

EPISODE 1430

[00:00:00]

FT: So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1430, Vanessa Menchaca -Wachtmeister, travel tech professional and creator of Wander Onwards.

*“**VMW:** Historically, I've never had a dime, so there's a part of me that wants to prove to myself like you can do this. You can overcome generational wealth gaps to put the next generation in a better position.”*

[INTRO]

[00:00:56]

FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. We are in conversation today with Vanessa Menchaca-Wachtmeister, a NextUp honoree who skipped law school, went against her parents' dreams, and leveraged her background in tech to develop more than 10 income streams. She is a Mexican American living in Germany by way of China and the UK. Vanessa turned her love of travel into Wander Onwards, a business that now helps people live, work, and get rich abroad. She and I talk about the cultural differences that she has seen around money through all of her travels, how she doubled her income from one job switch, and how to logistically live abroad when you're an American citizen. Here's Vanessa Menchaca-Wachtmeister.

[INTERVIEW]

[00:01:41]

FT: Vanessa Menchaca-Wachtmeister, welcome to So Money.

[00:01:45]

VMW: Thanks for having me. I've been a longtime follower, first time a guest. So I appreciate it.

[00:01:51]

FT: Always, always a pleasure to have you, someone who's so accomplished, on the show, particularly somebody who's also a fan. Double win. But, Vanessa, you were also a NextUp honoree. Congratulations.

[00:02:03]

VMW: Thank you. It means so much to me to be like recognized for my work and money, given that I was never taught anything about money when I was younger or study it. So if your dream is to be a financial influencer, y'all, get started today.

[00:02:17]

FT: I think that's a lot of us, Vanessa. A lot of us didn't learn about money. We continue to struggle. You've figured out an incredible plan for yourself, and you're teaching your ways to a lot of followers, particularly Latina women. This is an important community for you. Maybe we can start with the beginnings of the time in your life when you were struggling carrying debt, and you had done all the "right things."

I hear this a lot from those who are either in the FIRE movement like you are or just have come on to the other side of their financial equation. They started with being in debt. It wasn't really because they went out and bought all the unnecessary things. They invested in education. They took out student loans. They followed their parents' advice. Their parents only wanted to help them and yet. So tell us about the before times, when you were \$150,000 in debt and really just trying to figure out things for yourself.

[00:03:13]

VMW: Yeah. Fortunately, I was only \$110,000 in debt.

[00:03:17]

FT: We like to inflate things on this podcast.

[00:03:20]

VMW: Well, the question was do I take another 150,000 in debt to go to law school? Or do I figure out who I am beyond the straight A student that always did what mommy, daddy, and society told her to do? I chose to throw a bomb in my life and sell all my stuff, breakup with my boyfriend, and move to China as a 21-year-old by myself.

[00:03:43]

FT: Okay. What were the voices in your head? Okay. Because I get like maybe not going to law school, but it was almost like you were looking for an eat, pray, love moment.

[00:03:54]

VMW: 100%. I felt like something deep in my core coming back to the, "We did everything right," nonsense that we're sold. I had done everything right, and I was looking at yet another hill to overcome, where it's not just the money standpoint because the 150 was only for tuition. It didn't cover any like lifestyle costs or like cost of living. So I really looked inward, knowing that I would be, once again, one of the only Latinas in a higher education but even in a smaller pool now. Is this really for me long term? Or is there something else that I'm meant to do?

That was the question that allowed me to like put the blinders on and stop thinking about what my professor said, what all my friends say. I literally had a whole capstone classroom of my peers saying, "You're crazy. You're wasting your education. You are a disappointment to society and your parents." Actually, a couple of them followed up with me like several years later, and they're like, "You were right. I did everything wrong. You were right to follow your dreams, and now I'm in \$300,000 worth of debt and have no idea what to do."

[00:05:02]

FT: You went to China. How did you come up with that plan? How did you afford that plan?

[00:05:07]

VMW: So I grew up in an all-Chinese neighborhood in Los Angeles. So I felt more comfortable moving to China than I did Boston, where I went for my degree. So I kind of just wanted to figure out like what's going on with this culture that I've lived in all my life and like let's find out more about it. Let's go study Chinese. I was able to do that because I took a job as a English teacher, which they pay for your flights, your accommodation. You get about 1,000 to 1,500 dollars a month as a living stipend. That was enough for me to move there, travel regularly, and live a really comfortable life.

[00:05:45]

FT: That's a really cool thing. I've heard people do that. I really think that that's such a wise way to invest your time when you are in this place of uncertainty. Do I plunk down six figures in a degree that I'm not really sure I want? I mean, it seems like a safe bet. It may seem like radical. But in hindsight, a safe bet to go to China, where they're going to pay for you to come there. Then you can travel and kind of have time with yourself and get all those voices out of your head.

