

**EPISODE 847**

*“CL: I didn’t take any funds. I self-funded this. The reason I could do that was back to the money question is I saved my money, right? The bonuses that we get as bankers, I put that into savings and I didn’t live above my means. I could take that. Didn’t know I was going to do that and that when push came to shove, it was like, “Why not?”*

[INTRODUCTION]

**[0:00:56.4]**

**FT:** So often we hear about startups taking investor dollars, or venture capital, or taking on debt to start a business. Our show today highlights one woman, Cate Luzio, and how she, thanks to her consistent savings over the years afforded her own way to launching her business and becoming an entrepreneur.

She just decided a year ago to launch Luminary; a new collaboration hub in New York dedicated to providing women with a beautiful and functional space to work and grow their network. Prior to forming Luminary, Cate was the Executive Vice President and Global Head of multinational corporate banking at HSBC. There, she was responsible for roughly 2 billion dollars in revenue and teams globally in 55 countries.

Cate and I discuss the impetus for her transition into entrepreneurship. We also talk about the reasons behind what seems to be a stagnant level of women in the workplace since the 1980s. Also, couldn’t let her go without asking her about some of the money memories from childhood that shaped her perspectives today.

Here is Cate Luzio.

[INTERVIEW]

**[0:02:08.0]**

**FT:** Cate Luzio, welcome to So Money.

**[0:02:10.4]**

**CL:** Thank you for having me. Very excited.

**[0:02:13.3]**

**FT:** I'm really excited for Luminary, which is your new venture. It is a beautiful, productive, exciting, inspiring space for women and women identified who are passionate about professional development and expanding their networks. It's this hub. It's in New York City. You've been two months now into the launch of Luminary. I have to ask, I'm sure as you were building this dream, you were looking outside of Luminary and looking at the market, right? There is WeWork, there is Regus, there is The Weighing, there is all these types of hub, so to speak, workspaces, which I think is a great sign that there is a need and a thirst for this. How does Luminary differentiate?

**[0:03:04.3]**

**CL:** Listen, I think everything that's going on around and this is new workforce and what are they looking for, particularly for entrepreneurs and freelancers, which is fantastic. One of the things that I saw in my career at 20 years in banking was especially the latter part of those 20 years was everyone is talking to the entrepreneurs and the founders and the VCs and those that are starting their businesses, but there's a huge part of the workforce that are always going to be in the 9 to 5 and particularly women.

We have record numbers of women that are reentering the workforce, that are entering the workforce. Yet, we also have more than 1,800 a day businesses started by women. My goal really was to focus on the working women. Whether you're an entrepreneur, or you are working in that 9 to 5 job, there's a place for you.

I just didn't feel that those women, those corporate women were being talked to and certainly not being talked to by their companies. How do you continue to invest in yourself, develop

yourself, but then also cross-pollinating across industries and levels, so that it's not just about senior women, it's not just about junior women or millennials, but focusing on more broadly those two audiences, but really the middle, right? This middle, this type-line of women in whatever industry they're in and actually accelerating their development.

**[0:04:34.3]**

**FT:** Why not include the men?

**[0:04:37.2]**

**CL:** Will you include men? While our membership is focused on women and women identified, which we feel like is huge. Women love a space where they don't feel intimidated. They want to work together and support one another. We don't exclude that. We welcome them into the space. They come as guests. They can come as clients of our members. They are welcome and as a what of our programming an event.

We had a big event two weeks ago that was co-led with Gary Vaynerchuk. We don't want to exclude men. I worked with men for 25 years and they are a huge part of the success of my career. They will continue to be major career influencers and decision-makers in all of our lives. We need to work with them, versus exclude them as we try to change those numbers at the top.

