

**EPISODE 1250**

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[INTRODUCTION]

**ANNOUNCER:** You’re listening to, So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to, So Money.

[INTRODUCTION]

[00:01:04]

**FT:** Welcome to, So Money everybody. I'm your host Farnoosh Torabi. Today we are talking about the gender pay gap and why it's been stuck for a decade. Also the promotion gap, and why it's so hard for women to ask for a raise. My guest is Stacy Vanek Smith. She is the author of a new book, brand new. It came out this week called, *Machiavelli for Women*. Stacy is the NPR host of the Indicator and a correspondent for Planet Money. Her book, *Machiavelli for Women*, is a guide for how women can apply the principles of 16th century philosopher, Niccolo Machiavelli to their work lives and finally shatter the glass ceiling.

Some of us might remember Machiavelli from our history courses. We may have never thought of his philosophies as being helpful to women, especially modern women, but Vanek Smith makes the link and she's very convincing using Machiavelli's famous book, *The Prince*, as a guide with Charmin which she applies Renaissance politics to the 21st century and shows how

women can take and maintain power in their careers, where they have long been cast as second best.

Fun fact, Stacy and I went to graduate school together. Yes, we did many, many years ago. So it's nice to be reunited. Here is Stacey Vanek Smith. Stacy Vanek Smith, welcome to So Money, reunited.

**[00:02:33]**

**SVS:** I know. Hi, Farnoosh.

**[00:02:36]**

**FT:** Listeners, Stacy and I went to journalism graduate school together, a long time ago. We were just doing the math –

**[00:02:41]**

**SVS:** A long time ago, like almost a couple of decades ago.

**[00:02:45]**

**FT:** Oh, my goodness. We still look, like it was just yesterday.

**[00:02:51]**

**SVS:** We still got it. We really do.

**[00:02:53]**

**FT:** We still got it.

**[00:02:54]**

**SVS:** I think so. Yeah.

**[00:02:55]**

**FT:** I'm so excited to have you on for this particular moment. Where you've released a book called, *Machiavelli* for – this is groundbreaking in some ways, because for those of us who studied Machiavelli in school, we may not remember him that much and if we do, we might think of, we may not realize the connection between his philosophies and how maybe it could help women in particular in the workplace.

Maybe before we get into your research, Stacy, we could just recap. Niccolo Machiavelli. Again, many of us remember him from our studies. He's the Italian diplomat from the Renaissance. He wrote the prince. You have now come up with this incredible book, founded on a thesis that his philosophies, very much supporting women's ambitions in the workplace that in the first chapter of your book, he wrote that he wrote Machiavelli wrote, *The Prince*, for women in the workplace, perhaps unbeknownst to him, but he did. So, connect the dots for us.

**[00:03:56]**

**SVS:** Definitely, unbeknownst to him, but I maintain that this is true. Yes, Machiavelli has a not awesome reputation, I would have to say. Ends justify the means, right. This is always the phrase that's associated with his work. It's not – I mean, he didn't actually write that phrase, but it's not a complete mischaracterization. He was, like you say a diplomat during the Renaissance. He was representing. He was essentially the Secretary of State, for Florence at the time, and it was when Italy was a bunch of city states. There was just a lot of violence, a lot of politicking going on. So his job was very dramatic.

There was the King of France, was taking over parts of Italy, the Catholic Church was taking over parts of Italy and it was a bloodbath. Florence, the city he was representing was broke and did not have an army. He basically had just his wits to try to convince kings and Pope's and generals not to invade. So he was always cutting deals and he did this for about 20 years. Then Florence was taken over by the Medici family. He was thrown in jail, he was tortured. He had all his stuff taken from him and he was run out of town. That is when he wrote, *The Prince*, which really surprised me.

He did not have any power at the time he wrote his big treatise on power. He was exiled, he wrote it in exile. It was essentially a cover letter. He was trying to get his job back, he was written to Lorenzo Domenici, who was running Florence. He was basically like, "Look how smart I am. Look at my amazing ideas." He was hoping that Lorenzo de Medici would read this and basically be like, "You're right, this is amazing." But the reason that I think it ties so well into the position that women are in, in the workplace, and a lot of people of color, and people who are an LGBTQ workers, people who just outside of the traditional, people who are not white men with hair, let's say, **[inaudible 00:05:57]** I think the reason that this ties in is, he says, he lays out in the beginning of the book that there are two kinds of princes. They are the princes who have inherited their kingdom, and there are the princes who have just conquered a new kingdom.