[00:06:14]

VMW: Exactly. It was like a maintenance decision. I wasn't going to be making millions in generational wealth there, but I could maintain the lifestyle I was accustomed to, while I figured out all these internal questions in my mind. So if you are young, single, and childless, get out there in the world. Go figure out who you are, when you strip yourself of all privileges, language comprehension, and opportunity, and see what happens.

[00:06:39]

FT: I was reading a statistic that the average Latina earns 55 cents for every dollar made by a white man. It's the largest pay gap among women in all other racial and ethnic groups. That's according to the National Women's Law Center. You are doing very well now, but you had to start from somewhere. What's your advice for someone who feels sort of stuck and systemically challenged? They can't get financially ahead because they didn't get the literacy. They're not getting the job. They're not being taken seriously at work, etc., etc. How do you actually break through those barriers?

[00:07:16]

VMW: Well, the first job is the hardest. The first job I got in London took me 250 applications, and it was for 30,000 pounds a year. So that's not a lot of money in the UK to live off of. But after I got that, the next most important thing that you can do for yourself is leave. You need to be changing jobs or companies every two to three years if you want to take advantage of that pay scale progression. Otherwise, internally, the average that you could expect to get for promotions is about 10 to 15 percent, and they will make you feel bad for every single percentage.

[00:07:56]

FT: Wow, that's so true. You're living in Berlin now. Tell us about your life since moving to China and then going to London for – How, first of all, did you get an opportunity to stay abroad for so long? Like that's a logistically difficult thing. We can talk about that too, but maybe discuss that journey from early 20s to now you're 31. So like that 10 years has made an incredible difference. You're headed towards retiring early. But tell us how you made the most of those 10 years financially. You jumped jobs I hear. You didn't go to law school, which was probably the biggest **[inaudible 00:08:34]**. But how did you ultimately start to build wealth?

[00:08:39]

VMW: So let's come to the visa question first. So if you've never like lived in a different country, in order to do that, you need some sort of visa that allows you to participate in the labor market. So in China, I was on a work visa when I was teaching English. Then I was on a student visa

when I was studying Chinese, which also had a work allowance. When I moved to London, I was doing my master's in economics and Chinese. So I got a two-year student visa with work flexibility for two years and a half because they give you six months to find a job.

Then at the end of that visa, I was fortunate enough to marry my wonderful husband, who's a German national. Through the EEA Agreement, it allows European nationals' spouses to stay and work in London. That's also how I've gotten to Germany as well. However, I work for a fortune 500 company, and they would be willing to sponsor me for these moves.

[00:09:35]

FT: Gotcha. All right. So we figured that out. Thank you because I think some of us are interested, and we're looking across the ocean, and we're going, "You know what? Do you think –" I mean, you've learned a lot about the differences throughout your travels. There are so many differences culturally. But financially too, there are a lot of differences in how countries go about whether it's individuals managing their money or just the systems that they have around money in the countries.

What can Americans learn? What have been sort of the best experiences that you've had? What have you learned a lot about money in all your time abroad?

[00:10:15]

VMW: So I actually wrote an article for NextAdvisor about this, like the different pillars of personal finance in these three different countries. But I think the most important pillar is that America is not a representation of how much the average person is using to get by in the world. Like the cost of living varies so dramatically. I spent like \$27 at Whole Foods for a box of vegetables. I'm currently getting trolled about that on TikTok. People are like, "You dumb, dumb. It's Whole Foods. It's whole paycheck," blah, blah.

But in Germany, my cost of living for one week of grocery shopping for two people is like 50 Euro. My rent for a beautiful 1,200 square meter apartment is 2,000 Euro. So once you leave

America, you start to realize that there's a very different standard and quality of life outside of America for a fraction of the cost.

[00:11:11]

FT: Why is that? Some would point to things like, well, they pay more in taxes. So they are paying for it in some way.

[00:11:20]

VMW: Totally. But I actually ran the numbers for a video I made, and people in New York, at the same salary range that I'm currently making in Berlin, are paying nearly equal to what I pay in taxes in Berlin. There's only a \$280 difference. So with my money, I get access to universal health care. I get access to education. I'm doing an integration language course for like 200 bucks. Thanks to the German government. Appreciate you. Shout out. There are so many other different benefits because the government subsidizes these opportunities for people so that they can live a much more comfortable and happy lifestyle that's equal amongst its civilian citizens. There we go.

I talk a lot about pensions on Wander Onwards because in Germany, we still have a government-funded pension. Based off of how many points you accumulate, you're guaranteed a certain amount of money until you die of natural causes and with universal health care. Who knows when that's going to be? So I can actually rely on the government pensions, in addition to my private accounts, and just feel a lot more calm and secure in my decision making.