**[0:05:24.8]**

**FT:** I completely agree. I want to dive a little bit more into your career. I want to also to get – because we're hot on this topic right now of women in the workforce and I'm also passionate about keeping women in the workforce, because so brings statistics out there Cate, about how since the 80s, the number of women in the workforce has flattened – flat-lined, basically stagnated to the point where we're not really seeing any growth. There was this new study out and it dug deeper into this phenomenon.

It's ironic, because more and more women are going to college, getting graduate degrees in higher numbers than men. A lot of families we supported households during the recession, more

women are becoming breadwinners, but there's still not as many women in the workforce for some reason. A lot of people who are blaming the fact that as women become moms, there rubs the challenge. Therein rubs the challenge where now you have the responsibility, the serious responsibility of parenting and working.

Some women are totally caught off guard by the financial toll, the physical toll, the scheduling toll, the lack of support at work, the lack of support at home to be able to be present in both of these arenas. The shoe that drops is often their career. That for me is a very scary trend.

**[0:06:47.9]**

**CL:** Yeah. I don't disagree. I absolutely do. As someone who manage thousands of women and men across the globe, I don't disagree. I also think that it's an easy excuse for – statistics decides. I think it's an easy excuse for companies to say, "Oh, well we're losing our women, because they're all having babies." I don't agree. I think that's absolutely an issue, but I think one of those issues isn't just because they're having a baby. I think when they try to come back or they want to come back, they're not provided those same opportunity, right? It's this whole motherhood penalty that we talk about.

I think if we and companies in particular look at investing in their women in a different way, whether they're coming back into the workforce after years off because they did raise their kids, but they still have these unbelievable skill sets, or they've had a child and three months later they've decided to come back after maternity leave, if they even get that long and they're not getting the same opportunities.

Companies have to rethink how they work and how they support women; some of that flexible work. Some of that is a flexible work arrangement around where they can work from and hence, why we offer the co-working component to Luminary. I really think a lot of these have to do with how are we thinking around women's development and career acceleration, as well as mobility within organizations, as well as industries and supporting the pivot of women.

We talk so much about the numbers at the top, right? How do we get more senior women at the top? How do we get more women on board and in the C-suite? Well, if we don't have a pipeline

of those women – back to what you were saying about the statistics of not coming back to work, or they're leaving, or they're the industry, then what are we going to do? Those numbers will never change.

By the way, neither will the pay gap numbers. Because if you don't have more women who wreck in through their careers and accelerating into leadership roles, then they oftenly don't start making the money that they should be. You take a small company that has one woman at the top, as soon as that woman leaves, the numbers are completely distorted, because they now no longer have senior women at the top and they may not had a pipeline; I saw in banking all the time.

I think it's a bigger issue than the motherhood. Not everyone is a mother. I am not a mother, right? After 20 years of a successful career – by the way, I loved what I did. I decided that I wanted to do more for women not just within my one company, or my one industry, but really how do we make that impact and how do we work alongside with companies, because that is I think your needle mover.

Back very quickly to your point, as much as we're wanting to identify and we want to focus that we don't exclude men, we also work with companies. As a big part of who we are is working with these companies, not just so within employee groups, but the company, the lines of business around how do we take some of that learning and development off of their plate and provide that and tailor it to their women depending on what they need. Not just the leadership development program that 1% of the women get to go to, but really having the women make the choice around what they want to continue to invest in themselves and develop.

**[0:10:08.6]**

**FT:** I think that is so needed, because you're right. You can't expect your employer, although be nice to be your one-stop for all these –

**[0:10:17.2]**

**CL:** Absolutely.

**[0:10:17.7]**

**FT:** All these needs and all these nourishments. To be able to have these ancillary relationship with a place like Luminary, I think can be fantastic. Especially because – I think a place like Luminary for me, learning about it and I get to visit, but I can't wait, I think it's a great – it's fertile ground for inspiration and networking and connecting on a scale that doesn't happen at work, because you're just doing the work.

