

**EPISODE 779**

[ASK FARNOOSH]

**[0:00:35.3]**

**FT:** You're listening to So Money, everyone. Friday, September 7. It's back to school here in the Torabi household — Torabi-Dussinger household. Evan started his phase-in for pre-K4 this week. Parents to three, and four-year-olds, you know what I'm talking about. It's the preschool, pre-preschool and Evan started a new school this year. There's a little bit of just whatever you want to call it, anxiety, excitement, nervousness around that mostly from me. He's fine.

I just have his phase in this week, so he wasn't in school for a whole day, but starting next week he'll be going to school full-time every day on a bus to school. What? I'm so scared about this. I'm actually thinking I'm going to ride the bus with him a little bit. If you're on Instagram and you catch me there, you'll probably see some live stories happening, me riding the preschool bus to school, because that's the kind of parent I am people.

There's no guarantee that parents can ride the bus, but Evan is the last stop and they said if there are seats available that you can get on. Whatever, either way I'm pushing kids away and I'm getting on that bus and I'm going to see what it's like and I'm going to definitely be smelling the bus driver's breath, because I'm he or she will be fine, but you know what? I'm a neurotic first-time parent, so there you go. Stay tuned for all those neuroses coming your way.

This was a really awesome week to be back after being on vacation. We kicked it off Memorial Day with Kim Perell, who went from being laid off, or kicked out of a company that went bankrupt to starting companies that have been sold for hundreds of million dollars, a company now that she runs that's worth hundreds of millions of dollars. She has a new book out called The Execution Factor. She's also a mom to twins, so lots that we talked about with Kim from having a career stick-to-it-ness, starting businesses, being a mom and everything in between.

Then on Wednesday, really excited to bring on Lindsey Stanberry, who is the work and money editor at Refinery29, one of my favorite websites. Lindsey just launched a book called Money

Diaries, which is based on the series of diaries that they have on Refinery29. For years now, they've been published woman's money diaries, how they are spending every penny for over the course of a week. Fascinating stuff. Some of it's actually gone viral. People are upset about some of the ways people are spending their money, or making their money.

It's very interesting stuff, but also very insightful into how, especially millennial women are thinking about money, managing their money and we go into a lot of interesting discussions there with Lindsey. If you missed any of those two episodes, please take a moment maybe this weekend to listen in and give me feedback.

Today, we're tackling your money questions again, because why? It's Friday and that's what we do on So Money on Fridays. It's #AskFarnooshFriday. We've got questions today, a lot of them stemming from Instagram about are credit cards good, bad, what's my opinion, what would I do if I won the lottery and everything in between. To help me navigate all of this is a devoted listener, Meera Joshi.

Let me just brag a little bit about Meera. Meera is Kenyan-born, purebred South Asian. This is her bio. An obsession for forecasting her cash flows, got to love that. By trade, she is a CPA, works in private equity real estate, she is obsessed with managing her money, but it didn't start until about two years ago. I like to think that that's because that's when she started to listen to So Money, but actually that's when she did a big move and I guess had some financial realizations. Before we get into all of that, Meera, welcome to the show. You're so money.

**[0:04:35.4]**

**MJ:** Hi Farnoosh. Thank you so much for having me.

**[0:04:38.6]**

**FT:** What's going on Meera? I like what I hear so far that you're obsessed with managing your cash flow and all that good stuff, but this obsession with finance didn't start until recently. What happened? What changed?

**[0:04:51.2]**

**MJ:** I was living in Atlanta. I was working there. Then I decided I needed a little bit of a change and my boyfriend lived in Baltimore, Maryland. I was like, okay, let me – I decided, okay, I made the decision to move up here and I didn't realize how different my life would be. No one really talks to you about moving states and things like that and the transition. When I moved up here, I never really lived by myself, and so I decided that I was going to spend one year living by myself, not with my boyfriend.

