

EPISODE 1307

“PDL: *That, to me, was like a punch in the face and like a kick in the belly at the same time, and it made me – It just spiraled me into questions like, ‘What am I doing with my life?’”*

[INTRO]

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FT: Welcome back to the show, everybody. I’m Farnoosh Torabi. Our guest today is a friend of the show, Paco de Leon, financial expert and Founder of The Hell Yeah Group and new author of the book *Finance for the People*, an illustrated practical guide to navigating your financial life no matter your financial situation. This is one of the most inclusive thoughtful guides to money that I've read in quite some time.

If you remember Paco from an earlier episode of So Money back in December of 2019, she and I discussed all her different career experiences in banking, consulting, the marijuana industry, why she realized that her true mission was helping creative people understand their money, how that led to creating The Hell Yeah Group. In our conversation today, Paco talks about why there are so many gaps between our intentions and our behaviors around money, why money is a proxy for power, and that's a good thing, and her message, an important one, for those of us who feel we've become victims of financial inequality. Here's Paco de Leon.

[INTERVIEW]

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FT: Paco de Leon, welcome back to So Money. Happy New Year. Happy new book, *Finance for the People*.

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PDL: Thank you. Happy New Year. Happy new book as well. Thank you so much for having me back, Farnoosh. I'm excited to chat with you, excited to be here.

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FT: Yeah. Can you believe last time you were on, it was December of 2019.

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PDL: Yes, we were blissfully ignorant to what would come.

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FT: I was going to say that. I was like, "Oh, it was the calm before the storm we didn't even know about." We didn't even know about. When did you start writing *Finance for the People*, by the way? Was that already in the pandemic you had gotten the idea or you had already started planning well before life changed for all of us?

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PDL: I started pitching the book that December actually. My agent started pitching it out to publishers, and so I knew that I would be writing a book going into 2020. I just didn't know what my day-to-day life was going to be like kind of stuck at home, which in retrospect feels like it's a privilege to say but an absolute blessing because my friends weren't asking me to go out and hang out and party and be distracted. So I actually started writing the book like a few days before Los Angeles kind of locked down, and it was weird to be in that space. It was really weird to not have – As a writer, I'm sure you know. It was weird to not have all these different varied experiences that I could then bring back into my writing. So I think I had to look into a lot of memories to like come up with anecdotes or just feel like, I don't know, a little sane throughout the process.

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FT: I want to talk more about your book. But just to piggyback on what you just said, I'm writing my own book now and I feel that. I haven't been able to really identify it, but you just did that when you're writing in isolation or relative isolation, as we all are in this pandemic, not going out and seeing people as we normally would, you're right. You have to almost invite these anecdotes into your life. Whether that's going down memory lane, which is its own, can be sometimes traumatic exercise. But I find too just reading other people's memoirs or watching television. If you ever want an excuse for watching TV, even if it's just like – What's that horrible show, the one about the woman in Paris?

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PDL: Oh, Farnoosh. How dare you?

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FT: Rachel in Paris.

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PDL: It's Emily in Paris.

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FT: Emily in Paris.

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PDL: It's all the same.

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FT: I may have watched a couple of episodes twice. It was for research. But you're right. You have to – It's a proactive effort. The book doesn't just come to you page after page after page.

You really have to invite it into your life. Now, before we get into the details of your fantastic book, as I said, you were on the show two years ago. Since then, we've had many new people subscribing to So Money. So perhaps we can just reintroduce you, Paco. I know if people go back and they listen to that episode again, it was December of 2019, that was sort of our introducing Paco to the So Money community, and I was already a fan.

But you talked about your journey to starting The Heal Yeah Group, which before that, many different kinds of industries you experienced. Finance, of course, but also music and other types of creative industries. That's kind of what The Hell Yeah Group is about. It's about giving financial guidance to the creative community. So tell us more about who you are, what you do, and how it's all transpired.