**[0:10:47.6]**

**CL:** Right. You're also just network and connecting with the people that you work with, right? I mean, we've all been there, right? Small or large companies go to these wonderful women's events and they're usually driven by the volunteers, the female volunteers that are super passionate. It's a panel. You go, "Hi, I saw you last month." "Great. How has everything changed?" How do we do peer mentoring across industry? How do we get these women to start talking to one another and oh, by the way, bringing them in, right? It doesn't just become this isolated women's group where men can join and we can't have those real conversations.

Nobody cares about your career more than you do. We can wait for a very long time for our companies to pull us up, but at the same time while they should be pulling, we need to be pushing too. It's the push and pull and it is up to both sides, where it's a two-way street. I'm very passionate about keeping women in the workforce. Yes, I'm an example of someone who left, right? Again, a year ago if you would asked if I would become an entrepreneur, I would've said absolutely not. Yet, then two months later, I decided to start this company. I'm very focused on that corporate women that really needs guidance, that need support and by the way, not only do they invest in themselves, they invest in others, because that's a big part of what we're trying to do.

**[0:12:10.3]**

**FT:** Yeah, you say no one cares more about your career than you. I also say no and cares more about your money than you.

**[0:12:15.7]**

**CL:** Absolutely.

**[0:12:17.5]**

**FT:** Maybe that's a good way to transition to money questions. I also want to talk about your career trajectory, and you did touch on your history in financial services. I guess, my only question around that, because you talked a lot about it already, but one thing that I'm still curious about is what drew you to financial services in the first place? Because stereotypically, this is very male-dominated.

I have personal stories around why I was drawn to the financial world. I liked it, because there weren't a lot of women and I wanted to be – I wanted to set an example and be there and symbolically representing women, I guess. What was it about finance that attracted you? It's okay to say that you wanted to make a lot of money, because I feel like women are afraid to say that too.

**[0:13:08.5]**

**CL:** I think that's what kept me financial service, because of that, the compensation component. Honestly, nothing drew me to financial services. I was not a finance major. I was a political science major. I then got my master's degree in international relations, because I had spent time abroad. I had been working abroad in China and I was recruited by a bank that was looking at international market and wanted someone that didn't have a traditional background.

I think they loved that I was a woman that had spent time abroad and I had a very, I think still a young age of great reputation about someone who's working their butt off, right? I would absolutely say that not having that background in finance or accounting, or even business because that was not my major. I think that actually gave me a little bit of an edge, because I had to prove myself probably even harder than the people around me, particularly the men, right?

I didn't come with that background. I was recruited into it. As a young age I thought, "Well, I'll do this for a couple of years. This is interesting looking at new markets and I love international and global components." 18 plus years later, here I still was.

**[0:14:21.3]**

**FT:** You stayed with it. Were there times where you thought, "This is not for me," and you wanted to maybe take off and do something different? Did you always know you wanted to become an entrepreneur?

**[0:14:33.0]**

**CL:** Oh, never. I mean, honestly. A year ago, we're talking literally a year ago.

**[0:14:38.3]**

**FT:** What happened?

**[0:14:38.8]**

**CL:** I would never had said that.

**[0:14:40.3]**

**FT:** What shifted? What shifted?

**[0:14:43.3]**

**CL:** A mentor conversation. I had a wonderful male mentor. I have a number of male mentors, but one in particular in banking that I had worked with for many years and he's known me for 10. I had a conversation with him just around making a transition to another bank. He said, "Don't do it." I was like, "What are you talking about?" He said, "Cate, I know you know. I know you for 10 years. This is not what you set out your whole world to be, banking," back to your question

earlier. He said, “You’re passionate. You love people. You do all these for women. You are great with clients. Why not figure out what it is that you’re super passionate about and go do it?”

I was like – rolled my eyes and shrugged my shoulders and said, “Whatever.” I could not get that conversation out of my mind. A few weeks later, we re-met and he said, “Cate, let me just tell you, you’re a senior woman in banking. You have done a great job. You can always go back to banking if whatever else is out there doesn’t excite you.” I took his advice, which was a massive risk, right? I knew myself and I knew that I had worked hard for 20 plus years and the job that I had and obviously in banking, and something that I never expected to be in.

