

EPISODE 746

[ASK FARNOOSH]

[0:00:35.0]

FT: Welcome to So Money everyone. June 22nd, Friday. Hope you're all enjoying the summer, officially, yesterday was Evan's birthday and this weekend will be his party. Looking forward to ringing in four years with this little guy and he's been really excited and looking forward to his birthday party tomorrow with his friends. We got him a little bouncy castle, don't worry, we didn't go overboard, there was this little gym near our house and they offered this as part of the package for the birthday party.

What I've learned about kid birthday parties is that it's worth it to spend a little more so that you don't have to set up or clean up and last year, I made that mistake, I was like, "I'm going to DIY the birthday party, I'm going to have this big, fancy party in our building's courtyard and I'm going to make all the decorations myself."

By the way, I had just had his sister like two months before that, so I don't know, I always get very ambitious after I have a child. Like, "I'm going to run a marathon," that didn't happen. This little project of having his three-year-old birthday in our building courtyard was a nice preoccupation I suppose.

But the problem was the day of this party, it was super windy. All the decorations were flying everywhere and no fun, in fact, this is how kind of crazy it got after all the kids were there, there were like 35 kids, I didn't think they were all going to show up, they did.

Warning to parents, prepare to have all the people you invite to your children's birthday parties show up, it's not like a wedding where like, 20% will say "No." They will all be there and it's windy and the kids are having a blast but I'm you know, in my OCD, sort of just having this nightmare of experience.

The food gets there, we're like trying to get all the pizza down the kids mouths and then the cake – we had cupcakes and I'm about to not disperse the cupcakes and it was another parent who stopped me and goes, "Maybe we should sing happy birthday."

I was like, "Yeah, that's probably a good idea." The one thing I do think that I did well though that day was to hire a friend to photograph the day which – at least we have pictures to show. Evan looks so happy, in fact, he was so thrilled the whole time that by the end of it, he just kind of rested his whole body on the ground which one was a sign of exhaustion but two, yeah, exhausted, excited, happy birthday. Success, all around for the kids. Not so much for me.

That's why this year, we're doing the bouncy castle and this packaged birthday party. I can just show up and leave and call it a day. Anyway, happy birthday to Evan and I hope you're all having some fun plans for the weekend.

Today we have a lot of questions about paying off debt with your 401(k). Managing money once you have kids and the realities of maybe going from two incomes to one income, if a spouse decides to stay home. We have a question from a woman named Kit on Instagram who wants to talk about a job offer that she got and she's actually waiting for maybe another job offer and kind of at this crossroads and wants to know what to do.

Lots of interesting questions, sometimes it has nothing to do with money but more about you know, life, career. I love that you think that I have these answers and I try my best but sometimes it helps to bring on a cohost and in this case, we have a listener joining us, as you know, I invite you to reach me and say "Hey, Farnoosh, let's cohost."

If you've got a bit of perspective on money, if you yourself have achieved some financial goals and you want to maybe connect and talk about other people's questions, I would love to connect with you and in this case, we have Noelia Arzola, who is an avid listener of So Money. For now, about a year or two and she's all the way from Texas.

Noelia, welcome to So Money.

[0:04:38.9]

NA: Hey Farnoosh, thanks so much for having me, this is such an exciting time and delight to be here cohosting with you, thank you for the opportunity.

[0:04:48.5]

FT: Wow, thank you so much for being a part of the community and you just cold reached out to me. I mean, I encourage everyone to reach out to reach out to me as I do on every episode but you did and did you think I was going to write back?

[0:05:01.5]

NA: I was hoping you were. I mean, you know, I understand you're busy and have all these things going on but I thought, "Hey, if she's making that invitation for people, I think she'll reach back to me and hopefully we'll make it happen."

[0:05:14.0]

FT: Yeah, I'm a woman of my word, most times. I mean, sometimes things fall to the cracks but I'm so excited to have you on the show because not only are you a fan of So Money which I'm so grateful for but you yourself have achieved a nice little So Money history in a short period of time, you paid off \$6,000, you also paid off last year another \$30,000.

You've eliminated all of your private student loans, you run your own business, that's incredible. I know that you have started listening to the show ever since you heard me on Girl Boss Radio. Sophia Amaroso, which was an amazing opportunity for me to get on her platform and obviously, connect with people like you.

