

EPISODE 1183

*“**JB:** I looked around and I realize that we were in completely unsustainable situation, and I couldn’t afford to get us out of it. That prompted me to start looking at what was driving my money choices, because I thought up until then that I was doing a lot. Like I had a good job, I was an editor at a national magazine, I have a steady paycheck, I had a little 401(k) I was contributing, half the rent, half the bills, had a little bit of saving and thought I was doing okay. What I realized in that moment was like, that’s not really enough to support all the things I want in my life.”*

[INTRODUCTION]

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FT: Welcome to So Money, everybody. We are tackling one of my favorite subjects, female breadwinners. Nearly half of working women in the US are now their household main breadwinner. Did you know this? But most women still are not raised to think like breadwinners. Our guest today has a new book addressing this, financial expert, Jennifer Barrett is the author of *Think Like a Breadwinner*, a wealth building manifesto for women who want to earn more and worry less. It’s a great complement to my book, *When She Makes More*, which is all about helping women and couples manage their relationships when she makes more. But even if you don’t make more, Jennifer argues, it’s important for all women to take on the mindset of a breadwinner. What does that actually mean? How does it play out? That’s where our conversation begins.

We cover so much ground, how to never be stuck in a bad job, a bad relationship because you’re afraid you can’t afford to leave, how to have the ability to say no when you want to, how to have the confidence that you can achieve the life you want, buy the dream home, have the child, travel the world, retire early without having to depend on anyone else. Jennifer comes to this book with her own hard-won experiences, and she includes those in the book as well as in-depth interviews with dozens of women with the hopes of breaking barriers down and helping close the gender gaps in wages wealth and leadership for good.

More about Jennifer. She is chief education officer at Acorns, a financial wellness app with more than eight million users, and the founding editor of its popular money site, Grow. She lives in Brooklyn with her husband and two sons. Here's Jennifer Barrett

[INTERVIEW]

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FT: Jennifer Barrett, welcome back to So Money. It's been a couple of years at least, but worth the wait. Because now, you are an author, your book *Think Like a Breadwinner* is officially out and congratulations. What a big deal.

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JB: Thank you so much. It's really been an exciting time, and I'm happy to be here.

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FT: Really, I mean, this is my love language, you're writing my love language. The world of breadwinners. First tell us about what prompted you to write this, because I was watching a TED talk that you gave prior to this book coming out, that I feel like may have been the catapult for this book. But you tell us what was the genesis.

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JB: Yeah. I mean, I have been thinking about this for a while and what I realize is as woman and you know this, most of us are culturally conditioned not to think of ourselves as breadwinners, like being capable of providing the lives we want for ourselves without feeling like we need to depend on anyone else to help us. I feel like that really keeps us from making the kinds of choices with our money that truly serve and support us, like it keeps us back from our earning, and our wealth building potential in ways that we don't even realize. But the genesis for this book, it goes way back more than a decade ago to my own wake-up call, which happen to my early 30s. At the time, I was married and we had our first son, Zachary, he's about 18

months old. We were living in this tiny one-bedroom apartment in New York, which is something a lot of people here can relate to, sharing our only bedroom with him.

I just remembered one night, I was up rocking him trying to get him back to sleep, and I looked around and I realized that we were in completely unsustainable situation and I couldn't afford to get us out of it. That prompted me to start looking at what was driving my money choices, because I thought up until then that I was doing a lot. Like I had a good job, I was an editor at a national magazine, I have a steady paycheck, I had a little 401(k) I was contributing, half the rent, half the bills, had a little bit of saving and thought I was doing okay. What I realized in that moment was like, that's not really enough to support all the things I want in my life. Why was I not taking those extra steps to save and invest for those things?