If I was going to do something else, I was going to throw myself into it and not go to an organization and try to find another job while I was doing that. That was just my prerogative. That would’ve been January, February. Then March, I wrote a business plan for Luminary.

**[0:16:15.8]**

**FT:** You’re an example of the power of just talking your ideas out with other people.

**[0:16:23.3]**

**CL:** Yeah. Then taking in the next – preparing, right? Road to business plan. I looked up my PNL and figuring out could I do this? Could I sell fund this? That was this big part of what I was doing and it will always be that and I did not go to the market. I didn’t take any funds. I’m still fund of this. The reason I could do that was back to the money question that I saved my money. The bonuses that we get as bankers, I put that into savings. I didn’t live above my means. I could take that. Didn’t know I was going to do that, but then when push came to shove it was like, “Why not?” I’m putting my money where my mouth is and talking about helping, supporting women. That’s what I wanted to do.

**[0:17:12.5]**

**FT:** I’ve covered a lot of bonuses in my career as a journalist. December, January reporting is always fun, about the average bonus that Wall Street received, average Wall Streeter. It’s no

doubt that the city, the economy here in New York is often around the winter time, like it's supported by Wall Street bonuses. Real estate is supported by Wall Street bonuses. Boat purchases are supported by Wall Street bonuses.

I love hearing that you did not participate in that, to the extent that you were able to save to build this incredible business. That's quite a mark. I want to know now how did you get this financial savvy, other than of course, maybe just working in the industry and learning the right and wrong.

**[0:18:02.4]**

**CL:** Yeah. Honestly, I'll start we've been at – I covered clients for so many years from small to large and certainly, particularly last couple of years looking at the environment with the amount of capitals vetted out there and pretty cheap capital. For me, if I was going to take this step, I wanted to control the situation and I wanted to build something that I would want to go to, that I know the women that I had worked with and supported and the women that were out there would go to, without having someone else telling what I should do or what I shouldn't do.

Really, there was one answer, I had to sell funds and not go and ask someone. Because the minute you do that, you lose that autonomy and that control. That's not to say that I never would, especially if we look at expansion, etc. For me, for now, that was what I built this business on, the PNL on. Going back to where did I get that, why did I stayed and why didn't I do those purchases? Listen, I absolutely invested my money in certain things like a home.

For me, it all goes back to my upbringing. My parents were – my father was an FBI agent, my mother was a teacher. It was all about living at your means, not above your means and also saving. From as soon as I could, whether that was babysitting or lemonade stands, to working as lifeguard and Foot Locker and all these – it was ingrained in me; get a job, work hard. I did that all through college. I think that' always been there, but I have to credit my parents, because they instilled in that with myself and both of my brothers.

**[0:19:44.2]**

**FT:** Is there a specific memory you have that is just – it deserves a chapter in your biography? Specifically about around money too.

**[0:19:56.0]**

**CL:** Yeah, there is. I often tell the story, because especially to my niece's nephews and I have nine of them, is when we were young, we were graduated from high school – when we receive money from our grandparents, or someone else for a birthday or for Christmas, we literally got to hold the bill in our hands and then my dad would snatch it out. He's like, "That's going in your college savings account."

We got that rush of, "Oh, that's a \$50 bill, or that's a \$100 bill, or whatever you got on your sweet 16 and whatever, and then that was gone." It was right into a savings account and that paid for our college. All of that, as well as what my parents saved and then working all of those summers and during the school year and then obviously working through college. That was for me, that's great. You see the money you've got, now we're going to save that and invest it for your future. It's always been like that.

**[0:20:54.7]**

**FT:** All right. As you accumulated money and you got to become a wealthy woman, were there any changes you made in how you treated yourself?

