

EPISODE 981

[INTRODUCTION]

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FT: With just days before the kickoff of 2020, I want to take the time to reflect on some of the larger themes we tackled on this podcast all year long. Welcome to So Money everybody, I'm your host Farnoosh Torabi, we've had some incredible guests on the show and in case you're interested in going back and listening or re-listening to some of the earlier episodes, these next few shows between now and the New Year will provide some highlights of what I consider to be really important conversations. And maybe these clips will inspire you to go back and check out the fuller episodes.

Today, we're reviewing some of the best conversations where guests and I have gone deep into the financial dynamics of various relationships. Coming up, we've got strategies and lessons from people who've worked through financial challenges — either a partner or a parent. I like to think that So Money is a safe place where guests can talk about the intimate details of how they've had to manage through some pretty sticky money stuff with loved ones, from managing money as a couple as you make the goal to retire early or dealing with the fallout of a marriage and its financial consequences.

We've got some of those select interviews to share with you today, but first, let's go back and listen to part of my financial conversation with Cameron Huddleston. She's an award-winning journalist with over 17 years of experience, our discussion pertains to money and our aging parents. She was on the show Episode 897, on June 10th, and on this excerpt Cameron discusses how she dealt with, first hand, the dealings of her mother's finances after her mom was diagnosed with Alzheimer's Disease. It inspired Cameron to write a book called *Mom and Dad, We Need to Talk: How to Have Essential Conversations With Your Parents About Their Finances*. Here's Cameron.

[EXCERPT: CAMERON HUDDLESTON]

[0:02:23.6]

CH: The reason I wrote this book is because I don't want people to make the same mistakes that I made. The biggest mistake is not talking to my mom soon enough. Even though I'm a financial journalist, I didn't realize this was a conversation I needed to have and most people don't. They just don't realize how important it is to talk to your parents about their finances. Even if it dawns on us to have the conversation, we're afraid. We think, "Well, we don't want to be nosy, or it's none of our business. Our parents are going to get upset."

With my mother, the first time I talked to her about anything money related was about long-term care insurance. I just, point-blank, said, "Hey, mom. Do you have long-term care insurance? I think you should look into it." She did. She took my advice. She met with an insurance agent. Unfortunately, she could not get coverage because of a pre-existing condition she had. It was not dementia at the time. It was something else. Then of course, what would happen a couple years later, she started having memory issues.

Looking back, I see my mistake. At the time I should have said to my mom, okay, you couldn't get long-term care insurance. Let's sit down and look at your finances and come up with a plan. Let's figure out how you would be able to pay for long-term care if you ever needed it. Let's talk about the type of care you would want, because she was living alone and she and my father had gotten divorced years before that. And so, I knew, looking back, I should have been having that conversation with her then, to figure out what we would do going forward, but I didn't.

And fate being what it is, she ended up having memory issues, starting to have memory issues a few years later and developed dementia, which was diagnosed as Alzheimer's. When I saw that she was having trouble with her memory, suddenly, it was no longer a what-if type of conversation, what if this happens mom. It was, "Oh, my gosh. This is happening. What are we going to do?" And this is why people need to have these conversations sooner rather than later, so that they can be – so that they can be talking about hypothetical situations. Not we're in the thick of it now. It's an emergency. Emotions are running high. How do we deal with this?

Fortunately, my mother and I have a very good relationship. I told her we need to go meet with an attorney right away, update all your legal documents. We did that while she was still

competent enough to sign those documents. But, if you wait too long and your parents are no longer competent because of a health issue, because of memory issues, that's when you really get into trouble. That's when the problems really start and this is why people have to have these conversations

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FT: I suppose, the adage of it's never too late — applies here, but always better to start early. When should you start to have this conversation with your parents? I mean, it's no secret that many people who are aging — we're living longer. We're not retiring as soon as maybe we'd like. And so, maybe there is this perception that well, mom and dad are okay. If they're in good health and even if they're in their 60s and perhaps still working, it's not appropriate to bring this up. That's maybe the first question is, when? Then secondly, how? If you are afraid, or if you haven't ever done this before, what's a great way to break the ice?

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CH: As far as when, I hear that all the time, Farnoosh. We're not there yet. My parents are still in good health. They haven't retired yet, or they're about to retire. Why rush this conversation? I think you should be having these conversations before your parents are in their 60s. I know that might seem early. I think when you're in your late 20s, you're in your early 30s and your parents are still in their 50s and good health, it is the perfect time to have this conversation.