In Atlanta, I'd always either lived with my parents, or I had a roommate. When I moved up to Baltimore and living in the city in a one-bedroom is really expensive. I had no idea. That was a little stressful. Then I had some medical scares, and so I had to go to the doctor a ton every week. There were different appointments. Mind you, I just got a new job, just moved to a new state, still trying to adjust and I had thousands of dollars medical bills and I decided to take it in my own hands that either I could be really stressed out all the time and be really upset, or I could financially plan and be proactive and know what my cash flows were going to look like every month and just understand what my finances look like.

Ever since then, I've just been on this mission to spread the word. During that time, I was listening to a lot of podcast and I came across a fabulous one called So Money and the rest is history.

**[0:06:29.6]**

**FT:** You got to a point where your money was no longer going to manage you. That's what you decided.

**[0:06:34.2]**

**MJ:** Yup, absolutely.

**[0:06:35.5]**

**FT:** I love that. Well, we're so happy to have you as part of the community. Tell a little bit about what's going on now. Since that day, or that timeframe when you started to get really a little a lot more focused on your cash flow, what's changed? What's improved?

**[0:06:51.7]**

**MJ:** A lot of things. Every month, I sit down and look at my expenses and what my income is. I started cutting down on things. I used to you have a lot of gym memberships at places and I decided that okay, well there's always another way that you can work out without having to spend so much money. I cut those down. I work out in the gym downstairs. I just started to come to realization, and my dad used to say this to me all the time, "Do you need it, or do you want it?" That became very prominent. Okay, I don't need this. I want this.

Just really being aware and more cognizant of how and where I was spending my money, it's changed in just these two years. I mean, I've just made such an improvement. Those are some of the things that have changed.

**[0:07:46.8]**

**FT:** Awesome. What's been some of your favorite topics, or episodes on the podcast? How can I make it better?

**[0:07:57.2]**

**MJ:** Well, I think all of it is great. One of them that I actually listened to this morning is Jaclyn Johnson, the founder of Create & Cultivate. What I really enjoy is when you talk to all these founders, or influencers, or other financial gurus about their money journey and I really, really like that, because these are people you look up to and you inspire to and you want to see what their life is like. I think when you ask those questions and when we get an insight into it, it really makes me feel like, "Oh, I'm not the only one going through a struggle. Everyone is going through something financial related every day," so I really appreciate that.

**[0:08:44.2]**

**FT:** Oh, thank you for saying that. Well yes, the struggle is real. The struggle is real, whether you're a millionaire, paycheck to paycheck. Yeah, it's why I love too. I love learning from people who are successful about when they weren't, and it really I think for them, it's a great way to show their human side, because we put them on this pedestal, they're untouchable, they're perfect. No, they're not. They're struggling.

**[0:09:14.2]**

**MJ:** Absolutely.

**[0:09:16.0]**

**FT:** They're just better at managing the struggle.

**[0:09:18.3]**

**MJ:** Yeah, absolutely.

**[0:09:20.3]**

**FT:** All right, so I'm ready to go to Instagram, because that's where a lot of our questions came from for this show. I'm really digging that people are finding me on Instagram. I'm trying to do a better job there as there are so – there's 300 million people on Instagram, or maybe more, 600 million. I know, that's a big range. I think it's either 300 million or 600 million. Either way, it's a lot of people and I want to try to build out the So Money community and audience there, and thank you to everybody who's following me, who is engaging with me there.

A question on Instagram and I do this sometimes, I go into the stories and I post a little question box and you can actually type in a question and instantly get it and I usually reply within 24 hours on video, in the stories and this is a question from the stories; can a spender become a saver? Meera, what do you think? This seems like a little bit of a fundamental question to me. I

think that I'm a spender at the end of the day. I work to save and I make saving easy for me. It's not my first desire in life to save money necessarily.

I like to buy things. I like to fill my life with beautiful things and experiences. I like to give away money, but I know that saving is important. I think if I were to categorize myself, I'd say I'm more of a spender. What are you?

**[0:10:47.3]**

**MJ:** I am both. I love the way you said it. I think it's really important to buy things in your life that are valuable to you and things that bring you joy, but I also think it's so, so, so important to save, because emergencies and things like that happen all the time and just retirement and things like that and people don't think about that very often, but I think it's so important like you said, to make saving an easy thing. It shouldn't be hard. I think anyone – a spender can become a saver absolutely. It doesn't have to be a chore or a task.