**[0:21:03.0]**

**CL:** Oh, absolutely, absolutely. I love shopping and I love clothes, so I think absolutely. My case definitely got more senses as I started to make more money. Again living – I don't to live to work. I want to work – I mean, sorry. I don't want to live to work, I want to work to live. What I mean by that is live at your means, right? I didn't need a summer house and I didn't need a boat. None of those things are bad, but that's just not what I wanted to put my money into. Either it was shopping. I love to travel. A lot of my – I would say that disposable income that when I could and make – take time off, went into travel and it wasn't for business. I love to travel. A lot of that was built around where could I go and what new place could I see.

**[0:21:53.2]**

**FT:** This question comes from our sponsor Chase. We want to know Cate, do you have a financial resolution this year?

**[0:22:00.9]**

**CL:** To become cash flow positive.

**[0:22:03.2]**

**FT:** Yes. We want that. We want Luminary around for many, many more years and have more babies. I'd love to maybe talk about something you learned through a failure, a money failure. It doesn't have to be – Knowing you, it's probably nothing crazy, but we all learn sometimes through hard lessons. Was there a financial lesson that you learned, maybe even early on in life as you were just starting out.

**[0:22:32.2]**

**CL:** Yes. As much as we saved the cash that we got, I never understood really what financially literacy meant. When I say that an APR, a credit card. My freshman year of college, there was lots of credit card offers on campus and it was really excited, because you got a t-shirt or something. I remember it was a \$500 limit and first time I went to the mall with my girlfriends, it was so exciting I said, "Whoo, I can use this." Then I remembered my first bill and I was like, "Okay, here is my minimum payment, whatever \$10." Then I would get the next one like, "Why is this not going down? I'm paying the minimum payment."

Because I just couldn't understand. I called my older brother and I said, "I have a problem. I have this credit card bill, I can't pay it off, because I'm paying for books and everything else." He said, "Well, what are you paying a month?" I said, "The minimum." He said, "There's something called an APR." Literally, that was the first time and he is five years older, so he had a little bit of experience.

He paid my credit card bill and he said, “Now never use your credit card again, unless it’s a emergency.” I had no idea and I think that was – I know now they teach that in high school and I think they should teach it at even a younger age, is this financial literacy and run how to save money, how to use your money and what does credit look like. Because there are so many more predatory lenders out there and I think college can – they get excited. They don’t have the disposable income for many. This was an easy way, but that was a huge lesson for me, because I just didn’t understand it.

Maybe in the back of my mind, that’s one of the reasons why I went into banking, but to make – probably my earliest memory of that, “Oh, my God. I don’t know how I’m going to pay this.” Even though it was that \$500, as a 18-year-old college kid, that was a big deal.

**[0:24:20.9]**

**FT:** Right. They’re not giving you the – the credit card companies don’t give you the down and dirty as they’re handing you the free t-shirt to go with your new credit card, or whatever, chat sheet was it the time.

**[0:24:30.5]**

**CL:** Right. Absolutely. Absolutely. Then you get another one and do a balance trip where you’re like, “This is great.” I never have to pay. I’ll be honest, I’ve gotten better, right?

**[0:24:43.5]**

**FT:** Same thing happened to me, Cate. I feel like you’re describing to the T exactly what I went through. As a young freshman at Penn State, just going down college avenue and maybe a 20-minute walk later I have three new credit cards. I graduated, I checked my credit report after graduating, or a few years after graduating when I just actually learned what a credit report was. Surprised to find out that I actually had four or five credit cards that I never quite opened or used, but I had signed up for them, because I wanted the freebie.

I always tell young people, if you want to open up a new credit card, actually go into your history and see if you already have one, because you may have somehow along the way signed up for something and not realized it.

