

EPISODE 1325

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FT: So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1325, financial adulting, with our guest, Ashley Feinstein Gerstley.

*“**AFG:** I think there's this idea to be a financial adult. You have to know everything. You never make mistakes. But that's not the case. I still make mistakes all the time. I'm always learning. So it's making those small, consistent steps. It's knowing what's happening with your money, which sounds very simple. But it's actually pretty profound to know what's coming in, what's going out. Is it going to goals? What's going to expenses?”*

[INTRO]

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FT: Welcome to So Money, everybody. I'm your host, Farnoosh Torabi. We're all familiar with the term adulting, but what does it mean to be a financial adult, to actually be financial adulting? Our guest is Ashley Feinstein Gerstley. She's the author of *Financial Adulting*, a new book that breaks down everything we need to be a financially confident and conscious adult. Ashley has been on the show previously. She's a friend of So Money. In her professional life, she's a money coach, author of *The 30-Day Money Cleanse*, and Founder of the Fiscal Femme, which is a fantastic money platform on a mission to end inequality through financial wellbeing. Ashley has appeared on The Today Show, CNBC, and in the New York Times. She's worked in the financial services industry for over 15 years first as an investment banker, then in corporate finance, and most recently running her platform, the Fiscal Femme.

In our conversation, we talk about, well, what is financial adulting really, why she made an important point to include equity in her book. The second chapter deals with financial equity. We

talk about privilege, the importance of talking about it and even celebrating it. Here's Ashley Feinstein Gerstley.

[INTERVIEW]

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FT: Ashley Feinstein Gerstley, welcome to So Money. Congratulations on your book, *Financial Adulthood: Everything You Need to be a Financially Confident and Conscious Adult*. I love the conscious part.

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AFG: Thank you. Thank you for having me on the show. I'm excited to be here.

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FT: Finally. I know you've been working so hard on this book, and I'm so honored to be in it, giving some feedback and insights. You interview a lot of incredible people, and you yourself is such an expert. There are a lot of financial books that come out every year. But I think what I've so far realized differentiates your book, and there are many reasons, but one that really stands out is your insistence on making sure that this book touches on equity and consciousness, as opposed to just the tactics. I think it's important, right? You can't talk about money if you're not talking about where we are in the world and the inequities.

So before we get to that, it's chapter two in your book. You don't hide it either. It's not like buried at the end. It's not a postscript. It's like chapter two, equity and personal finance. Let's talk about the title, *Financial Adulthood*. This is not a new term. We have all been using it now for many years. What's your definition of financial adulthood?

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AFG: The term, I guess, financial adulting, anytime we talk about adulting, I think of leveling up and like self-care. So examples outside of financial adulting would be like hanging up my clothes or putting on like my phone on silent, personal boundaries. So a financial adult to me is definitely about that. It's about taking small consistent steps that lead to big results. I think there's this idea to be a financial adult, you have to know everything. You never make mistakes. But that's not the case. I still make mistakes all the time. I'm always learning. So it's making those small, consistent steps. It's knowing what's happening with your money, which sounds very simple. But it's actually pretty profound to know what's coming in, what's going out. Is it going to goals? What's going to expenses? Having financial plans that you feel confident in and talking to my dream team, the people who read the book before it came out, there's this idea that you have to have very concrete, to the cent financial plans. A lot of times, it's more of a guideline. Something we're going towards. It's adjusting every year as things change. We can't know how long we're going to live or what inflation is going to be or what our investments are going to do, so just having a general guiding North star towards these goals.

Then, of course, you mentioned the equity component. Understanding when we are coming from a place of privilege to use that privilege to close the gaps that exist. Then also when we're coming from a place of disadvantage or experiencing oppression, to not compare ourselves with others and know that we're not starting from the same place. I think that can really bog us down in our financial goals and have us feel a lot of shame.

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FT: Yeah. So what I'm hearing is financial adulting is taking ownership of your financial choices, really claiming your goals, having accountability, owning up to your mistakes, know you're going to make them, and delaying gratification. We talked about planning and working towards your future. These are all things that my kids don't do. So I think we're onto something. I think that the opposite of child play is financial adulting, and children don't take ownership for things. Their clothes are all over the floor. They don't take accountability. They blame others. They don't anticipate mistakes and get really upset when they don't win or don't get their way. God knows I'm still teaching delaying gratification. Hopefully, they'll get it one day.