So, for princes who've inherited their kingdom, he says, things are pretty cushy, everybody knows their name, they know their dad, they seem to have a pretty legit claim to the throne. For someone who's just conquered a new territory. He says things are really tricky. Everybody's a little suspicious of this new person. They feel like, why should we be following this guy, there's a lot of instability. That is very much I think the position that women in the workplace are in, which is like we are in the workplace, breaking into new fields all the time, getting degrees all the time, by in the same way though, we're not quite on equal footing yet, in terms of pay, in terms of promotion, in terms of achieving the highest levels of a lot of different professions.

**[00:06:58]**

**FT:** I'm sure you came across a lot of evidence and in your own experience to how when women when they're proactive at work, when they ask for what they want, they're penalized sometimes, because going back to what you said, it's for those who have inherited their position in the workplace, namely these men who've always had the opportunity to work and have designed work. It's unsettling sometimes for the one woman in the office to ask for more money. So, what would you say, what are the ways that Machiavellianism can help women get what they need and want at work, but without the penalty that comes with sometimes being a woman at work? Who is commanding what she wants?

**[00:07:43]**

**SVS:** This, I think, is just the central question. It was what prompted me to write the book, because I feel like, I had been dutifully reading all about how to negotiate, how to get more money, and following all the rules, and it just wasn't working. Like, I was, "Okay, I've got to go in and I've got to brag about my accomplishments." That didn't seem to work. I have to subtly threatened to quit and that definitely didn't work. I kept thinking like this isn't right. I kept feeling like things weren't going the way they were supposed to go. Then when I started looking at the research and data around women and the workplace, it confirmed my own experience, which is that women do get penalized for asking for more, it is not as simple as you just need to go in and get yours.

Women do ask for raises a lot less, like one time for every five times a man will ask statistically. But the reason for that isn't that women are wimping out. It's that I think women are sensing that there is it's not so simple. When a woman goes into ask for a raise, it's much different than when a man goes in to ask for a raise, when a man asks for something that is seen as like actually quite admirable often. So when they do these like cultural quizzes, like what is an ideal woman, what is an ideal man and people just rattle off their assumptions. An ideal man is independent, he doesn't care too much what people think he's assertive, he speaks up for himself. He's singular minded.

For a woman, it's much different. It's like you're compassionate. You put others before yourself, you're self-deprecating. Those are all good qualities. But the issue is like when a woman goes into ask for more, you are going against the ideal woman like the way that you're supposed to act as a woman. So, you get caught in this double bind, where if you don't ask for more, you're often seen as quite an admirable woman in a certain way. It's like, "Oh she's self-deprecating, she's not asking too much for herself, she works really hard behind the scenes."

If you do go in and try to advocate for yourself, you might get some money, but people will maybe think less of you. It's like, "Oh, she's a little aggressive, she selfish." So even if you do get that raise, let's say you get 5000 more dollars, it could hold you back later, because people have negative associations with you. It's like, when a position comes up for a promotion or a management position, people just feel like, "I don't like her that much." I feel like, I have felt that

tension and it was actually very relief to see it in the data and the research, like “Oh, okay, this is the thing that happens to women.”

Women do get, I think, statistically, when women ask for more, they are seen as less desirable to work with, no matter how they ask, even if you ask very apologetically, your present data, or swagger in, and demand more money. It's you're seen as less desirable to work with, because you're advocating for yourself, which is not something we love to see in women.

**[00:10:50]**

**FT:** So, then when you apply the Machiavellianism principles or what was the expression means to an end?

**[00:10:57]**

**SVS:** Yes.

**[00:11:00]**

**FT:** Which isn't his expression, but it's what we associate this idea of being very forceful, doing whatever means necessary to gain power, which we'll talk about power in a minute, but how do you as a woman, then advocate for yourself in the workplace applying the principles of Machiavellianism?

**[00:11:17]**

**SVS:** I think the trick is, to just first of all, understand that the situation is not fair. That it's really difficult. So, just to start out knowing that this is not you, this is a lot of systemic stuff that you're not responsible for, but it does not mean you don't have to deal with it. So you have to deal with it. What do you do? To me, the key is that when you go into a negotiation, you try to avoid having it be like a high noon style standoff. Like you have to give me 10,000 more dollars, because I know that that's what you're paying my male colleague, and it's not fair because he has less experience or if you don't give me the 10,000 extra dollars, I'll quit. That kind of thing, it can play okay for men, it does not play that well for women.