I realized that deep down subconsciously, I was kind of leaning on my husband to take the lead there. That goes all the way back to my childhood, because it's the role my own dad had played, so I realized that. Then I thought, "Wow! I wonder if how things would have been different for me if I have been raised to think like a breadwinner too. How would my money choices and my career choices have been different?" The answer to that question sort of propelled me onto a whole new trajectory financially. It just completely transformed my relationship with money. That was really the genesis of the book, then I did research. I realized, obviously, I was not alone as much as I — and having these revelations and then moving into the main breadwinner role. I realized so many other women were too, and did a ton of research and interviewed over 100 women. It's not just my story, but that's really what kicked it off.

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FT: Back to that moment in the one-bedroom apartment in New York City, up at night looking around your tight quarters and feeling stuck. Your husband was at the time the breadwinner, how was he feeling? Was it an isolated feeling that you had of stuckness or was he also feeling similarly?

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JB: Well, we were at that point both in journalism, so neither one of us was making a huge amount of money at that point. But I think it's interesting because when we first moved in together, he was making quite a bit more than me. He was working at a startup, and then the startup went under and the gap started to close between our income. That didn't shift my perspective. He was thinking like a breadwinner in a lot of ways in the sense that he was investing, he was saving, he was making those choices. But he had lost his job, and then found another one that didn't pay as well and was still sort of getting back on his feet. Whereas, I was really feeling the urgency, because I wanted a second child, I wanted us to be able to stay in New York and to move into a bigger place that could accommodate a growing family. So I was feeling I think a little more pressure at that point than maybe he was, but I don't want to give the impression that he wasn't contributing too. Because I wasn't really doing my part in making sure that we could have the things that matter most.

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FT: Yes. I mean I ask that because I think what I'm noticing more recently is that when we talk about things like female breadwinnership, and the pay gap and things like that. We've been centralizing a lot of this conversation around women and now we're realizing, "Hey! We need the men to also get educated, get on board. So I want to definitely talk about your advice for how women can think like breadwinners. But before we get into that, any thoughts on what the men can be thinking about as you're encouraging women to acclimate to this mindset shift?"

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JB: Yeah. I mean, I think generally as a culture, we haven't quite caught up to the fact that there's been this paradigm shift in the breadwinning model. So in more than 40% of households with kids under 18, the moms are the sole or primary breadwinner. But if you look at survey data, I think as a country, we still haven't adapted to this new reality where so many more women are moving into this role. We still sort of pigeonhole women as caregivers and men as breadwinners to both of our detriments, really? Because what I've learned over the last decade is just how beneficial it can be for both partners feel to experience both of those roles fully.

I look at my own dad, my dad was the sole breadwinner and he has a lot of regrets about not being more involved with us as kids. We've talked about it a lot, and I look at my husband and I look at the relationship he has with our — now we have two sons, and I think I'm so grateful for that, for them and for him. I think that's where we start, is to stop pigeonholing ourselves in these particular roles, and really thinking about what works best for you as a couple, as a family. What's important to you? What are the pieces that are really important to you? What are you willing to let go of?

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FT: Going back again to that evening where you had this wake-up call, this lightbulb moment. What was the first thing that you changed? What was the first step that you took? Maybe that is paralleled in the advice that you give to women broadly, but what was your first step?

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JB: The very first step was the next morning, true story. I got up, I got a piece of paper and I literally wrote out what I wanted my life to look like in like ballpark, three to five years, what was most important to me. I really thought about like what is home look like, like all the details I could put into, where is this home? What am I doing for work? What does my family look like? It was like having two kids. I had a very specific vision of what this home look like, where it would be. I wanted to live in Brooklyn. Then I started pricing out all of this, so I had a pretty good sense of like childcare cost at that point because we already had one son. I started looking at listings to see how much it would cost to buy a place, and I had a little bit of a breakdown I would say. I mean, I was like —

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FT: In New York City, yeah.

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JB: Because I think at that moment, I really deeply felt the impact of all the money choices that I had made up until that point, like it really hit me at a level that I had never experienced before. I realized just how big the gap really was between where I was and where I wanted to be in the near future. That requires some pretty dramatic changes, and this won't be the same for everybody. But for me, one of the things I found out not long after I returned from maternity leave, and this was also a huge aha moments was, I found out that someone who is in a similar role to me, which is a couple years more experienced was earning 50% more than I was.

