

EPISODE 794

[INTRODUCTION]

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FT: You're listening to So Money everyone. Welcome. October 12, 2018. I have a big weekend ahead. Mainly because I'm going to be nervous about the Monday coming up. Monday the 15th and Tuesday the 16th, I will be hosting my, at this point, semi-annual – it's happening twice a year now and I can't believe it. It's called Book to Brand, my workshop that helps people who are thought leaders and experts and entrepreneurs.

Learn the ins and outs of publishing a book. Mostly traditional publishing but we have been getting lately into the art and strategy of self-publishing but it's one of my passions that I've been profiting from I guess, you know? Something that I actually learned from guests on this podcast.

Guests who have come on and have taught me how to make money from what I know and not just from what I do. Having spent 15 years working as a content producer and book writer. I've learned a few things about the process of book writing and I've been called upon a lot of times by friends and colleagues to shed light on how to publish a book and how to find a literary agent and how to pitch a book to a publication, how to leverage a book, right to become a speaker or brand partner.

I find that I actually know more than I estimated and it has now blossomed into this amazing two-day workshop and we're excited to bring everybody together but you know, the days ahead of that, I'm always nervous, I'm always – did I forget something, did I order enough food, are the guest going to show up and it always works out but it's sort of like putting a wedding together. There's a lot of moving parts.

Not as high stakes, the wedding but you know what I mean. Anyway, that's just happening on my front. I love October, it's kind of my – one of my favorite months of the year, we got Halloween, there's a lot of just the weather is so crisp, there's apple picking, fall foliage, I'm a new England girl so it's very nostalgic for me, the fall.

Because I feel like new Englanders really claim fall, it's like our season. It's just a great time to be. Anyway, all this to say, I'm happy it's Friday, excited to bring on a listener of So Money to cohost with me because that's what I've been asking for people to sign up for and listeners have been gracious and studious and have been saying, "Hey," I'm raising their hands and saying, "Hey, I'll cohost."

Today's guest is very special, she is obviously an obsessed person about money and finance but not just sort of leisurely, she's really in it to win it here. She is in the Fintech BlockChain space in her career. Has recently merged her business with a larger software partner in San Francisco. She's entrepreneurial, she's into blockchain which we know we've had a few episodes on So Money that have covered bitcoin and block chain and it's such a fascinating fast growing industry and the sector.

That I felt really privilege to have Lydia Benham on our show today. Lydia, thank you for patiently listening to my rant about Book to Brand and my adoration for October but really excited to connect with you finally as we've been communicating mostly over email and you've been listening to the show for a while.

[INTERVIEW]

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FT: It's so great to finally hear your voice.

[0:04:08.6]

LB: Well, thank you, it's great to be here and I'm excited to help you cohost and just saying hello to all the Farnoosh fans out there.

[0:04:19.9]

FT: Farnoosh fans. The So Money Nation as we creating ourselves. Tell me, Lydia, all about the blockchain and what drew you to this particular area of finance and should we all care about this? I mean, you're obviously invested in this but really, is this going to go mainstream?

[0:04:40.0]

LB: I think it is mainstream. It's not going away, it's definitely here, it's been here. It's just the little bit of the wild west still. I've been kind of in a space for almost a year and a half now and kind of just tipped toed into it a little bit, it was new thing that Alco was doing and I was given the opportunity to kind of come on board and help them and so it was definitely crash course at first for me.

I think the Fintech space is always been like where I wanted to be and so it just kind of aligned really perfectly actually for me but yeah, it's huge here, it's not going away, it's still really volatile but you know, it's like you talk to people about work in the financial sector anyway and you know, we're just as volatile as a stock, right?

You know, when you have institutional money that really changes the stock prices, well, you know, you have developers and online happenings that really cause the block chains to be volatile too. It's just kind of, right now, what my perspective on this is that a lot of people don't understand what's going on. It is a little bit different.

There's all kinds of things going on like we're just reading about the Ethereum forking that's happening. You have coins that will split and then you produce a new coin and then it causes volatility to original coin. There's multiple different layers and different things that are happening and I will say it definitely takes quite a bit of time and digging.

