, “Okay, well you have to save up for that. If you really want it, it's going to take time. It doesn't happen overnight.”

We also didn't tell him just how expensive it is, but it created that conversation around, “Okay, I'm glad you and your friends are talking about vacation plans.” Here's another easy way to talk about, “Hey, you have to save up for things.”

[0:16:57.4]

FT: That's a really good point and it's something that I wrote in one of my articles on the Chase website just about when kids start to really grasp money issues and it's when they go to school, we often think it's not until they're older, but believe it or not, kids are understanding economies of scale and – when they go to school and when they see – when they hear their friends talk about vacations and they see what they're bringing in for lunch and they see what kinds of cars they get dropped off in.

I'll ask you about your childhood, then I'd love to know about as a mom what your experience is, but when you were a kid, how did you relate to money compared to other kids? Did you think that you were better off, not as better off and what made you think that?

[0:17:47.5]

MJ: It's so interesting, because I think you're spot on about kids comparing and who's getting the latest footwear, the latest electronics. That is a way in which kids orient themselves around money and wealth and the ability to buy things. I think it is super important to have those conversations to tell your kids, help them differentiate between a need and a want. They will see friends having multiple things and helping them understand, "Yeah, that's cool that your friends may have that, but do you really need that and is that something that we really think you should have?"

I think as a kid, I grew up feeling like, "Okay, most things that I would bring up to my parents, they would find a way to make it happen," and I interpret that as okay, that's a good thing, but they also put some guardrails around it. It wasn't you can have it tomorrow. It might be with some conditions like, "Okay, well if you bring home straight As, you can have those new sneakers you'd like."

[0:18:52.0]

FT: Yeah. I have a lot of parenting and money experts on the podcast and I think one thing that is consistent in what they preach is that when your kids ask for things, don't say no all the time, even if it is an impossible ask, that rather you, like you said, you have a conversation around it. Why do you want this? What is it going to take to have this? Put on a list. Show them that they can have whatever they want, that the world is their oyster, there are possibilities, but everything comes with a price tag, everything requires work and planning and money. I think that gives kids a growth mindset as opposed to this idea that money is scarce, and then that can also show up negatively in their adult life. Kudos to your parents.

[0:19:43.2]

MJ: Yeah, they did a phenomenal job, and Farnoosh of that point about like not saying it's not possible, but having the conversation. When my little guy came home and wanted a beach house, we also chat about, "Well, we have a house and you know how many years mom and dad had to save up for that and how we had to think about what we could afford?" That they understand, it's all possible but all in due time and with the right discipline and effort.

[0:20:09.1]

FT: Yeah. Well, good luck to them. That's very ambitious and no pressure, right?

[0:20:16.6]

MJ: I know. As if I'm not working hard enough.

[0:20:19.5]

FT: I know, right? Let's add a beach house to the list. That's a great goal to have and it's nice that they – it's like plenty of kids can really get motivated. We should never underestimate them, because I mean, who knows, maybe he will get that summer job and figure it out.

[0:20:39.4]

MJ: There's talk about a lemonade stand and how another kid had a lemonade stand and made a lot of money, and maybe he should do one as well.

[0:20:47.4]

FT: I love it. That's so awesome. All right, what is your so money moment? This is a time in your life when you feel like you had a real financial win. For some guests, it's when they paid off all their debt, or they saved up to get the beach house. Tell us about that time.

[0:21:05.7]

MJ: I think for our family, it was certainly when my husband and I paid off our graduate student loan debt. It had been something that we talked about when we got married and we put it on a plan and we stole from all those great financial tips about breaking up the payment, so that it's twice a month so you without trying make a 13th payment each year, and we would make additional payments to pay down our graduate student loan debt.

I just remember being so thrilled when we wrote that last check. It was like, “Yes. We paid off our student loan debt.” I didn't expect the letter. I didn't even know that you get a letter in the mail congratulating you for paying off your student loans. When we got that letter and we opened it and we read it, we just felt such a tremendous accomplishment. Not only have we done this, but we can start saving more aggressively for our kids' education knowing that we have wiped out our own education debt.

[0:22:08.8]

FT: That's great. What were some of the things that you did to make that goal a reality? I heard you talk about paying two payments a month, or bi-weekly, or bimonthly. Were there other tradeoffs that you made to make that a priority?

[0:22:23.0]

MJ: Yeah. I mean, we certainly did not go with the suggested payment plan, so instead of whatever was suggested within – I think a lot of these are set up to pay them off in 20 or 30 years, we felt like that's a really long time and we wanted to pay it down faster. We may tradeoff decisions like, “Hey, we're going to make bigger payments. We're going to make incremental payments. We want to see this gone.”