Yeah, I think like literally that is what an adult is. It's all of those things that you have to unlearn or correct. Someone once said to me adulthood, adulting, not so much financial adulting but just adulting, is when you stop blaming your childhood for all of the reasons you're not where you want to be or you're, "Why am I this way?" I mean, your past is important. Context is important. We all come from somewhere. We need to understand where that is and what happened to us. There's books about this. I think Oprah would agree about this. But like at some point, you have to take ownership and move forward.

Do you think that this is really a struggle for people? Like why don't we take ownership? Especially your audience, which I would imagine the idea of adulting really hits home for most of us who are out of school or are still in our young, professional life.

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AFG: I love the idea that adulting is ownership. It's funny because growing up, I always thought there was a moment where you felt like an adult. So far, I've never experienced that moment. I still feel like the kid who's like playing dress up a lot of the time. But I do think so much of my community and so many people who will be reading the book want to be financial adulting. It's just there's so much that's worked against us that has us not take ownership, not get started. We don't learn about this. Well, hopefully, your kids, my kids will learn about this in school.

But historically, like it hasn't been something that's taught. I studied finance, never once talked about personal finance. It's also taboo, which you're changing. The conversation is changing. We're talking about money a lot more, but that has made it difficult to learn. I think there's also this idea that everybody else knows what they're doing, and we just don't and that we're alone. I think that can be really isolating and have us trust people that maybe we shouldn't take advice that maybe we wouldn't take if we learned a little bit more on our own.

I think breaking things down, so they feel manageable, and allowing us to take these more bite-sized steps, rather than thinking – New Year's resolutions, sometimes we think, "I need an overnight transformation. I'm a different person January 2nd." That sets us up for failure that never works. So these small consistent actions I think is a way that we can start taking ownership and feel like financial adults and see really great progress.

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FT: Yeah. I think an important message is if you're financial adulting you're also admitting what you don't know. I think that's part of the pressure, Ashley, is we feel like to be a real adult, we have to know everything. We have to have the answers. We have to have our fill in the blank together. We forget that like life is a journey, and things are going to change, and nobody has all the answers. Even the professionals and even the person who looks like she has it all together doesn't. So let's all just admit our flaws. Okay, I think that could be a great takeaway for all of us listening. Just be open about what you don't know because you're not only going to help yourself, but you're going to help everybody around you feel not less than.

In chapter one, where you talk about defining financial adulting and the reasons maybe we have a hard time with it, you touched on some of them like we're not raised to learn this stuff. We're not sure when to get help. It's so emotional. Then you talk about the oppression piece. Let's talk about that. Now transition us nicely into your whole mantra and advice on financial equity. But what is it about the world that we live in? Racism, gender gaps, the systemic problems that contribute to the feeling that you're behind or like the actual being behind this, not adulting.

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AFG: Yes, there's so much to this. There's the history right? If you think about what's intergenerational wealth and what's available from parents and even like their experiences, there's wealth. Then there's also just being the financial first in your family. So if you're the first person to go to college or the first person to have a 401(k), there's not that education available or guidance available from a parent, let alone an inheritance or paying for school. So I think there's the historical aspect.

Then there's like the current lived oppression and difference, and talk about learning and growing. The good news and bad news of financial adulting being a journey is when I interviewed 35 people for the book, you included, I learned so much, and I've been doing this for 10 years and wrote a book on it. So it's never done. You're never done learning about this and growing and making mistakes. But what I found is that in every single chapter, which covers all

the different areas of personal finance like race, gender, if you're in the LGBTQ plus community, if you have a disability, like this is impacting every single area of your personal finances, past and present.

I think you can't not talk about that when there's so – I think there's so much financial advice that just assumes we're all just working towards the same thing and at the same pace and started from the same place. But it was really important to me to highlight those things and to have experts who could speak to different experiences because financial advice that doesn't acknowledge that if you are black, your home is going to be appraised for 23% less, is not helpful. At the same time, I also felt really passionate about acknowledging my own privilege because if someone has college paid for, I had my college paid for, then paying off my student loans wasn't a goal for me. So I can move on to something different. I think that acknowledging the privilege we have is really important in the personal finance conversation too.

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FT: Right. There's a lot of shame though around having privilege. Can we talk about that?

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AFG: Yes.