It is a different vocabulary. You're not coming, anyone can come into the space, you don't necessarily have to come from the financial background. I will say, most of the people that are driving prices right now would be in the software development space. It is here, it's coming in, it's changing, you do have – it's open sourced, it's available, a lot of people are able to add to projects.

Most of them are stored in GitHub and people connect that way and it's available and a lot of people are chiming in on it. It's definitely – I would say, true crowd sourced funding.

[0:07:10.2]

FT: Do you think it's going to be rebranded, we're calling it crypto currency which that name in and of itself sounds extremely mystified and like this is not for me or there is something sneaky going on.

[0:07:26.5]

LB: Yeah, no.

[0:07:27.4]

FT: I think that's part of the barrier. It's not –

[0:07:28.6]

LB: Right. And people think of dark web and all kinds of things.

[0:07:31.8]

FT: I'm not getting into that. I can't even find a savings account let alone get into bitcoin and crypto. Please.

[0:07:39.7]

LB: Right. It is – we're early stages, right? You know, it is definitely – a little bit difficult to even invest in it. There's a few hurdles there so you need to be dedicated. Bitcoin's kind of your main stream and all the other coins are called alt coins essentially and for some of those, it's a little bit harder to essentially – you're exchanging fiat. Fiat is basically like your country's currency. Ours is USD.

You have to use one service right now to even exchange USD into crypto currency and then you'll have to use another service if it's alt coin. Basically, right now, you have to change to bitcoin and then buy alt coins and it's muddled and you have to store wallets and wallets, that's a whole security issue because some people – it's a security you keep your computer or an external hard drive. We have some people, we actually had a client come through that they were pushing cold storage which is you know, you hear these stories about people like in Russia and they're literally storing their coins on an external hard drive and then burying them in their backyard.

It's like you know, it's interesting, it's really comical, the stories that are coming out of the space right now but there's – it is – there is a few barriers to entry so it is mainstream in the sense that it was wildly popular, we saw earlier this year how much bitcoin raised and then it dropped. You know, it made all of the financial news media.

You do have a lot of people that are following it, the dot, it is a little bit of a deeper dive. It requires a little bit of time but that's why we're saying, you know, you don't necessarily need to be in the financial space to learn about this which I think is kind of cool because they do feel like you know, the financial terminology, I feel like it's kind of like a club and people try to keep people out of it.

I do like – I like this approach, how it's open source and it's available.

[0:09:52.4]

FT: Yes, it's the – you know, I guess democratizing the financial services or financial system.

[0:09:59.5]

LB: No, it is. It's unregulated right now. I know SCC, they're pushing through some regulations and we're constantly watching that because it affects us and our clients. They're still a long way to go on that. I think that they've got some task force on that so we'll see how that plays out. Right now, US investors, you're not allowed to be investing in a lot of the alternative ICO coins.

A lot of the clients, we do see are out of country and then they will set up shop out of country right now. It's really, it's a global happening, it's not just states side and we do see a lot of the investment money coming, I would say from the eastern Asia areas and Russia is a big player in this space as well.

[0:10:48.6]

FT: Lydia, what's the easiest, simplest way for all of us to get on this train and not maybe bet the house on it but if we have an extra say, \$500, a thousand dollars which for a lot of us is you know, a lot of money still but you know, I don't think that with less than that, you can really substantially get in. If you do have that much to commit to crypto and you want to do it, you understand, you know, the caveats, this is unregulated, it's still figuring itself out, you could lose this money, it's an alternative investment for now. How do we do it, what do you recommend?

[0:11:27.0]

LB: Well, I would agree, you're right, it's speculative but I do come from the standpoint that any investment you do is speculative, right? You know, there's something when you're investing in the stock market because it is an age old system that we do trust it but you know, for example, I've been watching my lending club die.