What made you so interested in money?

[0:06:02.5]

NA: I think, my gosh, it's – I just love money, I love talking about it, I love what it does. I love what happens when you manage it well. There's also consequences of not doing it well. It's so intricate and I think it's in everything that we do, so it's important to face it on, instead of hiding from it. In fact, one of the things that made me want to tackle those student loans was when I was listening to Dave Ramsey and he said, "What are you going to do?"

"You're not going to take care of that balance that you have? Be a big boy, be a big girl, take it on, you did it, you have to eliminate it and do it." I thought, "You know, you don't think like that." You think that it will take over you and it will control you but if you change your mentality and be like, "You know what? I can do this, I can handle it" and just be persistent and set a goal, it felt like it was doable.

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FT: Yeah, you are better than your debt.

[0:07:04.6]

NA: Exactly.

[0:07:07.0]

FT: So much of mastering your money is about your mindset, it's about feeling a certain way to be able to go out there and conquer it. You mentioned Dave Ramsey, you obviously listen to podcasts, what's been helpful to you as you've been you know, checking off your financial to do list. I know that you come from a family –

Your heritage is Mexico and a lot of times on the show, we talk about our upbringing, our cultural heritage, how those influence our financial life. To any degree has that been influential to you?

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NA: I think more than my culture, I think it was a lot of what was happening in my household and I think maybe just might even DNA. I started selling since I was I don't know, maybe about eight and that was just because I was – my inclination and my grandmother was a sales person and so I felt like from there it came. But I had a lot of support from both my parents and my dad especially, you know?

In middle school for instance, I was selling candy and you know, he'd go with me and buy the candy and be like, "Okay, how much are you going to sell it for, how are you getting organized" and then I started saving from what I was selling so I could buy more, and you know, that kind of thing.

That encouragement and sort of him always saying like it didn't even matter, I never even saw a barrier of being a woman and being able to go and do something, it was just the fact of getting over your fear and doing it anyway. Like feeling that and doing it anyway.

[0:08:46.1]

FT: Selling is one of the scariest things you can do when you're just starting out. If you got that experience as a kid, I can only imagine the layers of confidence it gave you because yeah, you're basically cold approaching people. You have to sell them on this whatever, widget, idea and you have to come across as somebody that's really confident.

You know, I interviewed a bunch of entrepreneurs as part of my gig at CNBC a couple of years ago and it was not a coincidence that every single one of those very rich and successful entrepreneurs. Whether they sold tequila, or you know, health and fitness, or music. They could sell you anything anywhere, anytime.

They had this ability to sell. That's why they were successful. That's why that if their business is crashed, they could start again. Because they had this ability to convince, right? It's really about convincing the other person that they should invest or buy what you have to offer.

That's a life skill and now I think as an entrepreneur, do you think that that is like totally feeding your success?

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NA: I think it is and I think also believing at what you sell, liking what you sell and being able to establish relationships and I think even also the way you manage those relationships, the level of professionalism that comes with it, the level of responsibility and ethic.

Also weave into it and become very important because you even mentioned right now, yes, someone can start again from crashing and it goes back to how are you doing it, what are you doing, how much are you saving, how much are you setting aside, how much are you reinvesting in your business?

All of those elements just have a great impact even with how you handle it and what you do after the sale and continuously doing that.

[0:10:42.1]

FT: You own an advertising design Swag company and consulting. Tell us about it, you started it about six years ago, it's safe to say also know that you are recently a graduate from university. I'm guessing, I'm making an educated guess that you left the workforce at a young age.

Talk about that transition and then also talk about what you do?

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NA: Well, it was tough because I graduated thinking that I should have gone to corporate. At the time, there were a lot of layoffs because of the recession and I was finally able to get a job and it wasn't really associated with my career or what I had studied but I knew I wanted to start a business and so essentially I started saving up so that I could sort of go on my own and have something to support me.

Once I did, it was sort of going back to scratch and thinking about you know, "I have to go out on this street and knock on businesses and see what I can do." I wanted to start selling strategy but

it really wasn't something that had much success here, it was something that you had to educate people on and then have them understand and then pay for it.

It wasn't the avenue I was going to take, so that's when Swag started to come in because it still makes businesses successful and knowing how to get certain things. It's a great way to engage customers, sometimes make them come back for more, sometimes it's you know, it's something that promotes the company or the brand without them having to pay a lot. I started to gain strength through that and then referrals and then more and more and so that's essentially how that happened.