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FT: A woman or a man?

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JB: It's a woman, which is interesting. I think she is actually the breadwinner and she's in a same-sex partnership. I think she's the breadwinner. I've actually wanted to go back and talk to her more about this. But at the time, I just thought, "Oh my God!" It was like being punched in the stomach. I had all these ideas about, "If I work really hard, I'll be rewarded. I hadn't really negotiated." All of a sudden, it hit me. I felt so stupid. I felt so stupid that I hadn't negotiated harder and that I sort of thought, I'll just be rewarded by working hard. I felt like I had been so loyal to my employer, and I really loved working there. But I realized like no employer is that loyal to you. All of these things hit me, and I thought, I need to — I don't think I'm going to be able to close the gap where I am. I think I need to find a new job and really negotiate well this time around.

The magazine was struggling. They were giving out compensation packages, and I wasn't on the list, but I advocated to be added to the list and took one, which is unusual. They're like, "Are you sure of that?" "Yes."

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FT: Please lay me off.

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JB: But really, I was a little worried about the magazine, but more so, I thought, “Oh my God! If I can get this compensation package, I invested really the entire thing in the market in some really basic funds, like an S&P 500 fund, Nasdaq, Dow, like just index funds. Then started freelancing and just hustled, and I made 50% more. So I basically closed that gap in one year, and then I took a job in management, and within three years had doubled my salary. That was one of the biggest jumping off point, as getting really clear on how much money I needed to save and invest. Getting clear on the fact that I needed a new job, finding a better paying job, negotiating a really good salary there and then just saving and investing everything I could over those few years.

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FT: Yeah, it sounds to me like the steps are first, know that you’re capable of this role emotionally. If there is resistance to this, maybe it’s just in your head. Yes, I think society in the world needs to catch up. There is this reluctance on the part of men and women at large in society and our patriarchal, gender, stereotype loving word that there is resistance and we see the data. But believing it in yourself, and having a plan, knowing the numbers, reverse engineering it, advocating for yourself. Tell me in essence, what does it mean to you to think like a breadwinner?

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JB: Well, I think really, thinking like a breadwinner is just making the kinds of the kinds of money choices that will ensure you can take care of yourself financially throughout your life. I mean that’s the simplest way to put it, but it’s really — I like to apply the breadwinner mindset to really every aspect of your finances, so it’s like when you look at credit, it’s not looking at in the way that has been sold to women, which is like, use your credit cards as a means to close the gap between the life you can afford and the life you aspire to. Which is often how it’s been marketed to us, but really looking at credit as like, building credit is a way to lower the interest you will pay when you take out a loan for example to buy a home, which is an investment. Or you take out a

loan to start a business, which is an investment in yourself, and then the belief that you will grow that business.

If you take even a mortgage for example, if you have a better credit score, if you have the highest part of quartile of credit scores and you can get the best rates, you can save like 40,000 plus, I think is the average on average 30-year mortgage. This is like significant amounts of money that we're talking about here. That's just using the lens on credit. Then also just being really strategic about your credit cards for examples. Taking advantage of rewards points, and taking advantage of cash back and making sure you pay off those credit cards each month. If you do it smartly, you can actually make money from your credit cards rather than paying them for the privilege of using them. That's one way, but also, you can apply the same lens to negotiating. Think of, you're not just negotiating for yourself, you're negotiating for your future, you're negotiating for your family potentially. When you think of it that way, the stakes are a little bit higher, and I think there's even more reason to negotiate for every last dollar.

Same thing with investing. I mean, we get the message a lot of times as women, I feel like it's the message prescription really that we get is like, get a job, get married, save a little bit for rainy day, save for retirement. That's not enough. It really leaves out all the time between these like short-term savings goals and retirement, which is decades. We have to close that gap, we really need to start thinking about investing as just something we do, something we do with every single paycheck we get so we build wells and the more wells we build the more choices we have. That's really a different way of thinking about money than I think most of us were raised to think about money.