It's kind of you know, it is all speculative and I would definitely, any percentage like you said a \$500 amount or a thousand dollar amount, I would assume that you're going to lose it all, whatever you're going to put into it, I would use it as a test, I would also use it as this is you paying for your education of learning and getting into this space and you're right, unfortunately, bitcoin, I'm looking at it right now, it's at 6,323.

You're probably only going to own a percentage of that but you can kind of work with whatever exchange platform you're going to use and you might convert it into a different alt coin that is a little bit lower for right now. They're all pretty volatile, they're moving up and down, it's constant, you know, we have – watch it in the morning and later in the afternoon, we've skyrocketed, it's just nuts but like I said, that's why if you're going to jump into this space.

I would advise to just because this is not going anywhere, we don't necessarily know which coin is going to be the mainstream right now, bitcoin definitely takes the public eye, you know, it's right behind it with Ethereum. There's a couple of different ways that you could dive in but yeah, absolutely, speculative investment, don't invest money that you're going to need.

[0:13:08.0]

FT: Cool. Good advice. All right, let's move on to the questions from our fellow listeners, these questions, a lot of them came in through Instagram and the first is from a young woman on Instagram, she's 22 and she has a Bachelor's degree in Health Sciences and she says she's going to go back to school for dental hygiene, plan is to go back to school in May of 2019 which is next spring and it is an accelerated 18 month program.

She's currently, this is her – she's saying, she's working her butt off full time to save money, to help pay for school and rent and food. This is a little bit of a twist though. The school recently reached out to her and said, there's a potential for her to start in December of this year as supposed to May of next year.

She starts in December, she will have much less money saved up than anticipated and will likely have to take a larger loan to help pay but it would mean graduating sooner and maybe making more money quicker post-graduation. Please shed some light on this situation.

Part of me says, just wait until May, Lydia. I think there are pros and cons to both. I would make a tea table and make a pro/con.

[0:14:27.7]

LB: Right. Yup, I'm in the exact same boat.

[0:14:30.8]

FT: Here's the thing, it's an 19 month program, she's start in May which means this will have her graduating, assuming she's going to go 18 months straight including summers, it would be that she would graduate like around fall, winter of 2020 which I think is not a bad time to be job hunting. That's usually when a lot of companies, historically look for hires, for starting in say, the new year or every job I've applied for, I've gotten in the fall, it's kind of like that back to school companies are expecting a lot of new applicants and turning to the job market because of college graduation and other kinds of graduation.

It may actually be to her benefit to keep the schedule as is in terms of her applicability to the job market. I mean, maybe there will be more competition too but I think like a lot of companies are the hiring mode come fall, winter. There's that pro.

The other pro I think is too like she says, she'll have more time to save and taking on less of a loan and it's already an accelerated program. You know, whether she starts in December or May, it's six months in the grand scheme of life but it could mean a lot more money that she has to go into debt for to pay for this program. I kind of feel like stay the course.

[0:15:59.4]

LB: I would also probably second bet, even though I do think that there's probably pros and cons for both decisions here. I think that you already have your strategy in place. I think that an opportunity arose but I don't think that I would diverge from your course and maybe you know, some calculations on extra interest of the larger loan will maybe prove that as well because that's worth running those numbers too.

Yeah, I think it's funny, I think sometimes in life, it's hard for us just to wait and you get antsy, right? Because that's her goal is jumping in and finishing that and getting her degree but I think that this might possibly be one of those times where it might be better just to wait and keep bringing in some revenue for now before you start.

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FT: Yes, I think if there is a chance to maybe go back to the school and say, “this is interesting, I’d love to explore maybe the more the benefits to starting early could you sweeten the pot and give me a scholarship or a grant or lower the tuition somehow because that’s obviously going to mean more money for me if I have to start early, I don’t have enough savings to start this early” and see what they say.

I know some schools have these different starting points for their programs and there’s usually one starting point that’s more popular. I think for me, like going to graduate school for journalism, there was a program that started in August and then there was a part time program that started a little bit after that.