**[0:11:26.5]**

**FT:** Yeah, and I think maybe another way to put it is that a spender can adopt saving tendencies and saving behavior. It's not mutually exclusive. You're just a spender, or you're just a saver. I think we gravitate towards one or the other maybe more naturally, but I like said there's – saving money these days, even if you hate doing it, there are so many tools out there that make it so simple and easy and automatic that just do it and then you can go back to spending. That's how I feel. I'm a dessert girl. I like dessert. I don't eat dessert all the time, I have to eat my vegetables, I have to eat my food, my nutritional – my good food and then I can splurge on a dessert. I have to eat the right stuff first.

That's how I think about spending versus saving. I have to save first, even though it may be it's not my favorite, but I do it because that's what gives me the allowance to then spend with ease of mind. Conversely, I think savers can become spenders. I think more savers should give themselves the allowance to spend. I think there are definitely people who've come on this podcast who've said, "You know what? I saved so much and I was so obsessed with saving in frugality that I forgot to enjoy my money." I think that's sad.

[0:12:41.6]

**MJ:** Absolutely. Yeah, I completely agree with everything you just said. Yup.

[0:12:46.4]

**FT:** It's okay to disagree with me. I encourage you to disagree with me as co-host, by the way. Anything I say that you're like, "Nope, negative," call me out.

[0:12:56.2]

**MJ:** Yeah, absolutely.

[0:12:56.9]

**FT:** I'll still like you. Okay, so the next question is this is a question about lottery winnings. I always ask guests, I try to at least when there's time what they would do if they won the lottery. This person on Instagram asked me what would I do if I won 300 million dollars in the lottery, which is a lot of money. What would you do?

[0:13:18.3]

**MJ:** First and foremost, I think I would pay any debt off that my parents have. I mean, if I had any as well, I would pay it off and then contribute into their savings account. Being South Asian in our culture when parents have a daughter, it's their responsibility to take care of them, or they feel that it's their responsibility to take care of them until they're married. I've been fortunate. My parents weren't rich or anything, but I've been fortunate that they have given me the opportunities and not have to worry about my finances. That would be the first thing is to help my parents.

Then the second thing I think that something that I'm super – I don't know, just really an advocate for is I would invest my money and starting a fund to help women around the world

who don't have easy access to sanitary napkins for mental cycles. Those are just the two things that just come to my mind, if I would spend any money that I won.

**[0:14:15.5]**

**FT:** Awesome. Yeah, I think my inclination is also to rather than think of all the things that I would want to buy or do, I would think about who needs the help, because it's a lot of money. First, you got to pay the taxes, that's given, but then I think I would make sure that all my family and extended family is set up, so if they – or if any, especially starting with those who are struggling, or maybe don't have enough for retirement, or for whatever reason need financial help.

George Clooney did this cool thing, do you know what I'm going to about to say, where he invited I think a dozen of his friends over to his house. I think this was after he sold a tequila company for, I don't know, a billion dollars or something.

**[0:15:01.6]**

**MJ:** I did not know that.

**[0:15:02.5]**

**FT:** This is a really frustrating story. I'll take us. I'm taking us all over the place. George Clooney was interviewed by David Letterman on Netflix. David Letterman has this new series, right? It's really interesting this talk show, or rather interview style series and George Clooney came in gave him a visit. In that interview, he revealed that he started this tequila company with Randy Gerber who is the white husband of Cindy Crawford and he's a huge businessman, he has hotels, he has restaurants, she's invest in real estate. These two are best friends, I guess, because of course, what's more beautiful than I'm all and George Clooney hanging out with the Gerber's, Cindy Crawford and Randy.

They're just throwing back some tequila one day and they're like, "We should start our own tequila brand." Then they did, because they can, because they have the resources and they – Randy's already plugged in to the whole liquor, restaurant, food industry I suppose. Long story



short, it gets to be super successful. I've tried it. It's delicious. They sold a label for I think a billion dollars, maybe more.