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FT: It's like I don't want to admit that my parents are rich because then that's going to make people think that I didn't work hard, that I didn't deserve what I got, or that I'm taking life for granted. There's also really bad narratives around sitting with that shame, being afraid to tell people like, "My parents bought my apartment." This isn't me talking. You see it on social media. You see this bipolarization. We don't want to give anyone who came from riches any credence to their success. What do we think about this?

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AFG: Yes. I think that's such a great point. It's funny because at first, when I started talking about this, it was scary, and it did feel shameful. It has gotten a lot easier, now that I've been really open about it. Also, I find with all money conversations, when we are open to talking about it, other people start sharing, and you realize that so many people are feeling the same way. But I am thinking of a meme in particular. It's like you're either you're like successful because of what your parents gave you or you worked hard.

I do think sometimes, especially as like a working mother, I think about how almost impossible it is for me to be a working mom in a pandemic. I have so much privilege. I can't even imagine how difficult that is for someone who doesn't have it. But it's still too difficult, and I think how I balance it is like I've made a lot of smart money moves. But it made a huge difference to have the privilege and the support from my family and to be white. There's so many things that I have privilege around.

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FT: Don't we want to pass on wealth to our families and to our children and to our communities? I mean, this is what we're all working towards, right? So ideally, in theory, we're all going to be at a place one day where we have more than what we have now, and that should be celebrated. I would hate for my children whose grandparents were immigrants, whose mother was the breadwinner, my husband and I working our tails off to provide for them, to give them, yes, a leg up in life so that they don't have to come out of college with debt. But then to talk about it, to be honest about it is really the next step to not take it for granted.

Everyone's story has something to be celebrated. It's all varying degrees, but let's stop this sort of like either/or-ness and the bipolarization. It's either you had generational wealth or you came from nothing.

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AFG: Self-made.

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FT: It's too much. Social media, while I love it, I don't think is the medium to be having these really deep thoughtful conversations. I think it's where maybe we can begin, but it's where I see a lot of the fighting. Anyway, just want to get that off my chest.

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AFG: No. And it's really true on the polarization. Also, I think that was really important to me too, is not only acknowledging my privilege but being so grateful for what my parents built and gave me. I've noticed that when I do share about it, that's what people do share. They say, "I want that for my kids. This is what I'm working towards. This is what I'm striving for."

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FT: I saw on Twitter one of my personal finance friends, Jason. He wrote, "We're kind of like talking out of two sides of our mouths. We're saying we're poo-pooing the folks who came from wealth and discounting their success and saying, 'Well, you just had it easy.' And on the other hand, we're saying, 'We want to build generational wealth,' and basically be that person that we're slamming." It's like can we just notice the hypocrisy.

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AFG: Right.

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FT: Let's talk about real estate because that's another hot topic in our audience. We love talking about real estate. You dedicated a whole chapter to it, home homeownership, that is, in your book. What do you make of what's happening in the real estate market now, Ashley? It's so hard for particularly first time homebuyers, particularly people of color to get into this market. It always has been. Now, it's like impossible. You need all cash. You need to like waive the inspection. It's making me wonder what the future of wealth creation via homeownership, which

has forever been this historically sound vehicle to do so generally. I don't know anymore. What do you think?

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AFG: Yeah. It's such a good question. It is nuts. The stories I'm hearing and just like the different processes and the different locations. It feels like a frenzy, a frenzy right now. Something – So I interviewed Fee Gentry for the book.

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FT: Yes. She's been on the show.

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AFG: I found her from your article, which is how I knew, how I found her work. She – One of the things that it made me realize talking to her is that, yes, we want to learn about real estate as we're making these decisions. But having a true expert to talk about it, to understand the market, it can be really valuable, so to leverage the professionals in your life. But also understand like how they get paid and what their incentives are is really important. But it's good to gather, because they're in it. It was interesting hearing her advice for actually successfully buying a home. She's saying, "I'm telling people to do things I never said six months ago."

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FT: Like what?

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AFG: Like having all cash, like bidding, like putting the –

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FT: Playing the game.

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AFG: Yeah.

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FT: To be able to play the game. Okay.

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AFG: She's playing the game, so they actually get their house. Yeah. I think it sounded like it was so market-specific and so time-specific like what is happening in that market right now that the people who are on the ground, who are in it can be really helpful resources.