**[0:25:34.6]**

**CL:** That will haunt you. That could haunt you for a very long time. I remember the same thing at University of Maryland. I got a store credit card from one of the gap or something. You forget about it. Lo and behold, I'm trying to buy my first house I'm like, "What is this?" There was a payment that I missed. That has an impact. I think again, the younger we can learn about that, the better.

I am very supportive of these programs, especially even the elementary school, the middle school that teach financial literacy. I volunteer and I'm on the board of Girls Inc. nationally. That is a big program that we invest in, because we do not want the economy to take a tumble if there is so much debt. We know that these kids are coming out of college now with so much student debt. Let's not make it harder for them.

**[0:26:30.4]**

**FT:** Yeah. My goodness. So much more we could talk about, but I want to wrap now with some So Money fill in the blanks, Cate. This is just like stream of consciousness, first thing that comes to mind fill the gap. Okay, the one thing I would do – the first thing I would do if I won the lottery is \_\_\_\_\_.

**[0:26:47.7]**

**CL:** Pay off all of my parents' bills and make sure they never have a bill for medical ever again.

**[0:26:54.1]**

**FT:** Yeah, the medical bill is such a wildcard. The medical expenses is such an unknown in retirement. It's so important to save. One thing I spend on that makes my life easier or better is \_\_\_\_\_.

**[0:27:09.2]**

**CL:** Well, I should say clothing, because it does make me feel better. I would say now that I am an entrepreneur, my staff.

**[0:27:17.1]**

**FT:** Yes. Good people. Yeah.

**[0:27:20.8]**

**CL:** Good people.

**[0:27:21.6]**

**FT:** The hiring process is a tough one. I haven't done it a lot, haven't gone through it a lot, but I feel people sometimes rush to hire and then it's really hard to fire people.

**[0:27:34.3]**

**CL:** It is. You are only as good as your team, right? That's a nanny job. It's important to not just —

**[0:27:42.1]**

**FT:** Take your time.

**[0:27:43.3]**

**CL:** - pay them, but develop them. That's a big part of what makes my life easier. It always has and even in my 20 years in banking.

**[0:27:51.9]**

**FT:** Okay. One thing I wish I had learned about money growing up is \_\_\_\_\_.

**[0:27:58.5]**

**CL:** What's an APR?

**[0:28:02.6]**

**FT:** Yeah, it would've saved you some surprise envelope openings in college.

**[0:28:07.3]**

**CL:** Exactly.

**[0:28:09.4]**

**FT:** When I donate, I like to give to \_\_\_\_\_ because \_\_\_\_\_.

**[0:28:14.5]**

**CL:** The Girls Inc., because they are helping underserved communities of girls that are the next generation of female leaders.

**[0:28:22.6]**

**FT:** Last but not least, I'm Cate Luzio. I'm So Money because \_\_\_\_\_.

**[0:28:28.3]**

**CL:** I self-funded.

**[0:28:29.8]**

**FT:** Yes, woman. That is everything. I wish I could give that a gift to all women, to be able to have the financial empowerment and independence to be able to go out there and do what they want and not have to stay in front of a male board of VCs, as so many do.

**[0:28:46.2]**

**CL:** Exactly.

**[0:28:47.2]**

**FT:** Get shut down, just because of the outfit they're wearing or whatever.

**[0:28:52.6]**

**CL:** Let's prepare these women that not everybody is able to self-fund. Let's work with these women that want to start companies to prepare them financially, whether they're a new entrepreneur, they're pivoting. I think it's really important. It's part of the reason why we started Luminary.

**[0:29:09.7]**

**FT:** Well, wishing you all the best. I am going to be visiting Luminary very soon, hopefully having a fire side chat very, very soon.

**[0:29:17.0]**

**CL:** Yes. We're very excited.

**[0:29:18.6]**

**FT:** Look forward to connecting with everyone there and thank you for inspiring us. Thank you so much.

**[0:29:25.1]**

**CL:** Thanks, Farnoosh. Looking forward to seeing you soon.

[END]