[0:12:38.4]

FT: Good for you, that's incredible. You had the maxi to leave the corporate world when few of us do. It was hard enough for me to leave the nine to five after I got laid off. I was like, "But wait maybe I can get a job and still do some side hustling." I was just so afraid to lose my benefits.

[0:12:58.2]

NA: I think we're taught to go into the corporate world. Things have changed a lot, I think especially recently in the past decade or so and it could have been a consequence of the recession, but I feel like we are taught to or had been taught to go to school, graduate, get a job and call it a day.

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FT: Yeah.

[0:13:22.4]

NA: Just with all those changes and what happened, it was sort of, it was a slap on the face and it was like "No, it doesn't work like that, you're disposable, you better get it together and know how you're going to handle your life."

[0:13:35.8]

FT: Well, before we tackle these questions that came through the various channels. I want to also ask you about how you managed to squash a large portion of your student loan debt. I know that you had both an undergraduate and a master's degree, you got a scholarship for your BA but you got into some student loans for your masters and you still are about \$80,000 deep with the federal student loans. You've eliminated all the private ones, which is great.

If you're going to create a hierarchy, that's like what to attack first. I'm assuming higher interest rates there. How did you do that while starting a business, not a lot of consistent income I'd imagine in the beginning. Take us behind the scenes.

[0:14:20.1]

NA: It was a slow gain and first I eliminated my car debt. I still have that hanging before I left my job. Yes, I had saved money but I still owed my car. I started to get in more income and I would separate to continue reinvesting in the business so that I can produce the merchandise.

Then a greater portion of it would go to the car. Then I eliminated the car and I got really emotional thinking that I was going to be owned by student loans. Especially private ones because there's no telling how high interest rates are going to climb because they're a variable, you're not locked in to one and they can change it, it can go as high as they want and when you have a larger balance, it's just going to get out of control so that scared me.

It made me teary eyed that it would be like that and I was doing nothing to combat that. I thought, "You know what? Let me just focus on that." I think you say that about the mind and I truly believe it. When you change your mindset and you start focusing and you start being more perseverant on wanting more and looking for more and getting more. You get more.

And being able to say "Okay, I'm going to work on that and eliminate that and save it up and do something about this," is how that happens. I started to get more income and I started separating more, still producing but then also separating the extra that I had and saving it.

Working with the goal in mind of eliminating those – the other one because like you mentioned, this 6,000 I had eliminated in the six months and then working on that other medium one and so by the end of the year, I had reached my goal and then I paid it in January.

But it had a lot to do with that mindset with goal setting and then just kind of having it in the back of your mind as you're constantly working, constantly selling, constantly trying to figure out who else am I going to get to buy these things, what else can I do, who else can I reach? Yeah, that's how that happened.

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FT: It probably made you better at your career because now you had high stakes. I've made a goal to get out of this debt sooner than later. While I'm focused on that, I also need to bring in the revenue so that's going to then make you more aggressive in your business, it kind of goes hand in hand.

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NA: I think what we don't talk about is how hard it can become. How tired you are, and it doesn't matter, how it's late at night and it doesn't matter how you have to keep going even if you don't feel up to it, it doesn't matter because no one's going to give you anything.

You have to work really hard for it and it takes that determination and it's kind of, I don't know. It's similar to sports, right? You're built on condition and you keep going even though it doesn't feel like you're going to make it or you don't know if you're going to make it, you have to keep going and so that's where the challenge comes in as well, I think.

[0:17:46.1]

FT: Yeah, it's finding the ways to keep yourself motivated. How did you keep yourself motivated? Did you tell people, did they keep you accountable, did you kind of have a journal?

[0:17:54.3]

NA: No, no journal, I think the same motivation of just trying to accomplish goals. You know, I did go a lot of back and forth with my dad, we talked about “Okay, what would be the best move now? You know, is this a good way to tackle this? Just continue saving and continue thinking about what you’re going to do.” Just keep your eye on the ball. I mean, even now, honestly, the 82,000 feels really overwhelming.

It’s like “Okay, how am I going to do this, what am I going to do?” I have to save for retirement because it scares me to end up without anything, right? So that.