My mother was 65 when she was diagnosed with Alzheimer's Disease. That's relatively young, but it's not entirely unusual. People do have health issues at younger ages, even though we are living longer. My father actually passed away when he was 61 and he died without a will — even though he was an attorney and should have known better, should have had a will. You know, so I think, especially when you are younger, you're in such a good position to initiate these conversations without them being awkward, because when you're starting out, you can go to your parents and ask them for advice. Really, your sole goal here is to get information about their finances, but make it look like you're asking them for advice. “Hey, mom and dad. I just got married. Do I need a will now? Do I need life insurance?”

Their answers are going to give you clues to what they have done. They might say, “Oh, yeah. Of course. We got a will the moment we got married, or we had wills drafted once we had you kids. We got life insurance once we had you kids.” And then you take those answers and you continue the conversation, or maybe you're just starting out in your first job and you say to your parents, “I have an opportunity to save for a retirement through work. What do you think? Should I be doing that?” Then your parents are going to tell you either, “Hey, we have a pension. We never had to worry about that.” Or, “Yes, you should. We haven't saved enough for retirement. We wish we should have saved more.”

Just asking your parents for advice can open the door to more conversations, and it's something that you can do when you're younger. Once you're in your 40s, that's not the type of approach you can take, because it's just not as natural to be asking your parents for advice when you're that age. When you're in your 40s, a good way to start the conversation is to use a story, because by that point in your life, you're bound to know someone who has already started dealing with issues with their appearance. Just like me, I'm in my 40s, my mother has Alzheimer's, I'm taking care of her.

So you go to your parents and you say, “Hey mom and dad, I know someone. She's having to take care of her mother who has Alzheimer's. She has to manage all of her finances. I'd really love to talk with you about what sort of planning we need to do around that, because I want to be able to help you if you ever need that help.” Or, “Hey mom and dad, I have a friend whose father passed away without a will. It created all sorts of headaches for the family members who were left behind. Let's make sure that doesn't happen to us.” If you don't have your own story, make up one if you have to.

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[END OF EXCERPT]

FT: Cameron goes on to offer some additional advice which is that if you're think you need to talk about money with your parents, don't make it about money in the beginning. Rather than asking, “How much do you have in retirement mom,” try something like, “What does retirement

look like for you? Do you see yourself traveling? Where do you think you'd like to live?"

Cameron says that'll hopefully open the door to a more natural discussion about their finances.

If you'd like to check out the full interview with Cameron Huddleston, that was episode 897.

Next up, if you wanted to retire super early — it's one thing to convince your partner that this is your aggressive goal, but what about your parents? Especially if your mom and dad are immigrants and have their mind set on what it means to be financially settled and stable, and that happens to go against your beliefs.

Kristy Shen came back on So Money this year episode 909 in July along with her husband Bryce, and Kristy was on the podcast a few years ago, as I was doing a week-long special on early retirees. And Kristy definitely made the cut. Kristy is Canada's youngest retiree ever. She built a \$1 million portfolio by the age of 31, and then spent the next few years traveling the world.

She and her husband have a new book called *Quit Like a Millionaire*. In it, she documents her journey from childhood poverty in China to being fully financially independent and a millionaire in her 30s. I chose this excerpt because I think it captures so well the sometimes parental stress and influence on your finances especially when you are talking about some of the deep-rooted financial beliefs that tradition and culture insist upon. Here's Kristy and Bryce.

[EXCERPT: KRISTY SHEN AND BRYCE LEUNG]

[0:10:46.7]

FT: For you two, we know we covered this on the first episode when you were on the show, but a large part of how you were able to build up your wealth and reach a million dollars, Kristy, by age 31, was because you ditched this path of homeownership, which a lot of people are still really insistent upon. And of course, you did other things along the way, but that was a huge expense that you skirted that then allowed you to save more aggressively. How are your people in your community and how are you really talking about the ways to save big? Because retiring in your 30s and 40s, and we'll talk about what retiring actually means, but even just the idea of

quitting your job and having “enough to live on,” while you might do a passion revenue stream, I think is very jarring to people. Tell us a little bit about some of these big shifts that you encourage people to make, that you've even made.

