

EPISODE 978

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[INTRODUCTION]

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FT: Can finance be fun? Obviously, that’s why we’re all here, right? Welcome to So Money, everybody. I’m your host, Farnoosh Torabi. My guest today is on a mission to make finance loads of fun. Paco de Leon realized that she had a knack for understanding and explaining money in a way that was enjoyable and make people actually want to learn.

After many experiences in banking and consulting, she realized that what she was really good at was helping creative people understand their money, creatives. That led her to launch the Hell Yeah Group and become the co-host of Refinery29’s Money Diaries Podcast. You just heard her talk about her immigrant upbringing, the influences that that had on her way of thinking about money and we even dive into some of her personal experiences in her marriage to her wife and how the two of them managed money decisions in their relationship.

Here is Paco de Leon.

[INTERVIEW]

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FT: Paco de Leon, welcome to So Money, my friend. It's nice to reconnect.

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PdL: It's wonderful to reconnect. Thank you for having me.

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FT: I was so blown away by you and your ideas and just your personality. You're so fun and funny and charming. We shared the stage recently in New York City for an event. It was in partnership with Well and Good. They're doing a whole series on wellness. Good on them, they decided to do an evening on financial wellness, which I know is something that you care about deeply.

Let's let everybody learn about you, because I think that we need more Paco in our lives. You have many – you wear many hats, but let's start with the Hell Yeah Group, because this – you started as a way to synergize your passion for creatives and also financial wellness and also entrepreneurship. Tell us about the Hell Yeah Group.

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PdL: Yeah, I started the Hell Yeah Group about five years ago now, which is crazy to me. I have a background in music. I've always been a musician. I picked up the guitar when I was 10-years-old. My wife is a designer. In college, I always just found myself surrounded by creative people, hanging out with the dudes who studies literally drums, the creative writing –

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FT: You can do that?

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PdL: Yeah, exactly. That's the guys that I was like, “Oh, wow. That's cool that your parents are paying for that degree. That's amazing.” I studied finance and economics, because I come from an immigrant family and I was like, “I have to do something practical.” There's nothing more insulting to immigrant parents than being like, “I'm going to get an art degree.” I was like, “I'm going to disappoint them in a lot of ways and I can't do it with this.”

I studied finance and economics. I'm really good at showing up. I used to be a long-distance runner. I used to be a long-distance cyclist and there's nothing, except putting one foot in front of the other and that's really what I did with my career. I just kept showing up to work. I was a financial planner for a while. I've done a lot. I've done collections. I've done business consulting and management. I've done bookkeeping and all of that experience, plus all of my personal experience, literally being the only person to show up at a dinner party who's in the world of business, that was just the light bulb.

I was like, "Oh, I'm always at these dinner parties," with literally acrobats and just weirdest people who are doing such interesting things. They're always like, "Hey, so what's the deal with bonds? Or hey, what's the stock?" Or my accountant tells me I need to set up an S Corp or an LLC. What the hell does that mean?

I've just become very fascinated with the creative challenge of trying to take this, like it could be very intangible, right? Understanding a corporation and why you should set one up and understanding even value is an intangible concept. The Hell Yeah Group was an experiment really to see if I could create a business that serves my community, which is creative entrepreneurs.

It started off as a consultancy, which I quickly learned I was like, "Oh, wow. If you're a consultant, that means you have to see clients all the time and you're busy all the time." You're basically an energy worker, you know what I mean? You're dealing with their hang-ups and all the things that – all the walls that they've created in their life and you're trying to get them to break through that.

Eventually, what I learned was I wanted to create a different type of service. Now I'm running a bookkeeping agency and I have been running this bookkeeping agency for a few years now. What we do is we do the bookkeeping for creative agencies.

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FT: I'm on your site right now. I love the way that you communicate with your community. It's super real. What's up with your finances? That's on your home page. Then you say, "Stop freaking out. We can help." I mean, I want to work with you obviously, because you're speaking my language. This is a disruption from where you were, which was the financial world as we know it; very conservative.