Then I think there were only a few partners, so you do the math. I don't know if this was before, or after this sale, but George – he was wealthy before this, but George Clooney invites a dozen of his friends over at his house for dinner, and next to each of their plates is an envelope. I don't know why at what point, but they opened the envelopes and each envelope, a million dollars, check written out to each one of these friends. Pretty baller. Pretty so money I'd say. That's great, right? You would do something like that, right?

**[0:16:59.1]**

**MJ:** Yeah, absolutely. I hope my friends do that to me as well.

**[0:17:02.5]**

**FT:** I know. On Instagram I told – I said I would do this and people for coming out of the woodworks. I'm just kidding. People are like –

**[0:17:10.3]**

**MJ:** I can imagine.

**[0:17:11.0]**

**FT:** Don't forget me. Can I come to your dinner party? That's a fun story to tell and it's nice to be George Clooney. That's the summary.

**[0:17:21.4]**

**MJ:** Oh, yeah.

**[0:17:24.2]**

**FT:** Okay, let's go on to credit cards. Meera, what's your philosophy on credit cards? I know some people that I've interviewed on this show are very anti-credit cards. They're all about living debt-free and that includes even using a credit card to manage expenses and that you would pay off every month, they just don't like the idea of any credit, which I find interesting. First, you go.

**[0:17:48.9]**

**MJ:** I have a very, I think opposite view of that. I actually – I find a credit card a form of convenience. I hate carrying cash around with me and I feel like, and people might be like, “Oh, my God. This is crazy,” but I feel when I have cash and I spend it, I can never keep track of how much I'm spending. I feel a clip for me, a credit card helps me stay accountable, and so I know exactly what money I'm spending and I always, always, always pay the entire balance off every single month, and I feel this is a really good way for me to see how much I'm spending. I put all my expenses on this one car that I have. Yeah, I think credit cards are great personally.

**[0:18:32.6]**

**FT:** Yeah, I agree with you. I don't like debt as a general statement. It's not like, “Oh, I love debt.” I'd rather be debt-free, but I also don't have credit card debt and I use credit cards as a vehicle, as a means to an end, right? It's a way for me to, like you like to see all my expenses in one place, credit cards offer a lot of I think security too, in the sense that if you buy something and it's not what you thought you were going to get when it comes in the mail, or if you experience some dissatisfaction with a product or service, there's a way sometimes to go back and get your money back, especially through a credit card. There's a payment history, there's a bill history. I like that. Helps you to build credit, which if you have plans to buy a home, or start a business, or anything that would require a loan, helpful.

I don't like the idea of debt in the sense that you're carrying credit card debt month-to-month, that we know is not ideal. I think credit cards as a vehicle, to leverage, to accomplish your goals and to manage your money more wisely can be a great way to do it. I do it. I don't have a thousand credit cards. I have a few; some are used more regularly than others, but that's the gist.

I know there are some major people out there that don't like credit cards, like Dave Ramsey has been very vocal about no credit cards. I just don't think that's realistic either. When I go to a coffee shop, I can't get coffee. They want credit, unless I have my credit card with me. Some places just won't take cash anymore.

**[0:20:09.2]**

**MJ:** Yup. I was just about to say that. They're cashless.

**[0:20:12.2]**

**FT:** I mean, I'm thinking to go to another coffee shop, but you get my point. It's just not with the times if you're carrying a lot of cash around all the time. It's not safe.

All right, now we have a question here from Yasmine on Instagram. What literature or tips could you suggest on learning more about investing and ETFs, versus mutual funds? Well, I think we've had a few guests on the show, Meera, if you recall Danielle Town who wrote the book *Invested*, and she talks about investing.

My friend Erin Lowry, who's the author of the *Broke Millennial*, it's coming out soon with a whole book on investing, so stay tuned for that, the *Broke Millennial* investing. I also think she should check out [investopedia.com](http://investopedia.com), which is a free website for all things financial, tools, financial vehicles. If you want to know what an ETF is, or how to use Excel to manage your finances. They have so much stuff. Some of it's free. Most of it's free. Then they have their academy and I have a course actually there with them on helping college grads with their finances.

