

EPISODE 782

[INTRODUCTION]

[0:00:34.3]

FT: You're listening to So Money everyone. September 14th, how is everyone doing? Lots to catch up on. This week was another great week of guests. We had on the show on Monday, Jonathan Fields, who is the creator of the Good Life Project. He's got an amazing podcast and programs and I actually was on Jonathan's podcast on September 11th. We ended up having a crossover. So if you're not following Jonathan, I highly recommend it.

Then Wednesday, we had Chanie Wilschanski who is an entrepreneur, mom of four, breadwinner. We got really deep into discussions around motherhood and affording parenthood and being the breadwinner and she had some incredible sort of principles around how to manage your life soundly, your marriage, your money, if you missed any of those episodes, I encourage you to go back. There are a couple of my favorites thus far and we're already into episode 782.

Which brings us to today, it's Ask Farnoosh and we've got a few of your questions to tackle. But a little different, a bit of show today. I wanted to bring on our friend of So Money, Brittney Castro. You're familiar with her; she's a certified financial professional, founder of an amazing practice that is all about helping women, it's called Financially Wise and she's also like me, a fellow Chase Slate financial education ambassador.

So this is really interesting guys, your Zodiac sign, okay? — I'm an Aquarius — may have some predictions as far as what you — what kind of a money personality you are, what kind of a spender you are, what your kind of relationship is with money and Chase Slate, as part of their 2018 credit outlook survey, where they pulled over something like 2,000 millennials to find out what makes them tick when it comes to managing their money. They also did a little digging and found some correlations between Zodiac signs and money personality and what your Zodiac tells you about your spending and credit habits.

So Brittney's got all the details on this survey and I'm really fascinated, I want to learn all about what an Aquarius, what does that mean when it comes to my wallet and of course, if you're listening to this, if you're an Aries, a Cancer, Sagittarius, we've got you covered as well. But we also got some of your money questions to tackle. But first, I want to bring on Brittney Castro on to the stage.

Brittney, welcome my friend.

[0:03:11.3]

BC: Hey girl! Good to be here again.

[0:03:13.6]

FT: It's great to have you back and thank you for coming on and you know, you've been on this show countless times, helping us manage your money a little bit more wisely. You helped us with a lot of questions and today, we're going to get to some questions but first I want to start with digging into this interesting study around Zodiac signs and spending habits.

Let's start with credit. Credit is important, we are big nerds around credit health, as it's no secret. What did the survey reveal as far as what our Zodiac signs forecast about our unique characteristics with credit?

[0:03:55.4]

BC: Yeah, so it's really interesting. This survey, I mean, I found it quite interesting because being a Taurus, signs like Taurus, Leo and Scorpio came out on top for spending the most on credit. You and I both know, credit's very important, obviously you talk a lot about it because it plays a big part in one's life, obviously it impacts your ability to rent your first apartment, start a business and maybe apply for that loan to start it. Owning a home and getting a mortgage, buying a car. I mean, really, credit affects a lot in our financial lives.

So, you know, this survey is showing some cool stats but what was even more cool was the majority of millennials, about 93% stated that they have checked their credit score. That's huge, because I think there's a lot of opinions about millennials and kind of – serious and you know, having the entitled mentality. But this survey shows no, millennials are checking their credit score and actually, majority of them, 66% checked in the last six months.

Obviously, it's super easy nowadays to stay on top of your credit score, check it regularly, you know, Chase Slate offers you to see your credit score, they have a specific dashboard for all their credit card holders. So you can learn about the factors that go into your score and really just staying on top of your credit health.

[0:05:22.7]

FT: Did you think it was interesting that your Zodiac sign does have these correlations to our behavior with credit? Were you surprised to find that as a Taurus, you are a little credit happy?

[0:05:35.3]

BC: Yeah, you know, I don't know how — you know, there's so many things that we can learn from our Zodiac sign. I think it's really fun to kind of see, okay, which ones lined up with me because I am a Taurus and which ones didn't. Yeah, I actually tend to use credit a lot just because I like to get the reward points and that sort of deal.

If you understand some of the tendencies of your Zodiac sign, it could just give you a framework as to how you're making choices with money and you know, if you kind of, relate to something and you don't see that it's positively helping you, maybe you can be aware of it. Let's look at some of these, because I think it's really interesting.

