

**EPISODE 1163**

[ASK FARNOOSH]

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**FT:** Welcome to So Money, everybody. Friday, February 19, 2021. It was my birthday week but also a lot of other cool people turned another year this week, my fellow Aquarius friends, I love an Aquarius. I really do. We are out of the box thinkers. We take chances. We're determined. I never met an Aquarius I didn't like, so if it was your birthday this week or if you are an Aquarius, I'm proud to be in the club with you.

I spent the day just kicking it around the house. Although I did get my haircut, I drove into New York City and wore two and a half masks to the salon and got not just my haircut but a little bit of color, because I love my home care kit. I've been pretty surprised by the results and how great they've been for Madison Reed. But you know, it's nice to get pampered and it's nice to get it professionally done. Once in a while I did make the splurge. It was my birthday. What can I say? Well worth it and then the kids made me some chocolate cake, we ordered in nice, cozy, peaceful, restful evening. What else could you want in a pandemic?

Let's go to our review section and select our viewer of the week. This person will receive a free 15-minute money session with me and this week. Our thanks goes out to Jenna Lee Jones, who left a review on Monday, amazing guests with valuable lessons. Jenny Lee says, "I've been a fan of this podcast for a few years now. So, this review is overdue. I most appreciate the diversity of both Farnoosh and her guests and she does a wonderful job of highlighting the guests and their expertise." She said some of her favorite episodes recently have been 1146 with Sam Ettus and Amy Nelson, 1147 with Ramit Sethi. We talked on that episode a lot about how to get your dream job. It is one of the top episodes of the year. And then just recently, Monday, I aired an episode with a Stef Ziev, 1161. That was a favorite. If you missed that, by the way that was awesome.

Stef is an executive coach, formerly talent manager at big, big networks, now helping people make hard decisions easy, big life decisions, money decisions. One of my favorite excerpts from

our interview was when she said you got to get rid of the shitty committee in your head, all those bad voices, those negative voices telling you you're not worthy. You can't. You're not qualified. What if? The shitty committee, she was awesome.

Jenna Lee, thank you so much for leaving this review. You went on, but I wanted to say I'm grateful. I'm grateful that you've been a part of this community for multiple years, six years, ladies and gentlemen, can't do it without you. Email me [farnoosh@someypodcast.com](mailto:farnoosh@someypodcast.com) or you can send me a direct message on Instagram and let me know that you left the review and I will promptly reply with a link where we can schedule a time to chat. So, start thinking about what you want to ask me.

Speaking of Instagram, are you following me there? I'm close to 30,000 followers and I know that small potatoes in the influencer world. But in my world, I'm so grateful for every single follower. I didn't take Instagram very seriously when it first launched, much like I currently am not taking Clubhouse very seriously or TikTok very seriously. Perhaps I will live to regret the day. I think I'll be okay with it. But Instagram, I like the vibe. It's mostly a happy place. Although, was it last week, I did post something on my feed, and most people agree with it. So, I'm bad at controversial, some hated me for it. But it was my opinion of something that Dave Ramsey said on Fox News. Maybe you caught this, it went viral in the news. He said something what I found to be very disappointing and unfair, incorrect, about how the stimulus could help people.

I was going to air that here on the podcast, that excerpt, but I was concerned about Fox News coming after me or Dave Ramsey coming after me, because maybe I'm not allowed to do that. So, you can go find the clip. But essentially, he was saying that he doesn't believe in a stimulus. And that if you are somebody who is looking for the stimulus to change your life, then you've got bigger problems. You've got a mental health problem. Maybe, you've got relationship issues on and on and on, like really kicking people when they're down. And I first of all thought Whoever said the stimulus was going to change anyone's life, right? We all understand that this is just a band aid. But it is sometimes that band aid that prevents worse things from happening, right? People are struggling to say the least right now. They are out of work, they can't make their rent, they can't put food on the table, there's a huge food insecurity problem in this country, has always been the case, but especially now on the pandemic.

So, where's the empathy? Where's the understanding? Where are the facts? Because the facts are \$600 or \$1,400. Look, my parents came to this country, albeit, 40 years ago, with less than that in their pockets. And you ask any immigrant how much money they had in their wallets when they came to United States, probably less than what the stimulus check is today. So, don't tell me that this can't potentially change someone's life. At the minimum, it could help you right out this month. And there's nothing wrong with that. There's no shame in that. Okay. So, I really found that problematic and I posted it on my Instagram. And I would rather than talk about why his comments were disappointing, I instead use my platform to let people know that there are many more fantastic financial leaders out there that are giving wonderful advice. But on top of that wonderful advice, they're also extremely understanding, empathetic, they'll admit when they're wrong, they'll admit when they don't have the answers, but they will get back to you.