It's nine modules, you know what I'm talking about, right? I did this course back in January, so it's there. There's a lot of literature. There's gosh, that even Danielle Town's father, Phil Town wrote a book called Rule #1 or Rule 1, all about investing. I'm sure that he touches on ETFs and mutual funds. That's what I would say. Is there anything else that you recommend?

**[0:21:54.8]**

**MJ:** There's not really a book I would personally recommend, but I feel there's so many different tools and resources and blogs available online. Whenever I have something that I want to learn more about, I literally just Google it. There's so many things online that you can learn. That's how I usually get a lot of my knowledge.

**[0:22:15.0]**

**FT:** Yes. Yeah, Googling is a definite good start. Then there are some financial bloggers who dedicate a lot of their writing to investing, and maybe it's not specifically around ETFs or mutual funds, but just general investing. I know for example, Mr. Money Mustache is one go-to site, but there's a lot of others as well. I think once you start exploring the interweb, you will find some good places.

Then last but not least, a question here from Paul on Instagram about retirement, saving for retirement. He's wondering if he's doing enough. First his age, he's 36, his wife is 33, he saves about he says 6% in a Roth IRA, 6% in a 401k of every check, so 12% of every check is going into some retirement vehicle. That's great. He's got an old 401k of about 8,500. He's got an old Roth IRA with about 1,800 in it, his wife meantime has about 40k in her retirement account. Are they are they doing enough?

I mean, that's a hard question to answer. I think that Paul, to really get to the heart of this you want to figure – you want to know a few things; when do you want to retire? That's important. What's your investment horizon, and if you were to keep this – if you were to stay on track with the following 12% of every paycheck and your wife doing her contribution consistently over the next maybe 30 years, because you're still in your 30s and you're anticipating retiring in your 60s, there's calculators, they'll tell you how much you'll end up with.

Then from there, assume you'll pay some of that for income tax, but then 4% withdrawal, 3%, 4% annual withdrawal from your retirement accounts in retirement is pretty much what people say it's good to live off of, to be able to not outlive your savings. On top of that too, there's going to be social security, you'll get it. I know some people are not sure about the future. I don't know if my son's going to have social security when he gets to be of working age and starting to

contribute to certain government benefits, but I've been contributing to social security, I better get it. I think that's more than certain.

Whether you're going to have "enough," oh, such a tough question, but it's really you got to first run the calculators. There are calculators online, aarp.com, choosetosave.org, gosh, Investopedia probably has a bunch of calculators, Nerd Wallet, Bankrate, tons of calculators, to just plug in your current savings rate and your retirement date, and then they'll tell you how much you'll have in theory and then you can figure out if you need to up, or down your contribution. How are you going about this whole retirement savings equation, Meera?

**[0:25:20.7]**

**MJ:** I think Paul is definitely right on track with everything that he's doing, but one suggestion I would make and if he doesn't already do this, is him and his wife maybe have a separate savings account that's not necessarily in a 401k, or a Roth IRA. Just so you can put an X amount of money on top of what you're already putting away. Because I feel when you have a Roth IRA and 401k it stuck, unless you take a loan out of it.

I would suggest maybe just having opening one and putting in, I don't know, a \$100 each month, or something like that separately just for other things that come up. That's what I've done.

**[0:26:03.1]**

**FT:** It's when this worked out for you guys.

**[0:26:04.7]**

**MJ:** Yeah.

**[0:26:05.6]**

**FT:** Cool. That's a really good tip. I like that. I like that a lot. I like the idea of also making it feel it's a joint effort between he and his wife. Thanks Paul for your question and Yasmine and all our friends on Instagram for their really thoughtful questions. We hope our answers were informative and fun, maybe funny.

If you have more questions for me, you know how to reach me, go to [somonypodcast.com](http://somonypodcast.com) and click on Ask Farnoosh. Always, always on Instagram, you can reach. Meera, I hope you have a great fall. It's so nice to connect with you, my wise, beautiful, smart So Money listener. I'm the luckiest podcast host, can I just say that? I have the best audience, really.

**[0:26:45.1]**

**MJ:** Thank you so much. I'm so excited to listen to the episode and the rest of your episodes. I can't wait.

**[END]**