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PDL: Certainly. I'd love to. Yeah. I mean, as you mentioned, I've had a lot of different finance jobs. Some of the more notable ones that always make people react in various ways is I used to work as a collections agent for this bank called Bank of America. You may have heard of it. That was my very first job in the finance industry. Whenever I tell people that that was my first job, they're often horrified. They're confused. They're like, "But you're such a nice person. How could you be a collector?" They maybe even feel sorry for me that I've had to go through such like a crazy job where you're asking people for money.

But I'm so, so grateful for that job because for four hours a day, five days a week, that's 20 hours a week for two years, that's a lot of hours, I sat in a call center and I talked to strangers about money. Not only did I talk to strangers about money, I did a very uncomfortable thing. I said, "Hey, you owe the bank money. Will you please pay us that money?" So from there, I think that gave me such a sense of understanding everybody's emotional responses to money, their shame, their guilt, their nonchalance about it. It was a real insight into humanity, humans, and money, and again, like I said, their relationship.

I also did a stint doing small business consulting, where I learned how to do bookkeeping. Now, I run a bookkeeping agency called Heal Yeah Bookkeeping, and I was a financial planner for a while. That's where I learned everything really from the practical sense and really the inner

workings of how the personal finance world works. I learned that on the job, being a financial planner. It was through that job and being a creative person. I've been a musician pretty much my whole life and ran around in circles of musicians and artists. Once you're like in a group with a band and you meet other bands, you meet people who are like studying drums in college, and then you meet people who are like studying painting, and then you meet people who are filmmakers. Once you're in the creative world, I feel like you just keep following the threads, and this beautiful tapestry reveals itself of these people who are trying to make a professional living in a life through being creative.

I was in that world all the time and then I was in the finance world all the time. I started to see that the people who were creative, they were feeling alienated. They were feeling underserved. They were feeling like so much of the finance world wasn't built for them, and I was curious about whether or not I could build a thing, a resource or a service, that would speak to them and that would serve them and that would make them feel seen and that could help them deal with what everybody deals with, how to manage their money. That's how The Hell Yeah Group came about, and it's been an amazing ride helping different creative people across various industries.

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FT: No shame in being a debt collector, Paco. I sold Gevalia Coffee as a telemarketer in college, interrupting people's dinners and insisting that they buy pounds and pounds of coffee that they would never use. Let's talk about your book. This is a practical book, yes, as all financial books should be but so much more. You write about how your promise to readers is that this book will help you develop a better relationship with money and address why we all, and you and I included, have gaps between our intentions and our behavior. So this is very much a mindset focus book. Tell us about that aspect of what sets this book apart.

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PDL: I mean, it is definitely a mindset book, and I have a challenge navigating the personal finance world. Where do you draw the line between personal responsibility and being a victim of things that are outside of your control like inequality and racism and the wage gap and things like that? So even making that statement, that's what you can expect in the book, where I'm not

shying away from the fact that this is uncomfortable to confront, right? Where's the rub? Where can I have my agency, given the fact that so many things are outside of our control?

I think one of the things that really sets this book apart is when you say mindset, a lot of people think, "Okay, I'm going to just promote thinking positive or being positive, and that's going to unlock a lot of things." It's really actually the opposite. I invite the reader and I invite people to actually confront negative feelings. I think our society has conditioned us to shy away from negative feelings that if we have negative feelings for an extended period of time, we think we're fundamentally flawed or something is wrong with us. But part of the human experience, part of what makes it so rich, are the negative feelings, right? You cannot have sweet without the bitter.

I use different things I've picked up from coaches and through learning about psychology that invite the reader to really sit with, right? Not to just smash down or think positively but sit with those negative feelings. From there, I think once you sit with them, you can see that unless you have a lot of trauma, of course, I recommend that you work with a professional. But when you sit with some of these negative feelings, you realize that sometimes anxiety can just dissipate, right? Sometimes, that's all you need to do so that then you can move forward and then actually take practical action steps.

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FT: Very, very well said. You're talking to the woman who's writing a book about fear and the upside of fear.

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PDL: Amazing.

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FT: I was taking notes. I was taking notes. Yes. To echo what you said, part of the human experience is our negative experiences and that – Whether you like it or not, it does make your life richer when you confront all of the feelings, why you're feeling happy and why you're feeling

sad and everything in between. I love that you are – That is the message that you're putting out in the world. I think we need more and more of that. You know what I also love about your book? The illustrations, Paco.