I mean, sometimes schools put more of their resources too towards the fuller, more kind of like traditional path of like let’s say starting in May. Maybe that’s what the school puts more of their resources towards, that 18 month program that starts in May. Then they reserve, you know, the same but maybe a little bit less resources for the program that starts at this sort of off point, this December start or like another start.

It’s a way for the school to include more students in the program in totality but sometimes there’s like – there’s that one school academic program year that is more – that is fuller and therefore they have more resources for it. That’s something else to look into like if I start in December, am I kind of on the B team? The B path? I know in a lot of schools where there are alternative start dates, it’s not always apples to apples in terms of resources and professor availability and things like that. Things to think about.

[0:18:52.2]

LB: Yeah, I think those are all very valid points and I think that you might have something to negotiate here with them. I don’t know about this exact degree but I wonder if there was some kind of pre online course or something that might be available beforehand. I don’t know.

[0:19:13.1]

FT: Yeah, if there's a way to get some credits and so then, you can do that line and you wouldn't have to move or pay as much in tuition and housing and all of that, that's a really smart way to get ahead as you begin in May. That way, maybe you could graduate like you said earlier and get ahead, start on the job search.

Sandy on Instagram has a question about well, let's just read it, See things. She recently resigned from her job Lydia, she's a couple of weeks left before her last day. She has started a commercial residential cleaning company, she's a mom of three and she does have childcare for her children but was wondering, should she use her 401(k) to fund the startup.

She would like to develop an app for the company and target young working classes, working class families, the kids she has three kids, they're five, two years and two months. She really needs more flexibility to do the startup but she's concerned about you know, the schedule with the kids and everything.

She's also married so her husband will handle, she says, the household expenses. It sounds like she needs C capital for this idea and I'm curious to hear your thoughts Lydia on this as far as just like, you know, as a woman and as an entrepreneur with a startup.

How'd you get that startup capital. I mean, ideally, I like that she wants to have her own skin in the game, that's great.

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LB: It's valuable.

[0:20:56.8]

FT: It's valuable but cashing out a 401(k), I'm not sure if that is – I feel like that's to her detriment in some ways.

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LB: I would have to say, I think my perspective has shifted on this a little bit more, I recently had a baby so I have a one-year-old now. I think security is very important, especially for a kid. I haven't used my funds before and made risks but that was also before kids. I know that might be sappy but it is what it is. I just think the security is important for her.

I've also fundraised for projects too from angel investors. That's always a route that I will say is a job in and of itself. That was for a large scale project. I would not advice cashing up the 401(k) personally. I would probably look at what it is you're wanting to do with your – because you reference the mobile app. So there is a lot of ways that you can have web mobile functionality with websites that are pretty much like being in an app ecosystem. The only thing is that you're not native and I think that a lot of those options are cost effective. I always advocate getting proof of concept on any of those products before you pummel a lot of cash into them and I think that is just the good strategy.

We do see a lot that some technology just doesn't get used by your customers. So there is not any point in going full throttle in creating this big platform that you are not going to necessarily get used out of before you actually tested the market on that. There is a couple of options like Squarespace. WordPress has theirs at presser product and then Weebly, pretty use friendly subscription based.

It is a month to month I think that you could possibly swing that from revue you are generating from the business without tapping into any resources and a lot of those, I don't know if it and how integrated into your business functionality it will go to but a lot of those will include payment card integration like with Stripe and there is a lot of options there. I don't know if you are paying some subcontract reserve.

Just you doing the work for the cleaning company but there is a lot of options available in those software products already. Yeah, I would not touch it just because compound interest is your friend on that too. I would make sure that if you do have the 401(k) it looks like from this job, I might see kind of look at it and see what you're invested in. Sometimes companies they only have a small selection of mutual funds that are allowed to select from for their employees.

And the way that mutual funds work is that they actually have a finite runway. So when they are sold that may have been the year when they were actually profitable and running, maybe you are eight to 12% margin area but they may not for the future. So I would probably go back and adjust that and look at that as well since you are leading that job.