Then, what is your emergency fund? Okay, and then I still have the federal loan. Okay, then what? Am I going to get – like some of your guests say, “Just get in the game of real estate” and I think “My gosh, is that right, is it good with you know, inflation and with the market changes and with interest changes?”

“Is it better to get in now even though it would be dead?” All these things, you think about all these things and “What is the strategy, how am I going to do this?” To kind of line those things up and then go after them consistently and be in perseverance and then just kind of – it kind of happens.

[0:19:14.7]

FT: This is why I have guests like you because it reminds me of why I love my job because you’re the end user and if knowing that there are women and men out there like you that are so ambitious, and you know, like you’re in the process, right? You’re not like totally debt free but you see the light at the end of the tunnel and you are very ambitious. I’m very lucky to be cohosting with you.

Let’s tackle the questions from listeners, we have a question here from Jay. He wrote into the website at somonypodcast.com and he wants to know whether or not to take up a loan from his 401(k). A lot of 401(k)’s offer this benefit, if you consider it a benefit. I don’t.

We'll get to that in a second but basically, you can take out a loan against your 401(k), interest free, a lot of times you have to pay back the loan within a timeframe. Sometimes five years, sometimes less. He's wondering, you know, he's got about \$14,000 in credit card debt, the interest rate is 20%. He also has about \$11,000 in an old 401(k), \$8,000 in a new 401(k).

He also mentions living paycheck to paycheck. I can tell that this is really stressing him out. It's weighing on his ability to budget and save and so I would say to Jay, Noelia, chime in if you have any thoughts on this, is that, you know, I see the 401(k) loan as a last ditch effort.

I mean, this is where I would say, if you have medical bills that you can't pay back, or that you have a medical bill that's proposed to you for a surgery that you need, that's like really going to help you with your health and your quality of life and like the only money that you can scrape together is this 401(k) loan.

Okay, that's the last ditch effort, that's a good use of that money because it's going towards like your health and your wellbeing. I get it, I mean, it's there for a reason so rather than take out another 20% interest credit card line of credit.

If there's any way to pay off these credit cards that does not involve taking out more debt to do it, because you are taking out debt with this 401(k) loan. Not to mention you're compromising your retirement savings, not to mention if you don't pay it back within the parameters that it's considered an early withdraw, then you have to pay penalty and taxes.

It does really compromise your retirement future. It's no secret that the big financial services partner of this podcast is Chase Slate and why we love Chase Slate is for one of the reasons is because they offer a zero percent APR. If you want and if you qualify, I could foresee you transferring some of this credit card debt over to a 0% APR card like Chase Slate. But maybe before you do anything, you want to go and talk to a credit counselor.

I really like The National Foundation for Credit Counseling that's nfcc.org and the first meeting is free, they assess your financial situation, they'll look at your loans, they'll look at your debt and they'll come up with a plan for you and sometimes the plan is, "You know what? Maybe you

should cut back on these expenses, maybe you can call your credit card companies and ask for a lower interest rate.”

They will actually offer to work with you on your behalf as your credit advocate and there is a nominal monthly fee for that. It depends if you're really broke, they won't charge you. But, if you can afford the \$15 a month, then they'll charge you but it's highly worth it because what they will do for you is call your creditors, talk about revisiting your loans, your debts, maybe modifying them, getting rid of the fees, lowering the interest rates.

It's not debt consolidation, it's debt modification. It doesn't hurt your credit score and you know, basically, what I'm saying is try everything and anything but compromising your 401(k) loan. Look into making more money, look into cutting costs from your budget, talk to a credit counselor, look into other credit cards that have a lower interest rate that offer up a balance transfer.

What do you think? Noelia, don't know if you have a 401(k) because you worked so few months. Just a year in corporate America but what do you think?

[0:23:55.4]

NA: Okay, a couple of things, going back to the Chase Slate card. I actually did use it to pay off my car so what I did was –

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FT: Your car, wow.

[0:24:07.4]

NA: I had a balance in my car and I didn't want to continue paying the interest rate, so I went to the Chase Slate checks that they sent out as 0% interest rate. Wrote it out, paid the car and did it in I think about a year, I paid that money.

It was going to be paying the car essentially, but I wasn't going to be generating that interest. Yeah, going back to that Slate card. I think that would be a good move if it's possible. Then, there also has to be some discipline as to how much time you have because if you're going to eliminate that in 14 months then you need to divide the amount that you have and then see how you can get maybe a side hustle where you can generate that extra income and then pay off your card.