So, I listed some of my favorite financial experts in the world and the list was not complete. I apologize for many of the people that I did not mention, but these are the people that come to mind immediately, because they are not just putting up the good work, but they're willing to go there. They're willing to say the things that need to be said about inequality, about bias about inequity. I think that's really important. When we're having a conversation about money, we have to be inclusive, we have to recognize that there are things that need to change systemic problems, as opposed to saying, it's all on you. If you need a stimulus, what's your problem?

Well, let me ask a question. If someone needs \$600 in America to make ends meet, and that is their life preserve, what does that say about America? What does that say about why we got to this point? How do we even get to this place? And don't tell me it's all that person's fault, right? So, I didn't like what he said and I posted on Instagram, and I got tons and tons and thousands of people engaging and that's it. I had people write to me privately and say, "Hey, Farnoosh, I'm conflicted. I love your podcast, but I've also taken a lot of Dave Ramsey's programs, and he's helped me get out of debt. And so, I don't really know where to draw the line." I was like, I get it. He's helped millions of people. He's a rich man, as a result of his advice that has helped people get out of debt, his books, his seminars, all the things. And then they said, "Maybe his words were taken out of context on Fox News. It's more nuanced."

And my thinking is this. Dave Ramsey is a master of the media. He is a master of soundbite. He knew he was going on live television, where at most you get minutes, a few minutes to speak

your mind. And that includes anchors talking. So, it boils down to you just speaking for maybe a couple minutes. So, you have to be really careful about the words you choose, because they will be taken out of context. That's the nature of television. That's why it's not a newspaper article, where you have maybe a thousand words that you can use. On TV, you don't have that luxury. He knows this. Don't underestimate him on that regard. He knew exactly what he was saying, he knew exactly what he was doing, so this idea that he was misinterpreted or he didn't have the chance to explain himself. I'm calling BS on that. If he didn't mean it, he shouldn't have gone there. If he didn't mean for it to come out the way that it did, he shouldn't have gone there in the beginning. He shouldn't have said, "If you accept a stimulus, then you have big problems, that you have a mental illness." Come on. He should have reserved his thoughts for maybe a feature article where he could explain his rationale. He's no idiot. He's no media idiot. He knew what he was doing and then others wrote in and said, "I don't agree with his views. He's an anti-masker. I read that he treats his female employees poorly. I don't like his tone. I don't like his tenor. But you know, he's got great advice about getting out of debt. So, it's complicated for me."

Is it? Really? Where do we draw the line? For me the line is drawn when you start insulting people, badly. Because here's the thing, how to get out of debt, which is one of Dave's big things that he teaches, you can Google that. He didn't invent the snowball method, right? There are tons and tons of resources out there, free resources by the way, that can give you the good steps to become financially independent, to become debt free, to learn how to save, to learn how to invest. There are tons of people out there that are self-taught. This is not rocket science.

However, I am the first to acknowledge that as somebody who is struggling to get out of debt, who wants to save more, who wants to learn about investing, it's less about finding that resource that will give you the tactical steps and more about the resource and I'm talking human, person expert, that's going to motivate you, that's going to give you the strength that's going to keep you accountable. So, you turn to a person, not for the five-step plan, but the way that that person is framing the advice, who that person is at the core, you connect with this person, you see yourself in this person, you feel understood, you feel heard.

My whole point in sharing this on Instagram was not to say that Dave Ramsey bad, but that other people good, other people better. If you want better, better is out there. You don't have to compromise yourself. You can choose better, you can say, "All right, I appreciate the advice. I

don't like the person. So, I'm moving on.” That's okay. Nothing wrong with that. You don't owe anybody anything. Okay? You do owe yourself though, the responsibility to have integrity, to be truthful to yourself, to give money to someone who is not aligned with your values, but gives good financial advice. I draw the line there. That's me. Thanks for hearing my TED Talk.