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FT: Yeah. It's not just a nice to have, it's a must-have. I think your story, your personal journey is so exemplary, Jennifer. Because you made this pivot as a mother, and I think that's again, goes against traditional thought that when you become a mom, you can also become the breadwinner. That usually we think of becoming apparent, especially a mom and not being the death knell to your career or really. I mean, really, I have to choose. So many women had to in this past year. They had to choose between earning and or taking care of a family member or

family members. What is your advice to working moms out there who want to think like a breadwinner and maybe even be the breadwinner, especially in today's economic climate?

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JB: Yeah. I mean, the first thing I would say and you know this yourself, it's entirely possible to be a very involved mother and be a breadwinner. I mean, I've been doing it for over a decade. I've been the primary breadwinner for my family. I feel very connected to my sons. I do think that that message that you have to choose, it's not binary and I think that message does us a great disservice, that said. I think the effects of the pandemic are temporary. We were in an extraordinary circumstance, where childcare, and in school, in-school options were going away. We know from the data that women again were picking most of the housework, most of the childcare responsibilities, even when they earned more. That was the only that really got me.

Part of this is making sure that sure that your partner is picking up a fair share of both and having those conversations. But I think the pandemic really shone a light on this. Like these extraordinary circumstances are temporary, yes. But women were struggling with a lot of the stuff as you know like before the pandemic happened. One thing that I hope comes out of this pandemic is that we have more honest conversations about this, because a lot of the invisible work that women were taking on is no longer invisible. When you are living 24/7 in the same space, and someone has to take care of all these things, it's no longer invisible. So I'm encouraged by the fact that a lot of people are saying, they're having these conversations and men are often realizing, "Wow! It takes a whole lot more to run a household than I realized."

Because oftentimes and I know I was guilty of this is I would just pick up things and not make a big deal about them, not talk about them. If you don't ask for help sometimes, your partner may not even realize how much work you're doing. I think that's a part of it. But just getting back to thinking like a breadwinner, I think we're going to see a surge of women going back into the workforce. I would hope.

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FT: To save themselves. As a way to save themselves. I mean I know so many moms are going to light their kitchens on fire. It's been a very busy, busy time at home.

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JB: Yes. Yes, it has. I think the other thing that's really happened in this pandemic is that we've become very clear on how critical women's income is, and I think a lot of times, employers, partners sometimes took for granted how critical that income was. As a country, we've sort of assumed a woman's income is secondary and treated it that way. I think this pandemic really brought home the fact, when women started dropping out of the workforce and economists were talking about the billions of dollars of damages can inflict on our economy, everyone started paying more attention. I hope that as we move back into the office and some sense of normalcy here, that employers start to recognize us more, and that their policies, and the way that they pay and promote women starts to reflect this. Because I really do believe that a lot of those things are still based on this outdated assumption that a man's income is more important, that the man will be the breadwinner, and the woman will be the caregiver and will be stepping back at some point. That's just not the case for so many families anymore. We need to really update our thinking around this.

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FT: If you want to look for silver lining in all of this, it's perhaps that institutions, government, companies could no longer turn a blind eye to the fact that women were putting up so much of the time and effort in making the world go around, frankly. One of the things I regret not having included in my book, *When She Makes* more is that, I didn't offer recommendations for what corporate America and our bureaucracy can provide. You shed the light on some of those changes that you like to see, but specifically, like what we do we really need for this to come to fruition, for really for women to think like breadwinners in a world that is accepting of that.

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JB: Yes, 100%. They are both internal and external barriers and I address both in the book. The internal barriers, we sort of talked about, which is that we socialize not think of ourselves like

breadwinners. We're socialized to think of our income as being less important, so that will inform a lot of her money choices subconsciously, so we need to be aware of that and then we can kind of shift our thinking around it. But there are very real external barriers too, and one of the biggest — honestly, it makes me crazy that we are still having this discussion around mandatory paid leave. It just feels like something we should have sorted out decades ago, and somehow we're still talking about this. But we are the only industrialized nation that doesn't have mandated paid leave.