[0:24:28.3]

FT: Amen. I would also just remind our reader here, Sandy, that you know the number that you are seeing in your 401(k) is not going to be the number that you will end up with if you cash out because assume, you might see like oh this really big number but the problem with cashing out early before nine and a half is that you're total is subject to income tax and a 10% early withdrawal penalty.

So depending on your tax bracket, that could effectively diminish, yeah that total by 40%, 50% and so you may be underwhelmed is what I am trying to say with that ultimate pittance of a number after all of those deduction for withdrawing early and the tax implications and so yeah, I think I love that you are thinking along the lines of having an app. I think that in your business plan that should definitely be within the first five years.

That could definitely be something that your business could benefit from and your users could benefit from but I think to sort of think about it in year one and then trying to come up with the money for it, it could be really overwhelming and not even as Lydia said, the best strategy because you have to really understand your user and what they need and I use a lot of services that have mobile friendly websites and aren't necessarily creating native apps for the experience.

And for me it's fine as long as I can make out on that site and see what their I book appointments and it has been fine, it is a little bit more thumb work but it works fine and I am sure that business is saving a ton by not creating this app yet but I love Weebly. I love Squarespace. I love WordPress, you know finding someone who can create a user friendly website for you that is also mobile friendly I think is a great first step.

And if your husband is currently working that's awesome because that takes a lot of pressure off of you for having to be necessarily profitable in the first year but go get it Sandy. I am excited for you and let me know how things work out.

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LB: Yeah, congratulations.

[0:26:42.6]

FT: And congrats Lydia on becoming a mom.

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LB: Thank you.

[0:26:47.5]

FT: I always want to stop mothers now who have careers and have children and ask them their number one tip for affording it all. Forget having it all, doing it all, how are you affording it all?

[0:27:01.5]

LB: Yeah, I know that's a good question. So I think it is just everyone's situation is different. I will say that I have an amazing husband who definitely helps a lot financially and physically and he is a committed dad. So it makes a difference as far as time allowance. I think time was figuring out time is still I think a struggle in scheduling and things like that and we have help so that makes a big difference.

But yeah, I think there is just a lot of variables in the first year I'll be honest I am still trying to work through them all. I don't have by any means all figured out.

[0:27:47.1]

FT: Yeah but it is moving in the right direction.

[0:27:50.7]

LB: Yeah, forward right?

[0:27:53.1]

FT: With moving forward, right. I know thank you for that. I mean it is hard. You know it may seem easy but it is not and everyone is behind the scenes is very different and I am always – I think it is important for moms to share because and to share their wins and the failures because some days are just going to be terrible but it nets out pretty positively I think.

[0:28:16.8]

LB: Oh absolutely, yeah it definitely does.

[0:28:19.8]

FT: When you are working and you have kids, yeah. To have the money is helpful.

[0:28:23.0]

LB: Yeah and I think it is – I mean I like what I do and I think it is fun to be able to enjoy the time when I am not with her because otherwise I think it feels a little more – it is a little more taxing emotionally for sure. So I think that that's good and I also, I mean I've had very good female role models in my family and I like being in that position for her as well as a female. I know there is lots of conversations right now.

So as far as raising women and raising confidence, smart, self-assured females and I do truly believe that what their seeing is what they are going to duplicate as much as we want to preach. I do think that I want to love with what I would want for her and you know I think we also get

caught up in trying to be this bigger than life characters for our children too. So I am trying not to let that take over as well.

[0:29:28.1]

FT: I wrote down when you said, "Like what you do." It seems like a simple thing but it is so important to figure out what your passion is and to be sure that you are on that path to doing. If you are not doing what you love 100% but you are like 80% there. You are warming up to it because when you have kids, it's I think a lot harder to then justify the work that you are doing especially if you feel underpaid and then you don't even like the work.

To say that I am not going to continue with my career and feel like you have been without really an option been forced into full-time parenthood and some moms do that willingly and that is their first choice but I am seeing a lot of working women upon having that first child feeling like they don't really have the option to stay at work for a lot of reasons, money, flexibility, time, happiness and so you know what?