Let's go to the mailbag, shall we? Caitlin writes in and says, “Hey, Farnoosh. I'm trying to figure out fair and competitive rates for independent professional services outside of the “umbrella” of a traditional employer. I know that looking to similar businesses in the industry is helpful. But there seems to be conflicting information online about how to do this. I want to make sure that I'm reasonable, while also appropriately valuing myself, my time, and my expertise. I know you've discussed your own journey and setting fair prices for services when it comes to speaking engagements. Could you provide any advice on how to decide what to charge for independent professional services?”

Okay, Caitlin. Fantastic question. Appreciate this so much. This is something that I think you learn, partly from experience, your own experience, you're not going to start out perfect. I'm just going to preface with that. But it is important to do the homework and to do the research and to have important conversations with relative people. So, I'll help with that latter part. Start with this. Who are the other people that you aspire to become or that are doing the things that you want to do? And maybe there isn't a single person that encompasses all of the things, but if you're specifically looking into how much to charge for speaking, then you want to identify speakers. And I will say that there is a lot of transparency, if you are willing to look for it, around how much people get paid. People are having these conversations on podcasts, they're having these conversations on YouTube, in their newsletters, there are courses, there are free webinars. I know that for speaking, that is definitely the case. But I will give you some insights.

Starting out, if you have no speaking experience, and it sounds like you're starting out. So, you're not going to be coming out of the gate asking for all the money, right? You're going to start out to ask for what is fair, given your history of work. And if you're not an experienced or seasoned speaker, or not a speaker that has a proven track record of attracting a lot of audience, then you won't be getting the five figures right away, but you could get a few thousand dollars. In the beginning, it's really important about figuring out what is my goal here. In year one, yeah, you want to make money, but also you're building your repertoire, you're building

your resume, you're building your network, so maybe you will do a speaking gig. And it'll be at a local college in front of 35 people, but you're going to bring a camera person to film you so that you can show your speaking skills on your website or whenever, and the next person who wants to hire you and give you real money, wants to see what you're all about. These opportunities are also great investments. And while you may not get paid much, you might get something else out of it, which can later on, down the road, pay back. So, that's speaking.

In general, for other sorts of freelance or independent jobs. It's very important that you identify some confidants who will share money information with you because for roles that are a little bit less straightforward, like speaking is pretty ubiquitous, a lot of people do it. And how much people get paid for that is not really a big secret. I would say the average like expert who's got a couple books under their belt, who speaks multiple times a year, they're making anywhere from \$15,000 to \$35,000 per speech. The second thing, you can always ask in a negotiation, or when someone asks you to do something is you ask them, "What is your budget?" Don't show your numbers first. You say, "What is your budget?" I also find that if you're doing something where there is a sponsor, whether that is again, a speaking engagement, or you're teaching a workshop, or you're filming videos, you're doing you know these gigs, is there a sponsor? Is there a brand that's behind this? And if there is, that usually, to me signals that there is money, there's more money than you might think. And so better to ask for more in those cases.

I hope this helps. I'm kind of ping ponging here, because I don't really know specifically what you're looking to do. But generally, when you're trying to freelance, it's so important to identify other freelancers that are doing what you want to do, and calling them up direct messaging them on social media. I do this, people do this to me, often. Friends that I meet at events, or that I just know professionally through work, and will ping me and they'll say, "Hey, I got an offer to do X and I have no idea what to ask to charge. So, can we get on the call?" And I'm more than happy to do that. I think it's frankly my duty to do that. Because helping other women advance, helps them, helps me, helps everybody. We all win.

All right, next up is Michael. And he says, "How was your birthday?" And it was fabulous, Michael, thank you. Haircut, color, chocolate cake, had my slippers on most of the day. I mean, it's pretty, pretty flawless. He says, "Do I need to buy life insurance? Just me and my wife, we're

35, no kids, and our parents will probably take care of any arrangements in the horrible event that one of us passes away.”

This one's a quickie. I don't think you need life insurance. I think that the only reason you may need life insurance, you or your wife, is if one of you is the sole provider and if one of you were to tragically pass away, unexpectedly, without enough in the bank, perhaps to get the other partner situated and feeling like they can ramp things up while their bills are getting paid through this savings account. I would not buy this right now. The life insurance is the sort of thing where you may feel like you need it because it's the responsible adult thing to do. It's very adulting to get life insurance. But you know, do you need it? Let's be reasonable. Sometimes insurance agents will make a really strong case for why a single 25-year-old woman needs life insurance, because maybe, yeah, she doesn't have a little bit of savings for funeral costs or maybe she does want to leave money to a younger sibling or she is taking care of people. Of course, if you have dependents, then you need life insurance. If you don't have savings to cover funeral costs, okay, a small life insurance policy, but also you could just save your money and keep it in a bank account for indefinitely. And that's why, again, having an emergency savings account is first and foremost. Beyond that, if you think you're going to need money in case of a life-threatening situation, then life insurance might be something to look into. But right now, Michael, I think you can save your money.