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PDL: Thank you.

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FT: That is definitely something that sets it apart. This is part of your signature brand. I mean, if you go on a lot of your work online, you will see these lovely, often hilarious drawings. Who did you work with on those?

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PDL: I did them myself.

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FT: Get out.

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PDL: I did.

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FT: You are really talented.

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PDL: Thank you. Thank you so much. I've been waiting for somebody to ask me like during the interview process, the book tour, "Paco, when did you start drawing?" My answer is I started drawing the same time you started drawing, Farnoosh, when you were a tiny little girl with an oversized pencil in your hand. I think what I love about the illustrations is it takes something that's intangible like compounding interest or inflation. Or value, in general, is kind of an intangible thing to understand, and it literally makes it concrete by literally illustrating it. So that was really important to me.

Also, my wife is an interior designer, photographer. She's a visual artist. So when she sees a block of text, it often – She'll shy away from it. But if there are ways that I can make a visual person kind of if I could speak to them, that's what I wanted to do. I wanted to honor the fact that people learn differently, and sometimes the phrase a picture is worth a thousand words I think it really is.

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FT: One of the subtitles in your book – You have three sort of areas that you want to address in finance for the people. One is addressing your beliefs, which you've sort of talked about your emotions and your mindset around money but also stepping into your power, which I love. But as you point out, and I would agree that power often gets a bad rep, and so, first, why was this an important thing that you wanted to address in your book, this power angle? How can some of us create a new narrative around that? Because, yes, I do think that power, it's like, "Oh, I don't want to be controlling, right?" But there's more to power than that.

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PDL: I mean, money is a proxy for power, and we cannot deny that, right? So that's I think the first important thing to recognize, and I have felt so disempowered my whole life, being part of a marginalized community three times, right? I'm a woman, I'm queer, and I'm brown, and let's just say I'm short as well, right? So the world was not built for short people. I learned that in America, at least. Things like counter heights and just like the standard of how houses are built and how buildings are built, they originally got those numbers from World War II soldiers or soldiers. Maybe it's not World War II soldiers but the army, which is a bunch of men, right? So

literally, the world I inhabit is built for not small people, not short people. I mean, it's clearly built by men. It's built by heterosexuals. I mean, the list goes on, right?

When I started to really look at my financial life, I was already a financial planner. I was working in this industry where we were only working with people who were making, I don't know, \$400,000 a year or had a million dollars of investable assets because we're in Los Angeles, and it was a high-end firm or a boutique firm. So those were the parameters. Yet I looked around and it was me and a bunch of other women of color who were in the admin positions, and the only people who had offices or who were actually executives were all heterosexual men, most of them white. The only woman with an executive position shared the last name of the founder.

So I had to really look at why I had the practical information. Yet my life wasn't falling into place from a financial perspective. For me, the narrative that really changed things for me was realizing that I was just constantly giving my power away. I wasn't negotiating my salary, which is one of my – Like the number one fatal flaw I think in my career. But I didn't have good boundaries. I didn't stand up for myself. I didn't know how to ask for things. It all really stemmed to being a child and feeling like nobody asked a little girl what she thought about things. Nobody instilled in me that it's okay to want to have power in your life.

Shifting the narrative for me was recognizing kind of going back to earlier that sometimes these negative aspects, seeking power, we can look at them from a positive perspective or we don't have to just say that they've been looked at negatively our whole lives. We can look at them from a neutral perspective. Also, one of the most radical things I think I could do is talk to people who have not been given power and to ask them to seek out power. If you want to make change in the world, you need money, you need resources, and you need power. So if we're serious about making change, then we have to rewrite our stories so that we can wield our power.

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FT: Where did you start for you personally when you recognized that in yourself that you were giving away your power? What did you do initially to change the narrative?