I would say it's huge we made those sacrifices to pay it off. What it also means is that once it was paid, we now had incremental funds to do other things with, because we were no longer paying off those balances.

[0:23:01.6]

FT: Now I would say, imagine the debt is still there even though you've paid it off and just reallocate. What was the first thing you did when you got rid of those loans? What was the next goal?

[0:23:11.5]

MJ: The next thing we did was we say, “Well, let's try to pay down our home more aggressively and put more towards our kids' 529 plans.”

[0:23:18.5]

FT: It may seem this huge and daunting task to get out of debt or save, but once you get going, you make that habit habitual, it's almost like you've caught a bug and now you want to do more and you can't – those things that you considered sacrifices before it's like, “No big deal.” Like you're willing to make the tradeoffs more than ever, because you're seeing the benefits.

[0:23:44.0]

MJ: Celebrate. Celebrate your financial wins, like we celebrate getting a new job and getting a promotion. We went out and celebrated paying off our student loans. It was fun, it was awesome, like wow. A lot of Americans can relate to this, like a lot of kids are out there graduating with student loans that making it having a plan around it, chipping away at it and celebrate the milestones.

[0:24:07.9]

FT: So important. Keeps you motivated. Is there a habit that you have, or a ritual that helps with making sure that you're spending and saving meaningfully, and like that you're living your financial life in alignment with your goals?

[0:24:24.3]

MJ: Yeah. I do think that for our household and for our family, this set it and put certain things on autopilot really works for us. For those of you out there who may have access to a 401k plan, like I'm a huge supporter of those. It's an autopilot way to save towards your retirement. You can create similar ways of doing that with automatic savings and saying, “Hey, every paycheck I want a certain dollar amount funneled into a savings account.” Many employers allow you to split your paychecks. We do that within our household. We have a portion that goes into our checking account and a portion that automatically goes into a savings account.

That you're doing it without and it just becomes yet another habit, and it's on autopilot to a certain degree really works for us. I would certainly encourage people to find those tools and tips that make it easier.

[0:25:24.4]

FT: 1000%. I started my 401k when I was 23, 22, 23. I have a set buyer right now, because I'm self-employed, but that 401k, I wasn't really sure if I should do it, I didn't really think I had the money, I was making pennies. My HR manager Mary she said, "Just do it. If it starts to be painful, you can always turn it off. Let me tell you, you're not going to even feel it. It's going to just be automatic." Thank God for Mary, because I did that. I started just contributing and getting the company match, and I left that job two years later, two and a half years later with \$34,000 invested. Let me tell you, I wouldn't have been able to do that on my own.

[0:26:13.4]

MJ: It's huge. At first, particularly when you're that young professional and you feel like, "Oh, my income is not as great for the expenses, or the things I aspire to," so it feels like, "Oh, should I do this? I'm not going to retire for another 40, 50 years," but do it now. That compounding benefit is huge. I can tell you guys personally, my first paycheck, I came home and I cried. I was like, "Wait. I thought I was going to have this?" Then after taxes and 401k I'm like, "I have no money."

[0:26:44.9]

FT: You do have money. It's just it's somewhere else. It's somewhere where you can't touch it, which is better than in your wallet.

[0:26:52.5]

MJ: Exactly, which is way better.

[0:26:55.9]

FT: Oh, my gosh.

[0:26:56.6]

MJ: I would say a much better decision for that money to be in a 401k plan than having drinks with my girlfriends.

[0:27:03.5]

FT: A 1000%. We've learned nothing from this episode. It's just if you have the opportunity to not touch your money, go for it. Put it somewhere where it's being taken care of, really like forgetting – you just end up forgetting that you're contributing. Then one day you go to move that money, because you're leaving jobs and it's a good day, because you're like, "Wow."

[0:27:23.9]

MJ: You're investing, because you're putting it into some equity, or like you're investing.

[0:27:32.5]

MJ: Mical Jeanlys, thank you so much for coming on the show, giving us all that great advice, inspiring us with your stories of nine-year-olds buying beach homes, taking us down memory lane too, some great lessons that your parents shared with you growing up.

[0:27:48.9]

MJ: Yeah, and I would encourage people have those conversations with your kids, like have them organically. It's not this big mysterious thing. It'll pay off and they will appreciate it. Even in the survey, we heard people say like, "Their parents did it for them, so pay it forward."

[0:28:05.6]

FT: Yeah. Thanks so much, Mical.

[0:28:07.9]

MJ: Thank you, Farnoosh.

[END]