Aries, Leo and Gemini were actually among the most likely to save money to spend later on experiences. So if you fall in that category, I would just say cool. You know, you enjoy having experiences in life. Make sure you follow like the 50, 20, 30 rule for budgeting. 50% is usually what you want to allocate for fixed expenses. 20% is the goal to be saving for your goals like cushion, debt reduction, maybe even have like a fun account where you put money in

specifically to spend on these types of experiences during the year. Most of our clients have a travel account, which I would categorize in that.

Then, the 30% is what you can spend on all the variable and fun. So you can even allocate some of that 30% to be spending on these experiences during the weeks and months. Make sure you set that up because the whole point is, if you really enjoy saving money to then later have to use for experiences, make it work for yourself and find a way to have those experiences but not feel guilty because you're spending money on them.

[0:07:25.2]

FT: Yeah, just budget for your guilty pleasures. That's Aries Leo and Gemini. I'm an Aquarius and it turns out I have a lot in common with Libras and the survey found that we are notorious for having that "you only live once", YOLO philosophy to spending. Maybe sometimes I feel that way but I think maybe in my 20's, I was more like that and I know that this was primarily focused on millennials.

For those of us who have this kind of YOLO perspective, pressure, maybe you want to even call it on our finances, what's your advice?

[0:08:04.0]

BC: Yeah, I think YOLO is just a little bit more probably you know, universal these days just because of marketing, social media and that sort of hype. But if you do have that sort of tendency, I would just say again, follow that 50, 20, 30 rule of budgeting your money, make sure you have 30% for all those variable and fun expenses.

If you set it up properly so your finances can support it, then you can enjoy those experiences but you're still also saving for the future. You know, we can't be blind to the fact that at some point, we're going to want to cushion and retirement so we don't have to work. So it's really all about consciousness, a lot of what I talk about with my clients is awareness, consciousness, you know, not to feel stressed or anxiety with money all the time but really, begin to use it as your friend, as your tool.

[0:08:55.5]

FT: Next up, Taurus, Sagittarius Capricorn, Virgo. These four signs — this is really funny I think — they all liked to talk the most about money with others, which I think is a great quality to have by the way.

[0:09:10.9]

BC: Well, I definitely fall into that category.

[0:09:17.1]

FT: That's you? You're in the right place, Brittney.

[0:09:19.0]

BC: I am on the right place so that one definitely matches up because I do talk about money all day, it's what I do for a living. So if you are somebody who enjoys talking about money, kudos to you. First of all, it's fabulous because it is still that topic that most people don't talk about within their relationships and community circles. So if you do find that you're communicating about money, you know, continue that. Like inspire others to have those money conversations too.

I always go back to that first topic could be the money story, which I know you talk a lot about too but it's like, okay, Farnoosh, if you and I have never talked about money, chances are, I'm not going to be — like, "Hey Farnoosh, tell me how much you have in your 401(k) or retirement plan." It's a little harsh and to me, okay, let's dig a little bit. So an easier conversation to start with is just learning about someone's past experiences with money.

So you can say things like, "Hey Farnoosh, I know you started your own business, what were some of the things you setup financially so you could do that? Or what did you learn? You know? Because then you could learn about someone's personality and behavior with money through their story and I think anytime we connect on stories, we have that human connection

that's more intimate and more real and vulnerable and you'll find that especially if you're married and you start with that, you'll have more compassion for the other person because you'll have awareness as to why they're doing what they're doing with their money.

So continue those money talks if it's your thing, go for it. You know, I'm all about it, I think it's great.

[0:11:03.3]

FT: What I like about this survey is that it's lining our sort of our Zodiac with some of our financial strengths, which if you're listening and you feel like you have no financial strengths, let this be inspiration that, you know, maybe if you are for example a Capricorn then chances are you're somebody who has a propensity for talking about money comfortably and that's a great thing and you want to share that.

I also would say, to add to your points Brittney, that a great ice breaker in having a conversation about money with a loved one, whether it's your partner or, you know, a friend, a parent, is to – especially if you feel like they're not a sharer or a talker – is to start with your own story. You know, not make it all about you but like, become vulnerable in front of them, you know? So that they can immediately gain some trust in you and in talking about money and then I think we'll also be more likely to go there with you if you're the first to do it, kind of be an example and role model in that. This is – I like that one a lot.

Okay, last but not least, we haven't talked yet about cancers, Scorpios, or the Pisces and what's their sign revealing?