Frankly, you've described it as in some ways, effed up. Tell us about some of the things that you saw that actually ended up inspiring you to start your own mission with the Hell Yeah Group and how it's different.

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PdL: I mean, there's so there's so much, Farnoosh. I've seen so much. I mean, little things, like I would notice that a lot of financial planners and investment advisors, first of all, I think that model is inappropriate for a lot of people. I think that model is weird. The model is where somebody has to have at least a million dollars in order for you to even talk to them. Then you invest their money and you get 1% year over year, regardless of whether or not you helped them make more money, or you've helped him lose money. I thought that was weird.

I also eventually realized, like I saw the writings on the wall and I was like, I'm pretty sure human brains, no matter how many human brains you get together inside of a conference room with a mahogany table, an algorithm and a computer will be able to – it'll just do a better job of synthesizing, literally just thousands and thousands of lines of spreadsheet data when it comes to the investment world.

I was like, I think in 10 or 15 years this is not really going to be a job, or if it is still a job, you're going to be working with the 1% of the 1%. I was like, yo, the 1% of the 1% is not where I come from. I don't know how to even speak to these people. I'm just not on that level. I didn't grow up that way and they're not on my level. It was like, I think I have to here. I think I needed bounce. That's one example.

Another example I saw is we would only help artists after they've already made a bunch of money and the people who actually really, really, really needed the help, we couldn't help them.

I publish a lot of free articles. I put out a free weekly newsletter. I do that, because I know that there's no way that I can serve every person that needs help, especially the people who don't have the money to pay somebody to help them. This is my service. My service is putting out this free work, helping as many people as I can. One of my mentors said something. He's like, "You just have to do good work for good people and good things will come," and that's been my whole life.

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FT: You mentioned your upbringing. Take us back to when you were growing up as the daughter of immigrants and while you mentioned that because of her immigrant background, you went towards the practical subjects of math and economics and finance. How was money introduced to you just at home? Did you guys talk about it and what were some of the first impressions you had of money?

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PdL: We were not a let's talk about money family. Only now that I'm in my 30s and have a clearly established career, now my aunts and my uncles and my parents, they'll come up to me and they'll be like, "Hey, what do you think about this?" We've never really talked about money growing up.

I remember actually, so I went to an all-girls Catholic private school in high school. I remember when I realized I was like, "Oh, my gosh. We're the poor ones here." That was really shocking to me, because the first month or so of school, somebody had a birthday party, or somebody had some party and I went to their house and I was like, "Oh, wow. You have 14 rooms and your parents have a shower that eight people can go inside of. I didn't know or fit inside of." I didn't know that I wasn't – I didn't know that we weren't very well-off until it was shown to me.

Then I remember trying to ask my mom how much money she made a year and she was like, "I don't that should I tell you this." She felt weirded out that I was asking her how much money she made, only after I had been exposed to other people who are doing really, really well. My

parents never – they were never like, “Hey, you should save your money and you should –”
There was really no financial education.

In a lot of senses when I meet people and they say, “Oh, you're so lucky that you're so good with money and all this stuff.” I'm like, I learned all of this. I just happen to choose what I chose. I happen to just keep showing up. I eventually had to get good with money, because college kids have to have shoes, you know what I mean?

[0:10:15.9]

FT: Yeah. What is the best way to learn about money? I mean, you obviously – you went right for it, you studied it, you immersed yourself in the industry, you learned what you didn't like. For everybody else who may not have first of all, the upbringing, second of all, the academic background, where are some great places to start? I know you have a podcast as well. Refinery29's Money Diaries Podcast. You're the co-host. You have a column, Cup of Joe Finance Column, Ask Paco. You're out there teaching. Is that where you recommend people pick up the knowledge is just through the content, or are there other resources that we should know about?