You need to, Jay, analyze how serious you are about eliminating this. I think going back to what you said Farnoosh, in terms of cutting that cost where does that person live, are they room-mating with someone, do they need to move to another city, maybe the cost of living is too high? Then seeing how they can pay extra because roughly they are going to pay about \$2,800 with a 20% interest per year. What I had heard about the 401(k) loan is that you would pay back with a "fee" that isn't a fee to the 401(k) loan service provider.

But back to your 401(k) for having taken that loan is what my understanding was, yeah but I am not a 100% sure on that.

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FT: It just depends on your 401(k) provider. You've got to read the fine print, you have to really know what you're getting into. It's not really free money you know because it's at the expense of your retirement. It's at the expense of also your piggy bank because if you don't pay it back within the required time then it starts to be penalized and you have to pay fees and then taxes and then to your point in some cases, there might be a fee.

Sort of a management fee or a borrowing fee. It is not called an interest rate but there is money associated with it depending on your loan provider or rather your 401(k) provider. So yeah, I don't think he is going to like our answer, you know what I mean. I think he wanted me to say, "You know what? I get it, you're struggling. 401(k) loan all the way." But I'm just really looking out for him or her and I would hope that he or she explores other possibilities.

Speaking of exploring other possibilities, let's move on to Katerina on Instagram who has asked me about moving to a one income household after having kids. She and her husband don't have

kids yet, but they want to try in the next year and she would like to stay home with the children to avoid daycare expenses. She goes on and says that her husband's salary is a little bit higher than hers by about 10,000 a year.

They both have a lot in their 401(k) but nothing in rainy day savings. Their main expense is their student loan debt which combines about \$100,000 and if they would try to live off of just one income alone today, they would not be able to do it she says. So her question to me is what should they tackle first in order to be able to one day afford living off of one income. Now, Noelia have you any guesses on what I'm going to say?

Knowing me, you've listened to the show over quite some time. I mean, I wrote a book about When She Makes More and I've written also about why I don't believe necessarily in stay at home parenting fulltime. I've gotten a lot of backlash for that and I get it. It is definitely the harder road if you're asking me. I think it is a lot harder to stay at home and parent all day and I understand also that it's economically very difficult.

Childcare is often the second biggest expense after housing every single month for parents who have children in daycare or who have babysitters or nannies or a combination. So I understand the economics and how when you do the math, it's like, "Well if I am a teacher and I am making \$35,000 a year and child care is \$36,000 a year or even just \$25,000 a year why am I working, right? I should be home with my kids, it makes sense financially."

"Also emotionally, I get to be home with my kids, I'm happier." I get it. I get it. In the short run and it's not to say that that is a bad plan in the short run if you don't want to work to be able to save money and be with your children. However, I would caution whoever does this, the man or the woman, because now even men are dropping out of the workforce to be stay at home dads that you have a plan for re-emerging into the workforce and that before you do this, you have savings.

So back to Katarina, they have debt, they have no savings, she even admitted that if now without kids they were to live on one income, they wouldn't be able to cut it. So what does that say to me and everyone listening? Katarina needs to have savings and I would say about a

year's worth of savings if the plan is to quit your job. You know the traditional six to nine months I don't think is going to hold up. You want to have at least a year's cushion.

Because it is not just your two mouths to feed, it is also this child who's coming into the world, children are very expensive, child care for one. But also the food, the diapers, the accessories and all of that stuff that goes along with being a parent and having a baby. I think that take your time Katarina. I know that once you decide you want to have a kid it's like you want to have that kid yesterday. I get it, I've been there.

We had a lot of challenges having our first child. It is emotionally, I know where she's at, it's like you want that child and you're willing to make compromises but don't make compromises with your money. Really make sure that you have that foundation because it will serve you when you have that baby and you'll be so much more thankful. I mean think about all the unexpected stuff too that could happen once you have a kid.

There could be unexpected medical costs, what if, you've got to think about the "what if's." What if Katarina you quit your job and then your husband gets laid off? You know it could happen, we hope it doesn't but these are all the what if's that maybe when it is just the two of you, you can navigate it and be strong and suffer a little bit but when you have a child as well, you don't want to have those stresses.