[0:12:25.6]

BC: These people, I'm going to focus my marketing to attract these clients. Because they're the ones who most likely have a budget, which to me is –

[0:12:32.8]

FT: Well then they don't need you.

[0:12:34.8]

BC: Well, they might, because they're already like setup, right? So who knows.

[0:12:40.3]

FT: They're ready for the next step.

[0:12:41.3]

BC: Yeah, they're ready for the next step. So we tend to like those people who are like, "I want more, I want to do better and better." These ones are more likely to have a budget, which I think is great news and again, just relating back to that first point of 50, 20, 30 rule of thumb. You can see how you allocate against those ratios and, you know, like living in major cities, we have to be real. Like New York and LA, maybe you're spending a little bit more like 60% on fixed expenses so you can only really save 10%.

I always tell people, start with whatever you can and the whole goal is like every year to review against these ratios to help you make strategic decisions for yourself financially. So if you're planning to move, look at the ratio. Okay, don't buy too much home or don't put yourself, you know, house poor or if you're going to have a baby and you need to stay home for a year, six months to take care of the baby, look at the ratio and see what can you cut back or how do you make more money to make that work?

So really, it's just a guide for you to grow year after year financially and like bring awareness because, I mean, I think a budget is a tool. It's not like a diet, it's not to cut out all the fun, it's really a roadmap to help you maneuver year after year.

[0:13:59.5]

FT: Yeah, it's giving your opportunities, I think, is another way to look at it. Like it's good news people! Budgets can really get you to your destination. Okay, so I'm an Aquarius, you're a Taurus and I have here some bulleted takeaways for each of us, from this study and tell me if you agree or disagree with the findings for Taurus or Tauri? How do you pluralize that?

You Brittney are someone who saves quite regularly and spends on just the essentials.

[0:14:32.0]

BC: I would beg to differ.

[0:14:35.0]

FT: I think you're a saver but you like the nice things.

[0:14:39.0]

BC: I love luxury. Yeah, I'm not one of those people that's like frugal. But, you know, I actually would disagree because I feel like Taurus actually, a lot of people who I know are Taurus' love luxury.

[0:14:52.9]

FT: Yeah, I mean, who doesn't? Well, no, that's not true, there are definitely some people who just like to live simply. You already agreed with the fact that, or the – I don't know if it's a fact right? These are just all like predictions that you do like to talk about money with others, check. Do you like to show off what you can buy, because that's another takeaway from the Tauri?

[0:15:17.3]

BC: I don't know if I necessarily like to show off. Obviously I enjoy money and I like what it can bring me but I don't know, it's not like I brag arrogantly about it, but yeah, I get something I'm like, "Yeah, I got this," and I want people to be inspired and enjoy what I have to.

[0:15:35.6]

FT: I joined member Chase Slate finding in the survey that two thirds of millennials have shared a recent purchase on Instagram.

[0:15:45.3]

BC: Yes, wasn't that interesting and did you see also that they were willing to find up to like, close to \$200 for one post?

[0:15:53.7]

FT: What?

[0:15:55.2]

BC: Yeah. So it's definitely something that is, well, changing the way we live. But the cool part was that again, they are still aware of saving money and their credit score. So even though we live in this Instagram world where everybody is posting, I think there is a lot of people who are doing it the right way too, you know? Because I know there is a lot of judgment. Like, "Oh these people, they don't really have the money. They are just showing it off and posting but it's not real." But I think there are a lot of people who do have the money behind it.

[0:16:33.5]

FT: Oh for sure, don't tell me. You don't have to tell me. Okay so now for me, I think I agree with a lot of these outcomes from the survey with regards to the Aquarius sign. So I do like to save some of my money so that I can donate it to organizations or causes, that's true. I do save money for a rainy day, I do prioritize that. I also like to buy expensive items, but save for them. That was also an Aquarius indicator and you know, sometimes I do believe in enjoying my money and one of revelations about Aquarius signs is that we think about spending in terms of

just trying to enjoy our lives today and I do, I would subscribe to that. I would say that I work hard, I save hard, I invest hard, I spend hard on the things that matter most to me.

Sometimes those are experiences, sometimes it is just a pair of shoes that I know won't last very long but I love them and they will make me happy in that moment. I am not blind to the fact that it is not going to be a lasting happiness, but it is what it is and I am willing to spend on it if I have the money. So thank you Chase Slate for doing this. This is like really a fun way to I think also talk about money in a new way like it really does break the ice.