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PdL: Yeah. I think content that's digestible, like podcasts and articles are a nice gateway drug to getting your learning about finances. I am a huge proponent of consuming books. Because a book – you've written books, so you know a book takes the author a lot of time and energy to sit down and think about the ideas that they're trying to convey to the end-user. There's so much more you can cover in a book. There's a deeper relationship that the reader and the author can have in a book. You can take your time. There's more of a structure and a flow and the purpose is to inform.

I recommend reading as many books as you can. There's so many different flavors. There's so many different people who are going on all different types of vibes. Yeah. I would I would say download and listen to books, read books. I mean, this is going to sound really corny, Farnoosh,

but you have to find a way to feel curious about the world that you live in. If you could look at finances from an oddity and curiosity perspective, that will change your relationship with it.

Because to me, I think it's fascinating that money is no longer backed by gold. The American dollar is not – we're collectively believing in its value. That to me is fascinating. Economics is fascinating, because it's all – it's a soft science that's totally man-made. This is all at the end of the day, a lot of this stuff is made up, you know what I mean? If you can look at it from that perspective, it takes this thing out of it and then you're able to look at it like a game. Then once you look at it like a game you're like, “Okay, cool. I might begin to play my hand,” or you can strategize from there. I think curiosity, finding a way to feel curious about it and less scared is probably your best bet.

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FT: That's really well-said. Yeah, and the thing about the game is that you can make your own rules.

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PdL: Exactly. You can only make your own rules after you understand the rules.

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FT: Right. You know how to win and lose.

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PdL: Exactly.

[0:13:05.9] FT: What would you characterize as your greatest financial victory? Do you feel like you've gone there? You have at least a couple under your belt?

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PdL: Yeah, for sure. The first one was a complete – I think I almost avoided the biggest financial disaster of my life. That was I almost went to law school, but I didn't. The reason why I didn't was because one day – I was preparing to go to law school for a whole year. Then one day I was like, as I was already working for the financial planning office I was like, "Hey, I should probably figure out how much it's going to cost."

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FT: Also the payoff.

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PdL: Yeah, exactly. I don't think a lot of people do that. I wanted to work in public service. I sat down and I did the numbers and I saw the repayment and I was – and then I saw the cap for the salary and I didn't do it. I really think that that could have – that would have been crushing. That debt would have been crushing. I think that's my biggest win is not getting into six figures of debt.

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FT: Hey, if I can ever be that person to dissuade you from going to law school, I would be that person. I did that once for years ago. I worked when I was working at Yahoo Finance. Someone wrote in and was contemplating law school. I spoke with her. My sense of it was you should work for a few more years before you dive in, because I do think – and this was just my own experience, because I almost considered law school, my peers in college. I think that and I'm generalizing that a lot of people go to law school, because they don't know what else to do. Law is prestigious. If you're good at school and you get good grades, you'll probably do fine in law school, but it's so expensive. It's not for everyone. The lifestyle is treacherous. It can be.

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PdL: It really is. Yeah.

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FT: If you want to be in service as a lawyer like you did, you have to really reconcile that income with the debt. My conclusion was don't go to law school. That article went viral.

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PdL: Amazing.

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FT: My opinion on it, because no one was brave. It's counterintuitive, right? Everyone should encourage you to go to law school, because that's great, because that's prestigious. No, it could actually really be a mess if you're not calculating the risk reward.

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PdL: Absolutely. Absolutely.

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FT: It's almost the holidays. This episode is airing in December. In partnership with our sponsor, Chase, Paco, I'm just curious, do you have any financial rituals around this time of year that helps you to avoid the burnout, the money burnout? Because I like to buy a lot of gifts. This year we're doing Secret Santa. It's been really helpful for a lot of reasons, the stress, the time, the money. What are you doing?

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PdL: In the past, my wife and I have made donations in other people's names, which is the cheapest move that you could do, I think because there's no way you can – you don't have to say I made \$75 donation in someone's name, or a \$5 donation in someone's name. If you are in

a situation where your income is just don't have a lot of income to spend on gifts, that is one way to do something nice.