A more effective way to go in is to present a collaborative, you and me together situation. That can actually really work for women, both in leadership positions and asking for a raise. The first thing you want to do as a woman is, ask is do homework. You want to get as much data as you can. Women do a lot better in negotiations, when they have a lot of facts on their side, everybody does a lot better negotiations, when they have facts. So, you try to find out what other people in that position are making.

You try to find out what people at other companies are making. You can even message people on LinkedIn. People will be incredibly helpful, often strangers, people want to help with these situations a lot of times. So get as much data as you can, you go into the boss's office and you basically present a vision, because in the end you have a relationship with the place you're working at. It shouldn't be antagonistic. It should be a collaborative relationship.

So then it's like, well listen, I'm really excited about my position in the work that I can do here. I really see that I could do X, Y, and Z. I know the salary range for this position at this company is typically between 70 and \$90,000, right now I'm making at the bottom of that range, but I think with the work that I'm doing, and I also know what my colleagues make, and other companies that salary doesn't seem in line with the work I'm doing, and definitely doesn't seem in line with where I want to go here, because I really think that I really see a future for myself here. I'm really excited to go here, with you guys. But in order to do that, I really want to feel good and valued here. So, what do you think? I feel like a salary of 90,000 would be more appropriate. I'm a top performer. I'm a top producer here's, that's how much I produced over the last year. What do you think?

**[00:13:54]**

**FT:** I love that idea of, what do you? It reminds me of instances in my own career where delivering the data and leaving at their doorstep, being like here's the data, what do you think? Letting the conversation maybe even go silent for a little bit, get the other person, the boss, the manager to digest it, and get them to tell you what, show their cards, have them give you a strategy, because you'll go play that strategy, and then they have to give you the raise. They say, "Come back in three months, or we'll give you 5000 now, 5000 at the end of Q2, if you do

this, this and that.” Well, okay now, we have a plan. It's a plan that they proposed, so they have to follow it.

**[00:14:38]**

**SVS:** Yes, that is so smart. So one of the people I talked to him for the book was this woman name **[inaudible 00:14:43]**. She is one of the founders of this company named Confluence. It was a unicorn company. She's one of the few female founders of a Unicorn Company. When she told me that she did, she also climbed the ladder of LinkedIn for years before that, and she said exactly what you're saying. Which is that? If you go in and say I really wanted this promotion, or I really want this raise, if you get told no, she said she didn't mind to know, then what she would say is like, “Okay, great, what exactly do I need to do?” She would get a list of very concrete things.

She said, she always was excited to hear about concerns like, “Well, you know Farnoosh, we would love to make you a manager, but we're worried that when you work in teams, they're not productive enough.” You're like, “Okay, well, what would you need to see for me? Would you need to see like two more things produced per month?” And you get a list of exactly what you need to deliver. You work as hard as you can, and you deliver those things and then you go back to the boss, and you say, “Here, I've succeeded on your on your terms. What do you think?” Then they have said, most of the time, she would get her raise or promotion, because it was irrefutable, and she said, when she wouldn't, she would know it was time to leave, because this was you're hitting a concrete ceiling, she said, in that case, not a glass ceiling.

**[00:15:57]**

**FT:** I want to make sure people know too that in your book, you offer a negotiation guide chapter 10, Tailored to Women, where some of these tips show up, but so much more will play by play for how to power through these negotiations. Speaking of power, you talk about power in the beginning as well. Machiavellianism is a personality trait promoting whatever means necessary to gain power, though this is a word that is loaded in our culture, we often see power demonstrated through the eyes of masculinity, right? It's like power to take over it. Its seizure, its dominance, that doesn't always resonate with women, and therefore we may not seek power,



but tell us why it's important to want power and how we can reframe the idea of power to get excited about it?

**[00:16:45]**

**SVS:** Yes, I really like that. I mean, I do think that our default idea of powers an apex predator, right? It's like, you're the Godfather, you're killing people, or you're crushing people, or whatever it is. When I, of course looked up the root word of power, to see where the word came from, and it comes from the word potere, which means to be able. That felt very instructive to me. I remember thinking that, yes, that is exactly what I want, I want to be able, it's more of a self-empowerment, I think. We want the ability to do what we want, to go where we want, to not have obstacles in our way, to be able to be to have agency in the workplace. I do think that is exactly what most people and honestly most humans want in the workplace is just a feeling of possibility and ability where you can shine and not be shut or held back.

**[00:17:43]**

**FT:** Well, speaking of being held back, COVID was definitely a moment where we saw many women have to choose between working or caregiving. It was not a thing where they could have it all or do it all. They literally had to choose. When it's a life or death situation, you don't work, you will take care of your family, family first. How has COVID impacted the way that women will be working in the future and the way that women will be perceived in the workplace, you think?