Krissy writes in, next, and she says. “Hey, Farnoosh. I have been listening to your show since 2015.” Oh my gosh, Krissy, six years. I feel like we're siblings at this point. I feel like we're attached to the hip. She said, “I started when I first graduated from college, and your topics continue to teach me and inspire me at different levels of my life. Thank you for this beautiful resource. My question for Ask Farnoosh is this. I need help making a financial goal for 2021. I made my six-month nest egg last year and aggressively saved. I make \$90,000 and I'm up for a promotion. So, my income will increase in June. I have no credit card debt. I contribute 12% to my 401(k) which also includes company matching. The company I work for also gives us a pension. So, I think retirement plans are covered. I do have student loans but I refinanced it, last year, and I'm on track to pay it off before I turn 30. So, that's in two years. I have no desire to buy a house because it is just insanely high in Arlington. I don't have children either. Any perspective would be good. Do I just throw money at my student loans then?”

Hey, Krissy, wait, I kind of see myself in you. I remember being around your age and making about \$90,000 a year. Had a little bit of my student loans left, was contributing to my 401(k), perhaps not as much as you are. I didn't have a pension. So, that's pretty awesome. Here's the thing, Krissy, you don't need an immediate goal for 2021. I think it's perfectly fine to say to yourself, "I'm going to be on cruise control this year. I want to maybe ramp up more of my savings." You don't have to make a decision every year, big life decision every year and afford that life decision every year. There is a lot to be said with feeling at peace in your financial life, feeling as though if something were to happen, that was unexpected, and it could be a good thing, like, someone comes up to you and says, "Would you like to move to Australia for the next two years and work at our company?" That's going to require maybe some moving expenses or moving to a foreign country and you know, it's just nice to have money in the bank for these opportunities that come up, that maybe we weren't expecting and we can do them without even thinking, because yes, it sounds great.

Take comfort, enjoy your hard work. You have done incredibly well for yourself. You saved aggressively, like you said, you have a six-month nest egg. Enjoy it. Enjoy it. Don't feel pressure to keep on keeping on with your financial goals right now. Life will keep going on and then you will be introduced to ideas. Keeping your eyes open is not a bad thing. If you have a lot of excess money. Not a bad thing. Good problem to have. But maybe you do want to look into alternative investments. Maybe you do want to start a brokerage account and start investing additionally, for maybe, not retirement, but a goal in 10 years. A goal down the line.

I'll tell you, when I was in my late 20s, I didn't realize that I was going to get laid off and having money in the bank afforded me that transition time to not feel stuck and to not make knee jerk reactions that related to my career, that I could sort of take a beat and examine the pros and cons of going out on my own, and eventually, I did. And then it took a while for things to ramp up financially. So again, that savings provided me with an invaluable cushion. And then a year or two later, I did buy a piece of property. And so, you don't know what you don't know, you don't know how you're going to feel this time next year, maybe an opportunity will come up that you're going to want to fund or afford, keep your money safe, keep saving. I wouldn't pay off those student loans extra aggressively. You're on a good course to be debt free in two years. I assume the interest rate since you refinanced is at a good place. You don't need to go crazy to pay those loans off. There's a mentality out there that all debt is bad debt. Being debt free is the



dream. But if you are rather than putting money towards these low interests student loans, and perhaps putting it into a brokerage fund or adding more to your retirement, that's where the smarter money goes, in my book.

So, the hierarchy here, one, don't freak out. Don't worry. You're a go getter. I can sense it from your question, like things have sort of plateaued a little bit. You're like, "Oh my god, I should be doing something with my money. This is not responsible. I am not an adult." You have done wonderful things and I applaud you. So, enjoy it.