To turn it around and to be like, "Hey, this is actually what the holidays are about." It's not about stuff. It's not about crap you don't need. It's not about me trying to impress you with things. It's about giving to people who don't have enough, or giving the organizations that are going to make the world a better place, or propel whatever it is that you value, the causes you value, they're going to propel it forward. That's one wake for sure. The other way is my wife always makes these baskets for people. That's always the cheapest way to go.

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FT: I love baskets. It's a joke in my household.

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PdL: Is it really?

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FT: Yeah. My husband's like, "Here we go again, putting together a basket." I met your wife. I wish we could have talked about this.

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PdL: Oh, she'll talk to you. You should have her around. You guys will talk about baskets [inaudible 0:17:12.0]. She's a designer. Everything she touches is immaculate and beautiful. She loves to give gifts. She's a really great gift giver. We know, we'll go to a bunch of places, we'll go to the flower mart and we'll get baskets, we'll get flowers, we'll get coffee and candles. Usually, that's the best bet. You can buy in bulk and it's got a personal touch.

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FT: Yeah. Fine to do. It's a good process. It's great experience. You know what, I've always wished for because every year last-minute, I try to buy a fun basket for someone. Not because I don't like doing it myself, but because I'm a procrastinator sometimes. It's sometimes easier if it's someone in another state to ship it, so just get it directly from a website. There are very few websites that I think do baskets well.

There's obviously the Harry and David's of the world, but excuse me, that's so generic. I want something that's really – this is a real niche and market. I think that if anyone listening likes to do baskets, wants a business idea, I'll be your first customer, where you can really shop for a basket, that you got a bunch of different kinds of unique trinkets and items and candles and chocolates and things like that and you can ship nationally, you've got me on a subscription. I digress.

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PdL: I like what you use your platform for.

[0:18:39.3] FT: Yeah. I mean, I think you're welcome. Whoever starts that business, you're welcome. I don't expect any royalties. Now Paco, you are very creative. I think we've established this. You're a musician, you're in a band. I think it's really commendable that you've been able to balance these two worlds of finance and then your creative personality inside. How do you do the balance and how do you also, for people listening who might think like, “Oh, because I'm a creative, my brain just doesn't work in the way that it needs to work to manage my money well.” Obviously, that's just something that is a bad narrative and it's not true.

I think it is something that a lot of us who are in the creative space feel, because we also have been raised maybe with the principle that if you chase the money, it goes against the principles of artistry. Your passion should speak for itself. You shouldn't – There's a lot of twisted belief systems within the artist community, I think around money. You've obviously not – I mean, maybe you did struggle with this at one point, but you seem to have found that balance and that logic. How do you get there?

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PdL: Well, I think first what I had to realize was that I ultimately – one of my top values is being creative every day, regardless of what the medium is, if it's illustrating, or drawing, or writing a song. I said illustrating and drawing which are the same thing. I meant to say illustrating, writing, or writing a song. I think once I understood that that was such that – such a high-up thing on my value list, I just realized that making money is a tool. It's a way to sustain a creative lifestyle. That allowed me to take the heaviness out of making money.

I have also decided, made a conscious choice not to use creativity, or try to make money off of my hobby, or live off of it. I'm not trying to write songs – writing songs doesn't put food on the table and that takes a lot of pressure off the creativity for me. Then also, it all feeds itself. Being creative in one area helps me be creative in another area. That could be writing a song and trying to explain a metaphor through a lyric will then spark something when I'm writing an article and trying to get people to understand why they should split up their expenses in different accounts.

[0:21:21.0]

FT: Yeah. I mean, I think writing a song is much harder than balancing your bank account. I think that you don't consider it hard, because you love it. It's your passion. How do you make money your passion? I think it goes back to what you said earlier about this approaching it from a place of discovery and curiosity and not putting so much pressure on yourself to have to figure it all out, but find a motivation that will keep you curious in your financial life. That may be that you want to start a business, or take your craft to the next level, or get out of debt. You got to have a why.