So next time listeners, if you are at a cocktail party or dinner or a friend's house and you are a Taurus because you like to talk about money, bring out this survey. It might be fun, I'm just saying. It might be a cool game or something. But everybody, Brittney is also in Instagram, speaking of Instagram. So I want to make sure that you are following her there @brittneycastro especially if you want to learn more about these horoscope measures and how they line up with your spending habits. I love this so much.

Okay we've got to talk about some of our listener's questions. It is Friday, after all and I'm so happy that you are here Brittney because you always have great advice. A lot of these questions, in fact all of them actually sourced from Instagram, as you know. I do have an Ask Farnoosh button on my website at somoneypodcast.com and you can definitely use that and we definitely check that for your questions. But alternatively, if you'd rather ask on Instagram, that is also a method.

You can go there and follow me and share a question by direct messaging me and I usually will answer you then and there but also we will save it for the show. So this is Sarah on Instagram and I am going to have you take this one, Brittney because you are the expert for this question. It says, "What certifications should I look for in a financial adviser? I want someone who can help me invest for retirement. I know that the CFP designation is great but are there any other?"

[0:19:34.3]

BC: Honestly, Sarah, I think CFP designation trumps all and less than 20% — don't quote me on this maybe it is a little bit more, but about 20% of financial advisers in the US are CFP's. So it

is a really great start to get a CFP as your professional because they should be well equipped to help you invest for retirement.

You know, I always like to relate it to accounting. There is accountants and then there's CPA's and the CPA is someone who just went and got the extra schooling and board exam to get that designation. So the same is true with CFP, it is extra schooling and a board exam to get that designation. There is another –

[0:20:17.4]

FT: They're also fiduciaries, right? Which is of the utmost.

[0:20:20.3]

BC: Yeah, of the at most there is the fiduciary requirements just to have that CFP designation years after year. There are certain CE credits that you have to complete, ethics. Yeah, I mean so there is a lot of great things and I think the CFP board search engine is really great. So if you are just looking have someone specifically help you with investing for retirement, you can actually put that on your search engine filter. So you only make sure that you're only talking to people who have that experience. But I have rarely met anyone who is a CFP and doesn't know retirement planning. It is like a big part of what we do as planners.

[0:21:02.2]

FT: Awesome, okay thank you for that.

Acacia on Instagram is selling her apartment and she wants to put that cash in an online savings account for the next four to six month. She says she's done some research, she's discovered that a lot of accounts have great rates, but she's concerned about online saving accounts, Brittney, because there doesn't seem to appear, at least, to be a physical place to park her cash and that makes her a little nervous. So any risks to saving money on an online account even though they are FDIC ensured?

I am going to just say don't worry about it. If they are FDIC ensured then I mean these days that's how a lot of us, I don't know most of us, but many of us bank. We bank online, the money is electronically deposited and withdrawn, and I mean basically a lot of transaction these days are done electronically. There is no actual paper being transferred, at least not in that moment, and that is just where we are right now in our financial life and our financial world.

So I mean certainly look for that FDIC seal, but is there anything else that she should be concerned about? I mean, you could read some reviews. There are a lot of websites that rank and rate online saving accounts. So that would be another place to look.

[0:22:28.2]

BC: Yeah, I'm with you Farnoosh. Don't worry about it. I mean there is so many things to worry about in life like don't focus on that, you know? Because you're right, everyone is using online banks these days the reason why they are able to give the higher interest rates is because they don't have those physical locations and overhead and all of those additional expenses like traditional banks.

So there's pros and cons to having both of course. But I always think like have your traditional bank if you really like that for your basic checking account and then any savings like cushion money, you want to look for something that is going to give you a better rate. So usually the online institutions are the best bet for you.

[0:23:07.1]

FT: Great, good strategy. Like have your brick and mortar bank for your everyday needs, especially if you do have questions and you want to speak to somebody or be able to withdraw your money that day because sometimes with online banks you have to do a transfer that could take some time and maybe not instant and then it could slow down your goals.

But I like to know that I can walk into my bank and if I need a large amount of money for whatever reason because I am buying a car and I need a certificate, like a cash certificate or one of those money certificates or those money orders, I need to go into a bank, a physical

bank and get that. So that means that I definitely need to be banking somewhere with a location. But some of my other accounts are online because I don't need that money right away and I can benefit from a higher interest rate.