**[00:18:12]**

**SVS:** I think that's the key question for the next couple years involving women in work. We saw millions of women drop out of the workforce, it was just too much with trying to get the zoom school and work and household. I mean, all of these tasks have traditionally fallen on women even in in traditional heterosexual households where both people work full time still, most of these duties tend to fall to women. It's just the cultural default. I think the pandemic really highlighted this, and made it forced the issue. In certain ways, I think it's a good thing, it's intensified issue, so now they have to be addressed.

There are some bills going through Congress, which might help in certain ways. There's a child tax credit, Pre-K, things like that. Also, I think that the larger issue is, is childcare is such a huge issue for women in the workplace. I think the default before now has been to pretend like you don't have kids or to hide your kids. I spoke with one woman who works at NPR and Anya Kamenetz, who's an amazing reporter, but she does a lot of coverage of parenting and she's, it's so much easier to say, I've got to leave work early to go train for a marathon, then I've got to go leave work early, because I'm taking my kids to the dentist.

Even in my own head, those two things sounded different. Which was very telling, I was like, "Oh, cool. You're training for a marathon?" "Yeah, you should go." It's like, "Oh, you're taking your kid to the dentist." The default thought in my head was like, oh, you must not be very committed to work. I couldn't believe that thought came into my head, but I think it comes into a lot of people heads. So women just pretend like, children don't exist and we're just doing everything beneath the surface and working so hard, invisibly. I think all of those things were exposed during COVID. Zoom calls, you've got kids and family and everything coming in. Everything came together.

I think it's a real opportunity to talk about an issue that's been women have been dealing with it in a huge way for a long time. Now, it finally got so extreme that there's no denying it. I do think there's something good about that. It was really hard to see millions of women drop out of the workforce. We lost 30 years of the call labor force participation, the share of women going to work. We lost 30 years of progress. Hopefully, a lot of that will come back as kids go back to school and childcare options open, but we lost a lot of progress. That's really hard.

**[00:20:47]**

**FT:** To hear you, it's a reminder that while books like yours are very important, and they'll continue to help women in the workplace, there is a much bigger shift that needs to happen, which is the system, right? If you think about who's making the bottom line decisions about how we're going to structure work, what we're going to pay, it's men. The men are the ones in the C suite, largely. A lot of those men may have wives who don't work, or work at home, and or they have older kids, so they don't understand the whole childcare conundrum. So, what do you think needs to happen from a corporate culture standpoint structurally, systemically, so that books like

yours won't be need to be written anymore? I mean, it's great that they're out there, but I wish that we could get to a point where this wasn't, something that we're still talking about, right?

[00:21:45]

**SVS:** Oh, yeah. No, I totally agree. I think, I mean, part of the difficulty in writing this book was I think, you're right. The change at a certain point has got to come from policy and from companies. I mean, that's where that's the stuff that's really going to move the needle. My book I really wrote from her perspective of like, yeah, but what if, what do you do in the meantime? Because I do think things are changing, things are changing pretty quickly. I think a lot of workplaces are really working very hard to make things better, but change takes time. A lot of times you're at the mercy. I don't think there is one person who has been in the workforce who has not encountered a workplace that was less than ideal, or a manager that was less than ideal, who blocked off certain opportunities or whatever.

That was, the perspective from which I wrote my book, but you are right, for the needle to really move on this stuff. It's got to be companies. It's got to be policy. I think, I mean, from a policy perspective, the economist, Claudia golden at Harvard, has said over and over again that she thinks the policy that would be the most effective is some subsidized childcare. They had this in Europe. This just takes a lot of the financial burden off of families for childcare, because a lot of times, this is an economic decision.

If you have a couple, and it's a man and a woman, and they're trying to decide on childcare, and they realize that childcare is too prohibitively expensive, so one of one of the parents needs to stay home with the kid a lot of times, because of the gender pay gap. It will just make more economic sense for the man to continue to work and the woman to stay home with the children. So subsidized childcare, or universal childcare can help with that equation. For companies now, I really think this is a huge opportunity, because we're in a situation where our routines have been disrupted. None of us is working in the way that we used to work two years ago, almost I mean especially white collar workers.