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PDL: For me, like asking questions upon questions, qualifying – Just when I allow myself to ask open-ended questions and then to sit and kind of wait for the answers or maybe not to even have the answers to just allow that question to be open, it's kind of like writing a song or making a drawing or writing an article, right? You ask a question. What am I trying to say or who am I trying to speak to, right? It's the same kind of thing as like I had to ask myself what am I trying to do with my life and why can't I do it.

But, for me, the moment where I started to question power and I started to ask myself these questions was the story, the anecdote that I put in the book about when I realized how much more money my boss was making than I was as a financial planner. At the time, I was riding my bike to work, 15-mile commute, seven and a half miles both ways or each way in LA rush hour traffic, and I was like, "I had a garden where I was growing lettuce to literally save two bucks from Trader Joe's." I'm sure I spent more on water when I think about it. But my boss at the time was he had me doing the books for his company. So I already knew how much he was paying himself and I already knew how much he was paying me.

But one day, I made the cost relative. I was like, "How much does he pay himself in a month compared to what I make in a year," and it was something like – I did a few more calculations and I was making like 13 cents for every dollar he was making. That, to me, was like a punch in the face and like a kick in the belly at the same time, and it made me – It just spiraled me into questions like, "Well, what am I doing with my life?" Of course, I wasn't expecting to make dollar for dollar with him, but it made me really ask myself. How can I take my power back? How can I make a difference here? How can I be helping people negotiate their pay as clients but not do it myself? How come I'm not asking why am I saving this guy \$40 a week on gas when I thought I was saving myself \$40 a week on gas.

I just think letting yourself sit with these questions and letting that flow is really important. Journaling has been really vital for me getting to the root of why do I think certain things and why do I believe certain things and what are these little traumas that I just want to hold on to them. What am I getting out of it, and what happens if I release it? I think the point of life is to let yourself become who you're meant to be and discover who you are, and you can do that through a lot of ways, right? You can do that when you raise children, you can do that by

renovating a house, and you can do that through your finances. I think there's always an opportunity to face yourself and learn more about yourself.

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FT: One of my favorite sayings is that and on the topic of power. It was a guest. I can't remember who now, but she insisted that we differentiate between worth and value. So when you're in an office setting and you realize your boss is making 10 times your salary, that can really hurt your ego, among other things. But put that aside. Look at actually what value you're bringing to the company in relation to what your boss's value is to the company. I think that's a better way to compare because how you feel, which is hurt, is immeasurable, right? But like that's not a starting point to like coming up with an action plan, but rather saying, "Okay, here's how I contribute to the bottom line. Here are all the things that I do."

To turn that rage and that sadness and that feeling of lack of self-worth, to turn that over into an idea around value I think is a way to make it more constructive. Just wanted to latch on to that because I thought that was like – It's all in chapter one, by the way, too of your book. You start – This is the foundational work that you want us to do, which I find, again, is so refreshing and new.

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PDL: Thank you, and the reason why I needed it to start like that, the reason why that is the foundation is because I just kept seeing so many people from all walks of life, really privileged people with tons of money, getting trust distributions, spending it all and then somehow living like "kind of paycheck to paycheck." I've seen people who are – It looks like they're not acting in their best interest, and they're smart rational people. I needed to get to the root of why are we – What's going on here? For a lot of us, it's just we need to deal with the emotions. Once you deal with the emotions, then you can execute on the practical side.

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FT: As you write, bring the unconscious into the conscious, which is really profound. You also wrote this book to give a voice to those who've been victims of inequality, Paco. Again, a subtitle in your book is navigating an unequal system. While you are – The caveat here is you're not going to be able to dismantle patriarchy and sexism and racism in the book, and that's not one person's job. But you do approach this from a very practical standpoint in terms of how we can think, how we can act in our own spheres. So what's the message for those of us who do feel like victims of inequality?

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PDL: I think sometimes it's really challenging to accept the fact that sometimes you do have to work twice as hard for half as much, and that might – My hope is that we address our emotions, we heal our wounds, we take action, and the things that we're doing today can impact the generation after us. So my hope is that I'm building wealth and I'm creating a company that cares about its employees, that's paying people a fair wage, and I'm hiring people and inspiring people to do that in their own lives. So I'm not only bringing an economic change by paying people a living wage but I'm also being visible about it and showing people that it's possible to make a change. It's possible to change your financial life.