I think we can learn at this point from a lot of other countries, particularly Nordic countries who are just like literally decades ahead of us on this one, where they don't just have paid leave, but they have specified paid leave for each parent and a use it all lose it policy for dads. They have a much higher adaptation rates than other countries do around that, and we've already been able to see the results of that. They've got decades now of data, and we know that that close the gender wage gap, it closes the gender labor participation gap. We can enjoy the same things here, we can learn from what they've done, and the results they've had and try to do the same thing here. That's the first step. I mean, that is really like just the bare minimum here is to implement a paid leave policy, a mandatory paid leave policy. I think there's a lot of momentum around that now and I do feel like we're probably closer now than we have been in a very long time to getting something passed in the coming year. That's a good start.

I think also, we need to address really all the infrastructure to support working parents, so that means universal pre-K. It means, subsidized childcare. It means, universal afterschool programs. I mean, the idea right now if you think of like a two-income family where both parents are working full-time. The idea that the school day ends three hours before any parents, almost any parents' workday. I mean, some people have unusual hours, but like a standard workday is insane. If you look at the number of days off even during the calendar year, I mean, I don't need to tell you this. It's just like, nobody has that much paid vacation time to be able to match the days off that children have from school. Unless you're in an extraordinary circumstance where you have unlimited paid time off. The vast majority of Americans don't have a kind of vacation time.

We need to get to the point where we're mapping school schedule a little more closely to work schedules, and we're very far apart right now, I know that a lot of states have kind of picked up

the mantle here around universal pre-K and we've had good results. Same with afterschool care, but that really shouldn't be on like a PTA or a city in particular to implement that. This should be nationwide policies, because they benefit so many people, so many working families. We've got a lot of work to do in all those areas.

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FT: Amen.

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JB: I get passionate about this.

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FT: Right. I can tell. I can hear it in your voice and I can see it too because we're able to see each other. Oftentimes when I meet moms who are not working, after may be having careers and they say, their story is, "I chose to step away from my career. I want to become a full-time mom and caregiver." They say two things to me. First, as if they have to like defend this, and maybe because they know me, and they feel like they need to like explain themselves to me. But they're like. "Look, Farnoosh, I made less than childcare or I made just as much as childcare cost, and I did the back of the napkin math and it just didn't make sense for me to continue working." Number two, "I didn't really love my job." For me, the latter talking point is what is where I feel like I've had an epiphany where I'm like, okay, we've heard the whole like, "I've done the math" stuff before. But this other aspect of, "I didn't really love my career" is an interesting excuse.

I've taken that now and I use that now in talking to young women who comes to me like, "How do I have a career, and a family and all the things?" I'm like, "Well, you better love your job. You need to invest in your career as much as possible with gusto. Not to say that you ignore the family planning that you want, but that you don't also neglect not the cost of your career." Any advice around that part of it, that piece of it? Because I find that that is coming up a lot and I

wonder if that's because they're not thinking like breadwinners as they think about their careers and how it's going to "fit in."

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JB: Yes. I think that's a big part of it. When I hear that someone did the back of the napkin math and realized that childcare would be almost as much as they are making. I always wonder where's your partner in all of this? Why were you not figuring — like, why weren't you counting your partners income too? Why is this all on you? is the first part. Then also, my God! It's not just like one-to-one equation. If you step out of the workforce for a year or two or three, you're not just missing like those paychecks. There is the exponential effect. We talk about this. It's like you are holding yourself back now on future raises. You are not contributing to your retirement accounts for those three years. There are so many other things that you miss out on, and we know. I mean, research shows when women step out of the workforce and go back in, they usually take a pay cut.