And so to the extent that you can just save and really pay off that debt before you get pregnant, I would do it and I know that may delay your plans but it will just be a better environment, financial environment also emotional environment. You are not going to be stressed out to have that child and if you can really map out your plan for re-emerging into the workforce because I bet you're going to want to get back somehow someday.

I mean your child is not going to be home all his life. He or she will go into school and be in school from nine to three or longer and a lot of parents I know they stay home for the first year or two and then they're itching to get back in and if they haven't had anything on their resume for two years that's going to be a challenge. So that's my two cents. What do you think, did I leave anything out Noelia, or I am totally wrong?

[0:32:04.4]

NA: No, I completely agree. That's how I had figured it out as well. You know half eliminate your student loan, half save more. We don't know her age, so we don't know how much time she has but I think that it's just best to wait a little bit and feel prepared. What you talked about, the stressors are a huge thing. You know sometimes what if you end up resenting the child because you wanted to have the kid yesterday and then you have all of these other factors that come in.

About what you said, you don't know, what if he gets laid off and she's not working and then also the money she's going to lose. I think it is what? 100 bucks a day for not contributing to your 401(k) because you wouldn't be working and staying at home?

[0:32:54.9]

FT: There is actually a calculator online. I'll put it on the site for the cost of opting out of the workforce. It's the cost, the money you are going to lose, not just in your bank account today and as you're trying to re-acclimate into the workforce because you will suffer generally and on average a pay cut for the lack of work in your recent work history. But also, those are years you are not contributing to your 401(k) like you mentioned.

Not contributing to social security and that is going to have a long-term compounding effect on your future net worth. So not to scare you and not to say that money is the only thing that matters because it's not, but it puts you in perspective for sure.

[0:33:42.5]

NA: Yep, totally agree.

[0:33:44.5]

FT: All right Katarina, thank you for your question and she actually reached out to me on Instagram and I did warn her. I said "Look, I am going to give you some advice on the show but if there is one thing I'll leave you with here on Instagram, it's really reconsider leaving the

workforce.” I think that this math that she is doing now, this short hand math, this back of the napkin math, “Well I make \$10,000 less than my husband. I am the lower earning spouse,” usually it is the woman who is making less.

I mean let’s be honest because we live in a society where women make less than men on average and so if that is the math we’re using then I feel like we’re wrongfully assuming that women are the best ones to opt out of the workforce. No, typically when women and men are in their child rearing years, they’re in their early 30’s, mid-30’s they still have a lot of years left to work and a lot of years left to earn.

They haven’t even reached peak salary. So if you are leaving the workforce at this stage, think about all the money you are leaving on the table and that’s not just money for money. It’s money to support your life and it is also true that households with a single income are more financially vulnerable. They are more prone to separation and divorce and money fights because it’s stressful. One income these days is really tough to muster.

So again, not to scare you or to sound biased but I am just being really practical and just trying to inspire you to think that it is possible to be a mother, to work, to be present for your family, to be present in your career, to be present for yourself. I am doing it and it’s not always rainbows and cotton candy every day, but it is for me, a life that I could not live without and I am so grateful for the hard choices that I made that are now giving me an easier path in some ways.

So if you want to talk more about this, listen I could talk about it, I could do a whole podcast series on this and maybe I will if there is enough interest but –

[0:35:57.7]

NA: I have one more comment. If she is feeling insecure about this, there is a reason behind it. There is a reason why she is feeling doubtful and I think that deep down inside when you feel that little fear then you are not ready. There is something happening there that you need to tackle first before you can move on to the next phase. So maybe she should ask herself that.

[0:36:21.4]

FT: “Why are you calling Farnoosh on Instagram?” Yeah, that is probably a good soul-searching question as well.

[0:36:26.8]

NA: You know deep inside that there is something that needs to be taken care of before she moves onto that and maybe that is not the answer. I mean what’s the rush anyway?

[0:36:37.0]

FT: Katarina get in touch with me. Let me know what you think. We love you for asking this question and I know that this is on a lot of people’s minds. But now Kit, also on Instagram, switching gears to salaries and negotiation and job offers. She just graduated from grad school last week, congrats Kit and she said she got a job offer working for the government. It is not the dream job but it would pay the bills.