I think I am going to stay home and it's not what I thought I'd be doing but here I am and I want to be able to remind women that it is their choice but they have to be very strategic about the way that they design their life and go after their pursuits for, during and after having kids.

[0:30:43.3]

LB: Right and I think something I am kind of probably as serial over committer and I think this year I have also learned to say no to extra things which has been hard but absolutely necessary and I think that I am lucky in the fact that what I do, I mean it is flexible. I did make some large changes right after she was born as far as joining all code and took a little bit of the responsibility off of my back so I could have a little more flexibility.

And I wouldn't change that decision forever, for anything really. It is allowed me to basically have a flexible schedule and it was flexible before but you know when the client is your boss, the client is your boss. So it's funny, I don't know if you know, I know this conversation is like

what is harder, having a boss or being your own boss and I don't know if people fully understand the client basically owns you.

[0:31:45.7]

FT: Right, yeah.

[0:31:47.6]

LB: So it is kind of yeah and they don't understand work hours either I've noticed so that is a whole different boundary issue right? But yeah, I know. I do think that it is interesting I think that the rite of passage into motherhood does make you look at things and assess things and even if there is some things that maybe we were doing and we were like, "Oh it's okay for now" I think that the strain on time and emotions and where you want to be it really separates out.

Okay, this is not – I don't need to be doing this versus it shines light on where you need to be and what you need to be doing. I wish I would have gotten that a couple of years ago to be honest but I am glad that I have it now but I do think that it is worth really sitting down and making the best decision for you holistically and what that looks like on a whole because I think like the 401(k), I would absolutely consider security now and that is just because my life is different.

[0:32:55.6]

FT: Right, it's good perspective that you get once you become a mom. I think that some things become, what do you call it? Non-negotiables. Things that were negotiable pre-kids are now non-negotiables.

[0:33:13.8]

LB: Right, yes. They are big non-negotiables.

[0:33:17.9]

FT: We derailed a bit but I think was very helpful for a lot of people listening myself included. We have a question from, we're going to probably have time for two more questions before we wrap up here. So also from Instagram, @yoyoma17 has some extra income and wants to know where to put it into a new house. "Should I invest it?" she asks, "save for retirement, save for kid's college. "

I feel like this is just a matter of priorities. The good news is that you have the extra income. The challenge is but really it is an opportunity is to figure out what is your next biggest goal to achieve and that I think is where you allocate those resources and in some cases that is also a matter of if it is something like – if you are behind on retirement I would say that may need some of your attention before buying the house.

Before kid's college, I mean in some cases, some of this stuff is just generally good prioritization. I would say if your retirement is lacking that would be a good first place to explore putting extra money whether that is in your 401(k) or IRA. A lot of parents I think I myself included, the inclination is to put more money towards college and education but that is because we're emotional and we love our kids but it is not actually the smartest choice.

This isn't just me speaking, it is a lot of financial advisers like you have to put your own oxygen mask on first. Have retirement savings, figure it out and then once that is rocking and rolling and you are automatically contributing to retirement and you are on track, then look into something like a 529 or a college savings plan and I think after that, you can look into purchasing a home and some alternative investments.

But you know I think that if @yoyoma already has the retirement, already has the kid's college account then maybe at that point it is the house that is investing. What do you think?

[0:35:20.1]

LB: Well so just to touch on the house, the home you live in should never be considered an investment vehicle for you. It does add to your net worth but I would not consider that an investment property because you have emotional attachment to it and you actually need the

shelter. I think you're right, it's priorities here and I love that you mentioned the oxygen mask. I had not thought about that as far as the kid's college fund.

I know they have to have a 529 but my husband and I, we did look at that a little bit but I think that for kid's college honestly I would just put it in an investment fund. I would just run it in one account that you are managing and or if you have an adviser that is managing it because there is nothing to keep you from pulling from it for your children's college when they do come of age. We are leveraging compound interest at that point.