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KS: Oh, yeah. I think okay, so because we lived in a very expensive metropolitan city and the housing market was just so crazy where we lived, that it was just – when we actually retired and we didn't actually buy a house and that was one of the reasons, because we were able to put our money into the stock market and actually invested and have it pay – have it pay us money, rather than pay money into a mortgage. That's just completely mind-blowing for people back home. Like even my parents were just absolutely disgusted by the fact that I didn't buy a house, to the point where they're like – I was like, “Oh, God. I hope they don't disown me.”

It's been really incredible, the journey for the last three years, because my parents kept looking at me and saying like, “You're missing out and all your peers and friends and co-workers, they all have houses and what are you doing? You're doing this crazy thing.” But the even crazier thing is that now that we've actually been traveling for the last four years. We have more money now than we actually started. My parents have actually completely done a 180, completely come around. My dad started using our workshop and actually investing in index funds.

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BL: Sure, he did.

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KS: Yeah. Then when I called him for Father's Day, he actually said, “I'm proud of you,” like for the first time ever. I just completely broke down, because I just could not believe that then just by showing – instead of actually just telling them that this is not – the traditional way doesn't make sense, we decided to show them with actual – with action and to show them that hey, we are going to be fine financially. We actually have more money than we started. We're much

happier. I don't have any of the health issues that I used to have when I was working. The last time I got a checkup, Bryce's doctor said he was obnoxiously healthy.

[0:13:29.4]

BL: That's true. He did say that. There's probably a parallel with your background here, but Asian parents never ever, ever, ever say they're proud of you. It's just — at least mine don't.

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FT: Yeah, the whole tiger thing. I read *Tiger Mom* — I read that book, so I know.

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BL: Yeah, I bet you have stories about this too. Because they see that as a weakness, right? They see that as if you tell your kid you did a good job, they're going to stop trying. Honestly, after we left, when we last spoke, I think Kristy and her parents were in a multi-year long fight.

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KS: We were yeah, having some disagreements about the housing. My mom is like, "You're a millionaire? You don't have a house. Who cares?"

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BL: They weren't even — they didn't even speak to each other for honestly, a year. It was only when they started — their friends started seeing, "Hey, is this your daughter?" They were seeing her in the news and they were seeing her on podcast, like hearing about podcast like yours.

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FT: You're famous. Yeah.

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BL: “That’s your daughter?” They’re like, “Wow. You’re amazing. You must be an amazing dad.” He was like, “Uh.” He was like, “Maybe she’s not an idiot. Maybe I need to rethink this.”

[END OF EXCERPT]

FT: Nothing like proving your parents that you were right, right? Happy for Kristy and her family now that they’ve been able to make peace. And that was episode 909. If you’d like to listen to the full conversation.

Shifting gears a bit to a totally different money talk, but one that still concerns the delicacies of relationships. Managing money post divorce, with your ex. Entrepreneur Samantha Razook, founder of Curious Jane, a camp and content platform for girls, joined me on episode 906 back in July and she really opened up about the realities of her divorce kind of unexpected but glad we went there. And how she and her husband worked on a so called collaborative divorce — how it was not only affordable, but it kept them sane. Here’s our excerpted conversation.

[EXCERPT: SAMANTHA RAZOOK]

[0:15:36.5]

FT: You’ve been very open to talking about your divorce and I think I read an article about, in Authority Magazine, just about, you know, five things you need to know to survive and thrive after a divorce. It was an interview with you and in that article you talk about collaborative divorce and, you know, I’m curious from maybe just even, because this is a money podcast we can talk about it from that perspective.

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SR: Sure.

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FT: Divorce can be expensive and I know that you guys were very conscious, you and your ex husband about how you proceeded with the divorce. There could have been a scenario where there were lawyers involved and it got really, you know, sort of strenuous, but also expensive. How did you navigate that? And given that, like, you know, perhaps you didn't want this to become another financial burden, what were those conversations like and what would be your recommendation for people listening who are like, you know, "How did she do it?"

[0:16:32.5]

SR: Sure. So and I will speak to the money portion of it. But our decision around going the route of a collaborative divorce I think he and I, which doesn't mean that it isn't acrimonious or that it was a joint decision, which it can be. But those pieces can still be there. I think we felt, you know, we are two people who chose to enter into this marriage and family, and that was our responsibility and now it is our responsibility and we're both willing to take that responsibility together to restructure our family and take ourselves out of this. And one thing I do often say is, you know, certainly getting married to someone else, very intimate. Having family with them, very intimate. Going through a divorce with someone in this way is a very intimate experience and the way that you have to trust the other person.