She got the offer recently as in well she wrote to me yesterday, it’s longer than yesterday now because I am reading the question days later. But bottom line is they are rushing her to decide. They want her to decide, the government job wants her to decide in a few days. She does think that she is on the short list for her dream job but won’t know for a few more weeks and so asking us, “Is it crazy to hold out for the second job?”

Keeping it transparent. I think at this stage, they’ve offered you the job. You know people get afraid sometimes, “Oh if I ask for things or if I ask for more money or if I ask for more time, they’re going to rescind the job offer.” No, they have invested a lot of time and effort in identifying you as the best candidate. They don’t want to lose you and if it means another 72 hours so that you can think things through and you could go and talk to the necessary parties, they should be able to afford that at this point and understand too.

You know this is not a dead job market. Unemployment rate is at its historical lows so that’s what I would say. What do you think? I mean you’re an employer now sort of Noelia and if you were offering someone a job and they said, “Hey can I have a few more days to think it out?” Would you say “Sorry?”

[0:38:29.8]

NA: In a way because then that means that I am not their first choice and so what kind of fit are we going to have but because we are looking at it from her perspective, I feel like I'm going to her dream job and say that she loves it that she really wants to be a part of it, what is it that they're looking for to make that happen. I think right then and there she will know what the truth is.

[0:38:55.9]

FT: Yes, so if I can mend my answer based on what Noelia said I would say first, go to your dream job and say, "I've got this offer" but reply back to the offer and be like, "Thank you very much, I will get back to you as soon as possible." Then go to the dream job and say, "I've got this offer. I would prefer to work here if you would like to hire me or to continue talking, I would appreciate knowing."

[0:39:20.3]

NA: Yeah and have her say, why, this is my dream job why? "This is what I can offer, this is what I'm going to do different for you. This is why I want to be here, what do I need to do to make this happen?" And maybe the employer would be appreciative of that move from her and say, "You know what? Okay let's do this," and if not then she will know there and then she will have a job to back her up.

[0:39:43.3]

FT: Great advice, all right so good luck and congrats Kit. It is a good place to be in, you've got a job offer, another one possibly pending and here is also what I will say, when you graduate from college or grad school, rarely is your first job your dream job. Raise your hand if you just took the job for the money or just for the experience or for the money but it wasn't the dream. Usually that is the second, the third, it's when you become the entrepreneur.

So, don't let that be if that is all that is weighing you down just know that there is more down the road. There is more down the yellow brick road and that there are other – sometimes we get blinded by a job because it doesn't look quite like the dream job. You know like, "Oh how great could it be?" It's not perfect but there is probably other benefits that you will discover once you're there but I can tell you from experience that sometimes it's the people you'll meet.

The challenges you'll face, the failures you'll experience. Like failing at the job that is not your dream job is better than failing at the dream job. I have cried in a lot of bathrooms at jobs that weren't perfect and that was okay. But you know it prepared me for that dream job where I had more strength. I had experience, I knew what not to stress about and I could enjoy it finally now that I was at my dream job. So just some perspective for you there, Kit.

Amy has this question which I love, comes on Facebook and I think Noelia you could offer her a lot of advice. She says, "How do you learn to enjoy your money while also being mindful about savings?" So, going back to your endeavor of getting out of private student loan debt and you talked earlier about having to really work on the business while working on your debt repayment efforts. How did you also enjoy your money while you were doing all of that?

[0:41:48.3]

NA: Yeah this is a good one because I love clothes. So it's tough because I love it but yet you have all of these other things that need to be taken care off. I would say set aside the highest amount you could possibly do without feeling uncomfortable. So if you have 1000 per week let's say and you feel okay setting aside 600, then enjoy the rest. You know buy yourself what you need to get. Take care of the things you need to take care off without feeling guilty because you know that you have set aside the most that you could.

[0:42:23.9]

FT: Yeah, I always say, I agree with that that once you take care of the boring stuff and if there is money left, then enjoy it to the last penny you know within reason. But if you've paid, you are paying your debts off on schedule, if you are saving first for a rainy day, you're investing for your

future, you are putting money back into your business in your case and you still got an extra \$200 a month, well then go have a nice dinner and then some.

Or go buy that dress and so it's important even what you said earlier, I didn't forget Noelia, you were like it's important to keep motivated and sometimes spending periodically on those whatever, call them material things, whatever gives us that short term thrill and a reminder of why we work so hard for our money to be able to enjoy those small moments and if you can afford that then do it. I completely encourage people to do that.