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FT: You describe these like shit sandwiches that every generation goes through, whether you're the generation that was drafted into a war or stayed back and had to pick up the pieces. Women often were doing so much while their partners were at war, not just running the household but also working and trying to becoming bread winners, all of that, and without much support. Then fast forward to today and a shit sandwich, one of many, is the pandemic. What are your takeaways from where we are currently in this current shit storm, shit sandwich, and what we can learn, and what what's maybe the silver lining?

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PDL: Sure. I think it's important to just accept that you're going to be served a shit sandwich in your life. For some people, it looks like a family member gets diagnosed with an illness, and you

have to step back from work or move and help them. Or, yeah, you graduate today in the COVID economy. On the one hand, there are jobs galore. But on the other hand, it's pretty rough out there. I think accepting that in the same way that we accept the fact that life has negative feelings will allow you to be a lot more open and to navigate life's shit sandwiches with a little bit more grace and to understand that even if and when we get universal basic income, we'll still have to budget that universal basic income. Things will still go wrong. Your tire will pop on your car or, like I said, a family member will get sick, or you'll get sick, or you will decide one day that the career that you're in is not the career you want to be in.

Life is full of uncertainty, and I think recognizing that, accepting that will help you go with the flow, will help you become more adaptable, which is what humans have been doing since we've been on planet earth.

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FT: It's almost like remember when we were four and we just kind of went with the flow. My daughter the other night, she's four and she was – It was bedtime, and she loves to talk at bedtime, of course. She's in the dark, and I'm outside a room because that's what we do. I try to sit outside of her room. She feels like safe, knowing I'm outside the room. So she says, "Mom." I said, "Yes, Colette." She goes, "Uh, when is this virus going to be done?" I tried to come up with like an answer and I just said, "I don't know, honey. I don't know." She goes, "Okay," and then she went back to bed. I was like I'm so glad I'm sending you to your dreams with such – On a certain note. She was like, "Okay."

To me, it was a little depressing. But then when I shared it with other parents, they said, "No, she's resilient or she feels like she's in good hands, like you're going to take care of her." I thought that's a nice way to look at it. But I think our money can be the same way. It's like when shit storms happen, when there's uncertainty, if your finances are in order, it's not – I'm not saying like the pandemic's going to end or the recession is going to end or you're no longer going to be sick. But it's this level of comfort that is immeasurable again and just one of the best things you can do for yourself.

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PDL: Yes. It's one less thing to have to be freaking out about, right? It's like if you have a crazy week but you have a bunch of food in your fridge and you have your meals all planned out, that's just one less thing you have to be worried about and trying to manage.

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FT: Lastly, Paco, you dedicate this book to your wife, Jenn, and also to your former 15-year-old self, young Paco. What would you want your younger self to know about money, life, career, any of it? Go back in time. What's the message?

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PDL: The most important thing I can tell to my 15-year-old self is to just keep being weird, dude. Just full on embrace the weirdness. It might be awkward at the moment, but your mind will be blown at how much the world will open up for you when you just are confident in who you are and you're not trying to be someone else. For me, when I started The Hell Yeah Group, first of all, when I started that company, I was like, "You know what? I'm going to call it The Hell Yeah Group and I'm going to see what happens." That's when I started to generate income like I couldn't believe I could. The more I think that you just are confident in yourself, there is a line between self-confidence and self-worth and then your ability to make money.

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FT: I'm sure there's a cool illustration for it too in your book. I love those like Venn diagrams illustrated by the one and only Paco. Every day, I'm learning all of your talents. It is an endless list. Paco de Leon, thank you so much. Everybody, please. I actually recommended this in my newsletter in January, *Finance for the People*. I look forward to having you back and back and back and back.

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PDL: Thank you so much. It's always such a joy and a pleasure to chat with you.

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FT: You can learn more about Paco at thehellyeahgroup.com. Her book, *Finance for the People*, is out February 1st. See you back here on Friday for Ask Farnoosh. In the meantime, I hope your day is So Money.

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