All right, last but not the least, Delia on Instagram. She ran into some credit card debt, about \$10,000 and she was expecting to pay it off with a bonus from a new job and that bonus was going to be about \$12 grand so it looked like it was going to solve itself. But unfortunately she got fired from that new job in her first week. Sorry to hear and so add to this, she's also got some student loans and altogether her debt repayments are about 50% of every paycheck and with this new job that she's gotten even since getting fired from the other job, it doesn't pay that much. So she is looking for some advice.

I would say firstly, she needs help, right? We always say or I always say that if your debt, the minimum debt payments amount to more than 20 or 25% of your take home pay every month then you want some intervention and I really recommend the National Foundation for Credit Counselling, nfcc.org, they are a non-profit credit counseling agency, all over the country they have offices. You can make an appointment. The first meeting is free and they will assess your financial situation, your debt, your income, they'll look at every kind of loan that you have, balance that you have and maybe that's all you need is that one visit to get some solutions or strategy.

But more likely, they might say, "Okay 50% of your paycheck is a lot," and what they offer to do is enter you into a debt repayment plan or a debt management program where they will basically act on your behalf as your advocate to call all of your creditors and lenders and try to negotiate maybe a lower interest rate or remove some of the fees. It is not debt elimination or debt consolidation. This is just sort of debt management. It may take a couple of years for you to get on the other side of this, but I like them because they're not scammy. They really want to work with you to make it give you some breathing room every month.

Maybe it is about refinancing here and there but it is just nice to have a professional credit counselor to work on your behalf. So that might be a place to check out nfcc.org but also Brittney I'd say ask for more money or try to find a side hustle.

[0:26:31.4]

BC: Definitely, I think both. Yeah get some help for the debt payments but I am with you like I always think of income as unlimited. There is only so much you can cut back on your expenses before you really can't. So it is really to get focusing on unlimited income abundance, how can I make more not that I want everyone to be working 24/7. Sometimes the answer is right in front of us but we are focused on the wrong side of the equation that we don't see it.

So I would say like, open up to possibilities that maybe there is some more money you could be making easily. It doesn't have to be so difficult. That could help you too. So keep your mind open and practice leaving abundance mindset or whatever you need to do to make sure you get out of that scarcity, debt, fear, anxiety because with debt I think that is a lot of the energy that goes into it and it keeps you almost in that cycle.

So just as much as you need to tactical plan, you also need the mindset of, "Okay, how do I get out of here? How do I get to the next level of wealth consciousness and abundance to track more money to make more money to pay this off and not be living in this scarcity cycle?"

[0:27:49.5]

FT: And lastly, I would say that that this \$10,000 credit card statement that she's got weighing her down does have an interest rate that's high, you might want to consider transferring that balance over to a zero percent APR credit card, like Chase Slate. You have to qualify but it might be worth looking into if you can commit to getting out of this debt in the next 15 months or so, at which point you'll benefit — During which point you'll benefit from the zero percent introductory APR. Because that could also save you quite a bit in interest but you just have to really committed to paying it down.

So maybe once you start that side hustle and the money is coming in, try to see if you can transfer that balance and just start putting money towards it every time you get paid and just knock it out off the balance sheet. That's what I would do. I love the idea of hustling and trying to make more money because it also, to me that says that you are in the driver's seat. You can get help. There is lots of resources but to some extent you are still maybe feeling vulnerable in this

situation but if you can find a way to bring in your own extra money that you control, you control the hours, you control your rate, you control the kind of work that you are doing, that's really liberating and who knows where that can lead to?

A lot of people on this show come on So Money who are now raking it in, entrepreneurial, self-employed, seven figures, early retirees, they all a lot of times started out with debt, right? They started out in this situation where they didn't have a lot of financial hope. But what they did have was determination to take control of their financial lives at some point and it started with making more money on their own, on the side, which then parlayed into maybe a small business. Because you get good at it, you enjoy the flexibility, the cash flow and you know fast forward lots of opportunities can be on the other side of that.

So good luck to you and thank you for your question and that's a wrap my friends. Brittney, thank you so much.

[0:30:03.4]

BC: Yeah, thanks. Thanks so much for having me. I love being on and connecting about it especially that we are both at Chase Slate financial education ambassadors. I think it is so cool to partner and share all these fun facts that we are finding.

[0:30:17.1]

FT: Likewise. Thank you so much and everybody I hope your weekend is So Money.

[END]