I think we can sometimes get on this savings journey that is important but sometimes we lose perspective. It is not just about saving money. In fact, I had Vicky Robin on the podcast and she's the author of the multi-bestseller, *Your Money or Your Life* and I talked to her about – I think it was when she was answering about her biggest money failure, but she revealed that she got so myopic about saving and frugality that it almost backfired.

You know she started to see how it really affected her happiness and her life where she was penny pinching and just focusing so much on the savings part of the equation that she wouldn't give herself some of the pleasures of spending and going for the splurge and paying a little bit more for a little bit more comfort or luxury and she's like, "That was not smart. I don't espouse to tha." It just happened because she became so consumed with saving funny enough.

[0:44:27.3]

NA: Yeah, I mean it's something I want to say I know and there's a lot of people that focus so much on saving that they'll eat beans and rice and that's all they'll eat and they won't go out and have 20 bucks a week for a couple of drinks and a lot of people especially espouse to that kind of lifestyle when they're doing that "Retire early," that fire.

[0:44:54.9]

FT: The fire, financial independence, early retirement or retire earlier or something, yeah.

[0:44:59.0]

NA: And you know what? No, I don't agree and I was going back and forth with that because I thought, "You know what? Should I do that like that's the right way to do it because..." No you are punishing yourself. Like we are living right now, this is what's happening right now. What are you eating? I mean how are you helping your body? What's the movement? How are you feeling? That has so much to do with it? Are you feeling okay with what you're wearing?

Are you feeling okay with how you're presenting yourself to the world? Are you feeling like you can conquer? Are you feeling motivated? Those things are important, they matter because you are treating yourself and you're the one that's living right now. Yes, we save for tomorrow. Yes, we're getting ready for things that might happen, but the present is what's making this happen and if you are not feeling okay then you're not going to execute how you need to execute.

I think most definitely, you need to be able to enjoy life and not torture yourself by all these other ideas that sometimes just make you miserable and even make you sick sometimes.

[0:46:07.6]

FT: Yes. You got to feel okay to execute. Wise words. I would say, you know, just to give you something a little more like tactile to work with from our answers here is like, do the envelope system. Take out \$50 every two weeks or whatever your budget allows, I'm not going to assume you can do \$50 every two weeks, maybe you can do more, that's great.

Figure out what your splurge budget is. It's like weight watcher's points, right? Maybe you don't use them all in one week or every two weeks, but they accumulate. If it's like \$25 a week and you didn't use your splurge account that week, then the next week then you have 50 to work with. Then, I think it could be fun and a reminder of why you work hard is like have that license to spend, making sure you're taking care of all the boring stuff first, the important stuff first and then put whatever's left, have at it, you deserve it.

[0:47:06.5]

NA: Yeah, that was good.

[0:47:07.9]

FT: All right, I'm going to wrap us up here and say thank you to our listeners who submitted questions, Amy, Kit, Katarina and Jay. Please follow up with me. I mean, I want to know how this advice helped you, if you still have questions, if you feel like I was totally off base and whatever. Just, I want to keep connected.

I appreciate that you reached out once but keep it coming. Noelia, thank you so much for joining us on the show and being such a great partner as we tackled these questions and tell us what you have planned this summer. Anything fun?

[0:47:44.0]

NA: Thank you so much for letting me be part of this Farnoosh, I really appreciate it. I was so excited and am excited that I was a part of today's show. No, just working.

[0:47:55.7]

FT: Just working?

[0:47:56.6]

NA: Just working, that's all I have time for this summer, working.

[0:48:01.0]

FT: How can we help you? Is there anything that our audience or I can do for you?

[0:48:05.0]

NA: Buy products. Buy Swag.

[0:48:10.7]

FT: Okay, start a business and then buy Swag from Noelia.

[0:48:13.4]

NA: There you go, exactly. You can visit my website at n-aconsulting.com. If you guys want to visit and see any of the merchandise that we have to offer. But no, other than that, maybe well wishes and so that we can continue moving forward and being successful and doing the best that we can with everything that's presented to us.

[0:48:33.5]

FT: Well, wishing you continued success and hey, everybody, I hope your weekend is So Money.

[END]