I think, we're in a position where we can reset, and I think companies have a real opportunity to talk to women and say, what would be the most helpful? Maybe working from home one or two

days would really help a lot of women juggle all the things they're trying to juggle? Maybe there's other kinds of support. I do think this is opening up a conversation before offices reopen and everybody goes back to work and routine settle in. I think this is a real, it's been a devastating time. I do think there's a real opportunity here. I think companies could really – because I think it's going to be different for different professions, but I think companies could really change things and really keep more women in the workplace, keep them happier, make women's lives better.

**[00:24:34]**

**FT:** As much a nice thing to do companies. It's profitable. It is great for the bottom line. I think that, if we're talking about business, let's get down to business right? Let's speak the language that is music to the CEO ears. That when you have diversity on your board in the company at all levels, especially senior levels, diversity meaning women, women of color, LGBTQ, that is great for your company, for the culture, for the end product or service that you're putting out there. We need all heads, all hands on deck, all heads put together. This is a financial decision as much as it is a nice thing to do. It's smart money.

**[00:25:15]**

**SVS:** Oh, yeah. I mean, companies that have more diverse leadership, they do better during recessions and downturns. I remember reading that, that hedge funds run by women tended to do better during downturns as well. There's real strength and diversity, real strength, especially in difficult times. It's diversifying your portfolio of course, right? I mean, yeah, you can put everything on Apple, but something goes wrong with the new iPhone, and that stock is in trouble. Whereas I mean, diversification has a lot of benefits besides just being an ethical issue.

It's also economically very important to also, let's remember that women do most of the spending in the country, and consumer spending is the largest part of the American economy, one of the major engines of the global economy, one of the engines of our economic recovery right now. If you don't have women in high places, saying, well, this is what I need, here's what I would buy, here's how I would spend my money. I mean, that is just a huge missed opportunity.

You mean you're missing out on different socio economic groups, different genders, racial groups. It's such a missed opportunity.

**[00:26:29]**

**FT:** In the meantime, ladies. If you want to learn how to become a force to be reckoned with in the workplace, I highly recommend, *Machiavelli for Women*. By the way, I read this at the pool. I read it by the poolside. It is that good. The writing is stellar and it made me want to go back and be a history nerd again, and read more, but it's just, you should be really proud. This is a wonderful book. It has facts. It has data, it has story, it has your stories, it has stories of the winning women that you've interviewed. Congratulations, and thank you for this. This is great to start the fall with a book like this, as many of us are heading back into the workplace for real. We need some refresh.

**[00:27:16]**

**SVS:** Thank you. I mean, another thing too, is that having people like you, women who are talking about money is incredibly important too, because I think it's not around that has traditionally been whatever a space where women have, I think women couldn't even have their own bank account until the 60s and couldn't have and couldn't have –

**[00:27:38]**

**FT:** Yeah, credit cards, not till the 70s, I think on their own, I don't know –

**[00:27:43]**

**SVS:** I mean, money has been – women have been shut out of money, and still are in a lot of ways trying to raise money for business –

**[00:27:48]**

**FT:** It's new to us, in some ways –

[00:27:50]

**SVS:** I think having a woman you, like a young woman, talking about money and finance is also incredibly important. I think that's the thing that makes a change that may be bigger than you realize.

[00:28:03]

**FT:** Well, hopefully we just make it seem it's like not that big of a deal –

[00:28:06] **SVS:** Because it's really not, like it should have be –

[00:28:11]

**FT:** So hard –

[00:28:12]

**SVS:** But it is.

[00:28:13]

**FT:** But the community is important and I'm happy to have you in the community and we should celebrate out 20<sup>th</sup> – I said out loud, anniversary coming up soon from the Columbia J School, which looking at the price tag these days of what it cost to go to Columbia J School, I don't know if I would do it in 2021, to be honest.

[00:28:32]

**SVS:** I don't even know how you budget for that. Also, like journalism's not – I mean, I love it, I would never have gone into anything else, but it's not like, you're not Bezos money.

**[00:28:46]**

**FT:** Plastic Surgeon. Yeah, you're not making plastic surgeon dollars. Stacey Vanek Smith, thank you so much. I'll see you soon.

**[00:28:54]**

**SVS:** Yes, thank you, Farnoosh. It was such a pleasure.

[END INTERVIEW]

**[00:28:59]**

**FT:** Thanks so much to Stacey for joining us. Her book is available everywhere. It's available in print and audio form. If you're in New York, you can go see her read at the Powerhouse Arena in Brooklyn this evening at 7 p.m. I'll have the link for where you can purchase the book on the, So Money Podcast website. Thanks for tuning in everybody. I'll see you back here on Friday for, Ask Farnoosh. I hope your day is, So Money.

[END]