Two. Give yourself time. Keep your eyes open. Keep your ears open. Life might just happen right to you. And rather than having to react, you can embrace, and that may mean a job opportunity, that may mean a move, that might mean taking some time off. Because although you love your job now, maybe you don't in a year and you want some time to sort of think it through and move on to your next thing. Maybe you want to go to grad school. Maybe you do end up wanting to buy a house. You don't have to figure it all right now but keep these thoughts going. Keep these thought bubbles happening. Talk to other people. There are opportunities out there you may want to fund but you just have to keep on tracking and asking and listening to this podcast, because there's a lot of inspiration on this show. I've learned a lot from my guests and the things that they have done with their money. So, Krissy, thank you for your question and good luck to you.

Lastly, SMorris79, "Hey, Farnoosh." She says, "I moved my Roth and regular 401(k) to a financial advisor A few years ago, the fees are one and a half percent of my managing assets and the money hasn't grown much. Can I move these accounts to an index fund or a mutual fund or would I be better off moving to my new 401(k) which has lower fees and is performing pretty well?"

So, yes, all of the above. I think that the last thing you want to do is have a fund manager, manager 401(k), that seems a little silly to me. I did it actually for a couple of years until I realized how silly that was. So, we all have to sort of go through the mistake. But I was like, "Why am I paying somebody to essentially not do anything because my 401(k), and my IRA, we're pretty much on cruise control." I was invested mostly in index funds, she wasn't going in and making trades every day or every week, nor would I have wanted her to.

So, it seemed a bit excessive and unnecessary to hire someone to look this over once in a while. I did, eventually say to my financial advisor, "We are going to break up and thank you for your services. But I'm going to basically continue working with the brokerage, where you have been overseeing my investments. I'm going to now oversee those investments." So, I called the brokerage and they actually moved my funds over to their Robo advisory, their automated platform. I just had to sign a couple papers and now I can go online and observe my investments as frequently or as infrequently as I want. There is a small management fee that you pay the Robo advisor, but it is a fraction, fraction, fraction of the cost of paying a human.

So, for you, I would either move it all over that 401(k), which is not a bad idea, because consolidation under one roof, that's convenient. If you already liked the performance, you already liked the low fees, great. That's a viable solution. Or you could move these funds into, let's say, a new IRA at a Robo advisor or automated platform. We talk about them a lot on the show, Wealthfront, Betterment, I use Charles Schwab. There's the intelligent portfolio at Charles Schwab. So, there are so many choices. It's kind of like pick your flavor. They're all relatively similar in what they offer. Their fees are more or less the same. But it's sort of like what speaks to you?

Before we go, I want to give a shout out to some of my podcast students, these are podcasters who completed the Pace the Podcast eight-week accelerator and launched by September 1 of last fall. So, right now, they're now at seven months in, six, seven months into their shows and so I want to give them some love, and encourage listeners, you guys, gals if you're looking for different kinds of podcasts, I've got a number to share with you. So, where are we on this list? There are so many cool podcasts.

Okay, there's Life and Leadership of Conscious Journey with Michelle St. Jane. The show is focused on wisdom, strength and hope for reemerging leaders globally. So, if you're reentering a career, reentering a journey, anywhere you are in the world, Michelle St. Jane's podcast is called Life and Leadership, A Conscious Journey. Then Lizzie Larock hosts Life Feast Podcast. It's a podcast for women who are tired of putting their needs on the backburner and want to rock it to the top of their to-do list, your own personal to-do list. Can you imagine? That would be nice. Get ready to banish stress, get back your time and feast on life. And speaking of making

the most of your life, tune into Living Out Loud with Laretta, a podcast about the pursuit of equilibrium for parents striving to be a great parent while not losing your individuality in the process.

If you're a marketing nerd, check out Marketing and Cocktails hosted by Vanessa Shepherd. Marketing and Cocktails is a podcast for entrepreneurs, side hustlers, full-time business owners who want to market themselves ethically. They want to have amazing launches and scale their business profitably. The show digs into the mindset, the habits, branding, marketing tactics and business strategies to help you build buzz and make money doing what you love.

And then also there's Mindset First hosted by Linda Perry, a show dedicated to showing growth stage entrepreneurs how to build a more intentional and successful business using Linda's mindset first framework.

Thank you for subscribing to So Money. Thanks for tuning in. Really nice to spend my Friday with you. Remember, you can always send me your questions on Instagram through the website. If you click on [askfarnoosh@somoneypodcast.com](mailto:askfarnoosh@somoneypodcast.com) or you can direct message me or tweet me or email me, whatever you like. Just don't Clubhouse me or TikTok me, because I'm not really hanging out there.

Thanks for everything, everybody. I hope your weekend is So Money

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