Specifically to the money portion of it, pursuing a collaborative divorce is much less expensive. You have a single lawyer who represents the wishes of the two of you and then basically guides and translates that into the legal structure that needs to surround the divorce. So it was my husband and I the way mechanically that we did it is we chose kind of a lunch period once a week where we would meet and we would go through some of the aspects of the divorce, and that was extremely hard work. We limited ourselves to 45 minutes, you know, in a nice public place and we kept notes and all of that work on our end that was between the two of us, it was certainly beneficial for our family.

But then on the money side of it also kept, you know, when we were paying for professionals, which we did when we needed and then also continued to see a couples therapist as well then that — our costs overall were very low. The other piece of advice and she mentioned that, that I would that I would share with listeners is not everything in a divorce has to be tackled all at once

and I think that this stress of that can actually have ramifications on the money end, the cost of it. So it's such high stress you're paying for so much time to figure out something, but you can pace it out. You know, you can talk about property. You can talk about what the schedule will be with the children, and you can spread those things out a little bit and it helps give it a little bit of breathing room and then actually costs less.

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FT: And then there's the aftermath of divorce with when you're co-parenting like how to communicate around the money then What has been some of the learning there?

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SR: Well, I would say that we go about it in a pretty unconventional way. I keep the books. I keep the books in my job in my work, and I keep the books for our family. At this point I'm six years out. I think the first few years were pretty rough as far as communicating. Everything is 50/50, right? So we don't have — there's not alimony and then the joint expenses for the children are shared 50/50. So that's my very specific perspective that we're coming into it with/ And then at this point, you know, he trusts me to keep the books. We kind of review them. I just use Quicken. We review them maybe on a quarterly basis. "Oh, this really wasn't a joint thing. Oh, I'm going to take care of the health expense, you know, the health insurance," and we go over in that way. I would say that at this point, without a formal contribution structure into the joint account, it amazes me that at the end of the year, when we sort of do our tally and even up, that we're within a couple thousand dollars of each other as far as our expenses.

[END OF EXCERPT]

FT: That was episode 906. Capping our best of 2019 for conversations about money and relationships, I couldn't complete the episode without an excerpt from my interview with female household breadwinner Bethanie Baynes, who is also the director of Strategic Partnerships at Google. Bethanie has what she calls, a Flip Family. When her husband was laid off, it felt natural for him to become a stay-at-home dad. They soon realized that many of their friends and family saw it differently. In her efforts to create a community for fellow female breadwinners,

Bethanie founded the Breadwinning Women at Google — 1300 women strong around the globe. And in this excerpt she discusses her personal reasons for wanting to create this community and the challenges she faced in own marriage as the breadwinner.

[EXCERPT: BETHANIE BAYNES]

[0:21:14.8]

FT: You run the Breadwinning Women organization at Google and you're kind of seeing this take on a whole life of its own, which is what I discovered too when I came out with *When She Makes More*, that there are so many people that want to talk about this, but are scared, or don't have the language, or don't feel connected to anybody. Let's start with your personal journey through this, because unlike my circumstances that I always was the breadwinner in my marriage and it was always expected that of me. That was just how it was understood from day one. Your dynamic in your relationship, you call the flip family where your husband got laid off and there was a conscious decision to have him become the stay-at-home dad and you rise up as the breadwinner, sole breadwinner. Take us back to that moment. I'm sure it was a very tumultuous time and you had a lot of maybe conflicted feelings about it, or not. What was that decision like for you guys?

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BB: Yeah. First of all, I love that you use the term that we just don't have the language, because that is something that I realize is one of the pieces of this conversation that's so critical for us to give voice to — is just saying the term breadwinner, saying the term stay-at-home dad, sole breadwinner, primary parent. My husband says he's retired. But it took us a while to figure out what the right language and verbiage was to describe our family. I think that is where you just start to feel all the holes in explaining how your family unit works. I think language is a really important part of this entire topic. Thanks for highlighting that. Just back to, I think it was 2012. I had just come back to work from my second maternity leave. I have two kids, I have a 12-year-old son and a 7-year-old daughter. I had come back from my second maternity leave and my husband was laid off, as you said.