You could also actively seek out dividends, stock options in there and then you can also set up drip dividend reinvestment plans. There's these minimal fees that's attached to that. There is not if it is in your Roth IRA but all of those I think are good strategies to invest. I am a heavy investor so I always recommend that and I don't know what your age is but if you are anywhere in the 20's I mean you have nothing but time on your hands to grow your income. So I would advocate for investing.

[0:37:05.6]

FT: If you are interested in a 529 which I have for both of my kids and I know that you Lydia expressed more interest in just a plain investment account probably for a lot of reasons like more flexibility if your kids don't go to college but it may be more access to different kinds of investments, collegesavings.org is a great resource for learning more about 529 plans. In New York State where we live, there are additional benefits for residents here who have a 529 plan.

Tax benefits and so if you are in a state where that also may be the case for you, another perk to having a 529 but yeah, they are not as flexible. They are not as open ended as just an investment account that you open up on a robo advisory or you walk into a bank and you do it but a lot of parents love the fact, including myself, we like the 529. We hope that our kids will go to college. That is the plan. I know that college ambitions are changing and the college scene is changing but my kids are going to college that is happening.

[0:38:14.0]

LB: Am I wrong that I read somewhere that they can actually – it is the terminology and the way that that account works, you can use it for education?

[0:38:21.2]

FT: You can now, right. All is changed.

[0:38:23.1]

LB: Okay.

[0:38:24.1]

FT: Recently, so yes and I was going to bring that up but I forgot. Yes, so if you have a child who is going to school at a private school or just you need money for their education, we have to check the IRS for the actual definition of what qualifies but now you can actually use the 529 for educational purposes before college so that is great but I would hope that it is something that you use as a long term saving vehicle.

And if you need more immediate reserves for school in kindergarten or first and second grade, that is coming out of a different bucket because the benefit of a 529 is that it is invested relatively aggressively for the next 15 years if you start early. So you just have to adjust your investments to make sure you are not super risk, you are not taking on a lot of risk for a kindergarten account but yes, that is good. It's better than just having it for college I suppose.

[0:39:29.1]

LB: Yeah and just as optionality for that account.

[0:39:36.5]

FT: All right, last but not the least a quickie comment from Laura who wrote into Ask Farnoosh on the So Money Podcast website. She says she's a newly graduated physician and working on

balancing her financial priorities and wondering if there are any people out there that she can learn from with regards to how to invest as a young physician and lucky you Laura, so early in September, back in September I had on a great guest named Dr. Peter Kim.

I want to describe that episode number for you, it is episode number 786. So Peter Kim is an anesthesiologist who simultaneous to pursuing his physician career like you is like, “I don’t know what to do with my money and I have all sorts of student loan debt and I have to find alternative ways to do this” and so he started to invest in real estate and really started to love it. He didn’t know anything about it when he first started which is the good news.

Got really good at it, sort of blogging about it anonymously at first under Passive Income MD and only recently became public with his identity and is still startling both worlds as a physician and now is this blogger real estate investor and he talks all about how he does it on his blog and I would really recommend that as a resource. I know Lydia you have an extra tip for this person as well.

[0:41:11.9]

LB: Yes, thank you. So I just wanted to say because I had read a bunch about this but I do know that physicians historically, they are some of the highest earners but they tend to have the lowest net worth. I think that just being in that profession, you fall into Keeping up with the Jones’s a little bit so maybe just as a pre-emptive tactic, make a plan to invest a percentage right off just so you are not kind of tempted.

And you have that plan in place and maybe put a reminder on your calendar to reassess that percentage based on your wages in two to three years depending on how aggressive you want to be.

[0:41:49.9]

FT: Yes, having a plan is always something that we – like we hear that and we’re like, “Yeah duh” but we always fail to do it. We just go right for the spend and it is important to think about where you want to be in the next five, 10 years. Lydia thank you so much for coming on the

show. I feel really lucky to have you in the audience as a listener. Super smart, super ambitious, lots of great advice and best wishes to you in motherhood and your business and your finances and all of that and everything in between.

[0:42:22.2]

LB: Well thank you for the time and I am glad to help out with some of your listeners and I really appreciate it.

[END]