The impact, you are not just losing whatever it is, the \$40,000, \$50,000 a year that you are giving up to stay home with your kids. You are giving up a lot more than that. I really am not judging people for their choices. I stayed home for a while with my first child. I was fortunate enough to have an extended leave, but it was also mostly unpaid, so not much different than stepping out, except that they guaranteed a role for me when I came back, so I was fortunate. But before you do that, I just want people to make informed choices, because it's really not so simple as like, "I make not that much more than a caregiver would, so why would I stay in my job." That is not really the way to look at it all, because your career spans for decades and stepping out of it has an exponential effect on your future earning potential. That's one piece of it. And your ability to build wealth. You're not building wealth during that period if you're not investing.

The second piece of it, to your point is that, there are almost two separate issues. If you're not happy in your career, make a change in your career. The answer is very rarely to just step out of it entirely. It's really looking at your career and saying what are the changes I need to make to be happier in my career. Because again, your career, this is a decades long venture. This is not, "I'm going to work for five years, but I'm not really happy so I'm going to step out, and then

maybe I'll start again." If you step out of a career you hate, imagine how much harder it is to step back in. Because now, you don't want to step back in to where you were. You were unhappy, right? Now, there's even less incentive to get back into it. Much better I say to solve the problem from within, stay in your career and redirect it in a way that makes you happier and more fulfilled before you even think about stepping out.

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FT: So glad I have you on the show. This is the stuff that really gets me going and I know my listeners as well. Before we go though, I want to ask, as you mentioned you plowed through so much research, you talked to over a hundred women, what did you walk away with learning for the first time or was there a breakthrough for you in this process? I'm sure there were many, but what's one that was really significant?

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JB: Yes. There were definitely breakthroughs, and what's so funny is you think — I mean, I've been in this role for a while, and I kind of thought I had a real hand on it. But even as I was doing research, I was having these moments of, "Oh my gosh! That's me. Oh my gosh! I did that." One of the big ones was when I was researching office housework, and all these data around women taking on more non-promotable work, while men take on more promotable work. That's one factor that contributes to men being promoted at a higher rate than women are. I was reading all of these examples and I realized that I was still doing this to some degree, where I was constantly saying yes and picking up things that were not in my, I would say, in my immediate job description, and that were not really counting towards the metrics by which I was being measured and by which I would be promoted or given a raise, or a bonus, or anything like that. That was a big one for me.

I know that I have some reluctance around delegating and this is something that researcher shows a lot of women have challenges with, and the sort of tendency to try and do everything yourself in order partly I think to prove your value. That kind of comes back again to imposter syndrome and all of these things that we talk about as feeling like you need to constantly prove your value. I've gotten much better to that on that front, and much more confident in my role. I

think as I became more confident, I was able to let go of that. But the office housework was a big one. Things like cleaning up after a meeting, or setting up meetings, or joining these committees that really have nothing to do with your role. They'll don't benefit you. They're eating up your time, and your energy, and they're not benefiting you in terms of helping to get you to that next level. And yet we often do so many of those things, not even consciously. That was a big one for me.

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FT: Yeah, that's a great reminder because not only does that not help with your bottom line, stop trying to look for ways to continuously validate yourself. You're good enough. You are good enough.

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JB: Yes. Not only that, it takes away from the things that you've been hired to do. You can't do your best work in the areas that you were hired for if you are constantly expanding your energy in all these other things. Our time is just too valuable, it's just too valuable to be wasting it on things that aren't productive and aren't helping us get closer to our goals, or allowing us to spend more time with our family and doing the things we love.

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FT: Well, I encourage everybody to pick up *Think Like a Breadwinner*, time well spent, time while invested. Jennifer Barrett, thank you so much. It's been nice to reconnecting. Congratulations.

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JB: Thanks so much, Farnoosh. Really enjoyed this.

[END OF INTERVIEW]

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FT: Thank you to Jennifer Barrett for spending part of her day with us. You can learn more about her book at jenniferbarrett.com or thinklikeabreadwinner.com. Thanks for tuning in everybody. Stay tune for Friday's episode, where I'll continue to answer your money questions. Our special guest co-host is Brittany Castro, a certified financial planner and founder of Financially Wise Women. I hope your day is so money.

[END]