[0:21:56.9]

PdL: Yes. I mean, being in relationship with your finances is just being in any other relationship in your life. You have to know why it's important and you have to work on it. Marriages don't stay together if you're not connecting constantly and learning how the other person is changing. There's this journey of self-discovery that people can go on through their finances, which makes me really excited. I always feel like a weirdo when I go on this tip and talk about it like this, but

it's just like any other thing that you're trying to learn about in your life, any other skillset that you're trying to learn. You can you can find meaning and purpose and discover who you are through this journey. It's beautiful.

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FT: Not to open up a whole can of worms at the 29th minute of our interview, but I just came back from a talk show where I was talking about a new study that came out about men. When they're in a marriage where the wife is starting to earn more and perhaps eclipsing his salary, that his stress levels increase. I think it just goes back to the point that with the way that we are conditioned to think about money in particular, masculinity and money is so ingrained and it's really hard to escape these ideals.

In your marriage to women, how does money show up and are there any issues? I mean, because a lot of the issues in heterosexual relationships with money goes back to gender role expectations. Some of them, a lot of the issues. There was a great Atlantic article years ago that was like, what we can learn from gay marriage? I really regret that 10 times and I included excerpts from gay couples in my book, because I want to learn about how to take some of those lessons and apply them to heterosexual relationships. Personal question for you and your wife, if any money issues come up, how do you tackle them? Do you feel there are lessons that you can share?

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PdL: Yeah. I mean, I can't speak to trying to conform to hetero normative –

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FT: Normative. Yeah.

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PdL: Normativity. Heteronormativity. For a long time, growing up in a conservative part of California, it was really challenging to grapple with my sexuality. Then as I got older I was like, “Whoa, this is actually great,” because I don't have all these things in grains. We are making it up as we go. It's a blank canvas and it's very freeing in that way. We already have that mindset. We already have that approach with so many things in our partnership and in our marriage. I and I feel really lucky that we have that. There's no path, there's no road, there's no blueprint.

It's a little unfair, because I spend all of my time thinking about money and talking about money, so I'm very comfortable with having conversations about money. If there's something that we need to talk about, I give my wife fair warning and say, “Hey, we really need to talk about this thing.” That way, nobody is bamboozled. It's not like, she's folding laundry and I'm like “Hey, why did you spend \$300 in a basket gift that you sent to somebody?”

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FT: The basket.

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PdL: Exactly. It's more like, “Hey, let's talk about our budget, or let's talk about saving for retirement.” I try to give her a window and a fair warning. “Can we talk about it on Wednesday at lunch, or Wednesday afternoon?” We pre-plan it, that way she can mentally prepare. I try to go in there and not think so much about my fears and all of the – if there's any negative emotion that's coming up, right?

Because for people like us, financial stability is high up on the value list. Anytime we feel that threatened, it's easy to get weird and let your emotions run rampant and not approach things from an open-hearted place. I try to see that, not judge myself. Then approach it accordingly and just to be tender and kind.

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FT: It's great. I really appreciate you sharing that. I think it's important for us to learn from each other. I love that I love your tip about giving her space. Obviously, you coming from a place of having more fluency with this, with money, that you recognize that and are empathetic and compassion, because we're all coming from different places. It's rarely about the dollars and cents. It's really about how we've been raised, whether we have the words or lack of the words, the communication skills to talk about money. Understanding our contexts is critical and being patient too. Paco, thank you so much.

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PdL: Thank you for having me. This is great.

[0:26:57.5]

FT: Yeah, I'm going to start subscribing to Money Diaries Podcast. I've obviously loved the book and I love the franchise and they're so lucky to have you as a co-host. Congratulations on all of the impact that you're making in the world. It's really fantastic. Thank you.

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PdL: Thank you.

[END]