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FT: It's so fascinating because part of what's driving this is the lack of supply. I think that's like 90% of it. There's just nothing to buy. So can we create a tool that can help homeowners sell their home? They're stuck. This is the problem. Homeowners feel stuck. I can sell my house, but where do I live? I can't compete in this market. Then I become another loser in this market. At least now, if I'm in my home, people are pulling out their equity. They're doing cash out refinance, or they're getting HELOCs. So they can at least leverage the growth in their home value without moving and use that to build a playroom or redo the kitchen or pay off student loans.

But we need to create, I think, something in the marketplace to allow it so that like existing homeowners can leave their homes. There is a tool. There's an iBuying or ibuyer.com. It's a company that says, "Okay, look. We'll give you all the cash for your home. We'll pay you a little bit less than what you probably will get if you do the open house and all of that. But we will give you the cash, and we'll give you time so you can find your next place without feeling like you've been displaced or you're now like stuck in this market without a place to live. Or you have to feel

rushed to find a place because usually you have to sell your home to buy the next one.” So there's private companies that are now realizing this friction and trying to create something where they can ultimately create more supply in the market, which is a win for everybody, except for sellers.

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AFG: Yes. It's interesting too because sometimes when I look at how it works, where it's like you put in with like last and final bid, it feels like that is not beneficial for the homeowner. Like if people were allowed to like go back and forth, like it's just very interesting.

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FT: I was just talking to Alix Langone who's our CNET mortgage and real estate reporter, writer. We talked just about this. I was like we cannot do these silent auctions because what it creates is superficial demand. Like people think that there's going to be 20 bids. This is where it gets shady. A real estate agent could say, “Yeah. Well, there were 50 people who came to the open house,” which could be true. But are all those people going to make bids? No. But you have it in your mind that you're competing against 49 other people. So you're going to inflate in your mind like the price of the home and what you think it'll sell for.

True story, there are people in our neighborhood that got accepted offers on homes, home sellers, and then they come to me and say, “Farnoosh, would you believe the difference between bid number one and bid number two was \$250,000?” So the person who got the home paid over \$250,000 more than the person behind them who made a bid. How is that right? It's not.

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AFG: It's not right.

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FT: It's going to create a nightmare for that new homeowner because that price is not going to sustain. They're going to be already in the hole before they move in. That is what's happening. I think like we need to get in and regulate, regulate.

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AFG: Like what is the value of that home? Not the 250 more. Yeah.

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FT: No, no. It's just because it was hyped up, and that person got scared. It's not right. It's not right. I want to talk before you go about health insurance because this is another hot topic that comes up on our show a lot. Even if you have good insurance, it's just one of those things where you're so scared to when you get admitted into a hospital because you have no idea if your insurance is actually going to come through for you. What's your advice? Anything new you learned in exploring health insurance and health care, especially now in the COVID era, the pandemic era?

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AFG: Yeah. I think something that I've learned in writing the book and just in my personal experience with health insurance is that I used to think that bills were just what they are, and they're not. If you call up and ask questions, or if the bills not matching what you think your coverage is, like there is opportunity to negotiate. There's opportunity to correct errors. So in people's free time, since everybody has so much free time to just call insurance companies or hospitals and talk through this, but especially for big bills where you think there's an error or you think there's opportunity to get the bill down, there's a section in the book called don't be afraid to fight. It doesn't have to be like a screaming, fighting. But just more like I want to understand this. Is there – I think our assistance program, so anyone can apply. You might not qualify, but it's worth checking, especially if it feels like the bill is a high proportion of your income.

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FT: Well, I want to leave more for our listeners to go and grab the book, and congratulations. It's out now. It's been out. This is airing, and the book has come out just recently. But I do think this is should be a staple on everyone's bookshelves. Like 20 years ago, there was a book about how to be a financial adult, but that was for a different generation, a different time. I feel like this is the new generation's must have book on your shelf, on your coffee table. Gift it to your friends. Ashley Feinstein Gerstley, thank you so much and congrats again.

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AFG: Thank you. Oh, that means so much. I really appreciate it.

[END OF INTERVIEW]

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FT: Thanks so much to Ashley for joining us. Learn more about her book at financialadultingbook.com. Perfect for anyone looking to get a firm handle on their personal finances. Coming up on Friday, we're answering your money questions related to financial planning, brought to us by our partner this month, Prudential, as we celebrate Women's History Month. Thanks for tuning in, and I hope your day is So Money.

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