Now up until this time, we were dual income family our entire relationship, and then since we were parents. When we moved from California to New York where we're both from the East Coast originally, my husband's company was based far up in Connecticut. He ended up with a full-time work from home scenario. Which was incredible, because he was always able to be home, whether there was a repair to be done, or a delivery to be met. He really loves to cook, so he did a lot of all the food sourcing and the cooking. When a kid was sick, we were able to juggle conference call slots and make it all work. So there was this baked inflexibility of our lifestyle, which we had become really accustomed to. When his company went into chapter 11, we were expecting that he would get laid off at some point.

There was many, many rounds, and so it wasn't so shocking to our system that it happened. But backing up a little bit, when we moved back to New York before we had our first child, we were in a very similar field, very similar roles and making exactly the same amount of money. Then I moved – you know, I was in tech and he was in higher education publishing. We knew pretty early on that we were both staying with these companies for as long as we were, that my earnings potential just really outweighed what higher education publishing would pay. So we had started to, I think it was on my first maternity leave with my 12-year-old when I got promoted while on leave and my earnings went higher than my husband's. We still were dual income for several years.

Then when he got laid off, we had this moment where he did start to look for another job. We quickly realized that every other job, while maybe it was a little bit more money, or at least the same amount of money that he was making, would require him to not be home. He had to be in an office every day, or at least the majority of the time. And that was a really hard pill to swallow, in terms of all the stuff we would have to outsource in order to make the household run the way it did, because I don't cook. I've burnt down a couple kitchens in my life, so this is – I should stay out of the kitchen. We were like, “Okay, well outsource somebody to pick up the kids and we outsource somebody to cook the meals, or at least have somebody get it started before we come home.” Then we're just starting to add everything up and it becomes a math problem. I'm sitting at the time in an office at Google, so we all sit on top of each other. I'm sitting in an office with four other dudes and all of them have stay-at-home wives. I'm like, “What are we doing? Why doesn't this – this makes complete sense.”

At the time, my husband also really doesn't and never has really identified with his professional career as his identity. Like, Google is very much interwoven into who I am as an adult, and so that is a very hard thing for me to consider extrapolating from. For my husband, he's a – I said, he likes to cook, he surfs, he skateboards, he's a singer-songwriter, he's got all of these different hobbies where he feels he finds more of an identity than his professional career. He was really open to the idea.

I was open to it in that I realized that it was going to make my job easier. The challenges we had as a dual income family with two kids and the logistics that that requires was never – it was never because I made more money that I did less stuff in the house, right? We were trying to be equal. There were things that I did a lot more of and things that he did a lot more of. I think when you have dual income families with children, there's just so much stuff to get done that everyone inherently feels the other person is not doing enough. I don't know if you actually scoreboard it, who would come out on top. I know there's a lot of research that usually women come up doing more.

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FT: Well, breadwinning women in particular do more. That's the real shocker is that when women make more, they actually do more housework than women who make the same or less.

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BB: Right. I've read that as well from you. I think that's the piece where we start to get into these societal norms of masculinity and femininity and what it means and how we identify and how we relieve ourselves of certain guilts in that area. And men too, where if they feel emasculated because they're not contributing financially to the household, do they then take it in the reverse action to kind of almost take it out, or to fight it and resist it. That's a fascinating dynamic. I think for us – go ahead.

[0:28:35.3]

FT: Sorry. Sorry. Sorry, go ahead.

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BB: I think for us, it became a very natural decision and it seemed to mess with both our lifestyle and also who we were as people, in terms of how we thought about our career and how we thought about our family. Obviously, having the luxury to financially be able to have one of us stay home. I think we weren't entirely prepared for was how everyone else would react once we made this decision.

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[END OF EXCERPT]

FT: And that's the truth. Sometimes in your personal relationships, your financial decisions seem completely right and rational. But to the outside world, it can come across as foreign or unusual or how are they making that work? And that can be quite a pressure point, I'll be the first to admit. It's why having constant dialogue with your partner is the key to your financial health and marital health, and for that matter I appreciate Bethanie, for her candor and if you'd like to listen more to our conversation, that was episode 928 from August. Thanks for going down memory lane with me. More 2019 reflections coming your way this week and next.

In the meantime, I hope your day is So Money.

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