[00:12:35]

FT: So then going back to building wealth, what are some other ways that you have jumpstarted your savings and investments? I know that you also wrote a piece for NextAdvisor called Negotiate Like a White Man, how you doubled your salary in two years. Was that mainly a factor of switching jobs? I have to think that you also were a pretty good negotiator.

[00:12:54]

VMW: Well, I did work my entire life to become a lawyer. So –

[00:12:59]

FT: [inaudible 00:12:59].

[00:13:00]

VMW: I have a foundation. Actually, my job paid for me to go to negotiation training at LSE in London. So that's when I figured out how levers of persuasion work. What that means is there are certain pieces on a chessboard that is important to your employer over other things. So if you understand how the opposition works, you can open with an offer that is potentially – I like to give my first offer as what I want in the perfect scenario. Then allow them to negotiate you down, but still understand which lever to pull to ultimately get your best-case scenario, while still leaving the other party feeling like they got something in return.

[00:13:43]

FT: All right. So break that down for us. Put that like in a real example.

[00:13:48]

VMW: Okay. So the reference I was making to was when I had to do the hardest negotiation, where I didn't really have any pieces on my side. But I knew that my skill set could not be replicated, and I felt confident going in there. So the first thing I opened with is I want you to pay for my move to Germany, and I want a 10k salary increase with this flexibility in this new job. They said no to all three, and I said, "Well, I'm not coming to this new job. I don't need it. I work already over here. But you can't find someone that has German experience and API experience for that price point, and come back to the table once you're ready to negotiate." So they did.

[00:14:33]

FT: How much time went by?

[00:14:35]

VMW: I was able to push that through in two weeks because I was also working on a competing offer from another large tech company. That was scary enough for them to take it seriously. I also made a huge jump in 2021, where I got a 30k increase because I brought a second offer to the table with a competing company, and I asked for a remote contract and that 30,000 raise because I knew from the data that I was being underpaid. Someone slipped me some pay scales at the company. Shout out to my anonymous source. By using my environment, my mentors, my knowledge of the company, I was able to trap them into the offer that I wanted.

[00:15:22]

FT: Trap. I hear this, and I'm like, "Wow, that sounds so intrepid," and it is. But yet the article is called like Do It Like the White Men. Is this really common? Did you get any blowback?

[00:15:36]

VMW: Yeah. I mean, it was a little awkward with the hiring manager for a few days, but then like it all smoothed over once I started performing well. Also, I'm a very direct communicator, which I feel is like a reflection of what straight white men do in the professional space as well. So there's not as many like nuances and questions left on the table once I go to negotiate.

Just a side comment, I actually didn't write that article specifically. I said that comment in a webinar that I was hosting with some other wonderful ladies. That article actually got me into some trouble but rightfully so. My company supports the type of person that I am professionally online and the messages that I speak about, so just a little caveat to people when they start going on more public spaces as an influencer.

[00:16:29]

FT: I'll put that link in our show notes so that people can read the whole thing. All right. So you want to retire or you want to have a million dollars saved by early 40s. What are you doing to get there? How are you investing?

[00:16:44]

VMW: So I'm investing 40% of my take home pay per month here in Germany. Fortunately, I make six figures in a low-income environment like Berlin, where the average family, I believe, has like 40,000 before tax. So like that's a huge step up in my ability to save and invest. I also have a company pension that I contribute to. I have the government pension, which is contributed not by choice. I have to do it. Then I have Wander Onwards and all of the income that I gained from my side business that I can put in a 401(k) that the German government recognizes as a legitimate investment account and then lowers my taxable income responsibility.

[00:17:30]

FT: Wow. What has it been like to sort of have a public platform now? You've been doing this on your own, and now you're giving advice. What is your community teaching you about personal finance, things that maybe you hadn't considered that you're now looking into, or it's giving you a new perspective?

[00:17:48]

VMW: Probably that personal finance is so much more than numbers. It's about culture. It's about history. It's about expectations that come with being a brown woman, a black woman, any sort of like subsection of society. A lot of the personal finance content is like, "The numbers say this and if you add the math." But that's not the reality for a lot of people, and I think that's what makes Wander Onwards particularly special because there is a lens of what it means to be an immigrant, whether abroad or in the United States.

Then, of course, what sort of roles and responsibilities you play as a woman of color, as an immigrant, in your particular culture and society. So lots of nuances. I've had to really reflect on

that because I want to give practical advice and not just reflections on like my experience because that's not the same for everyone.

[00:18:42]

FT: You have 10 streams of income.

[00:18:44]

VMW: I do.

[00:18:45]

FT: Did I read that right?

[00:18:47]

VMW: Yes, I do. I mean, not all of them are making 50k a year. But depending on what my business goals are, I focus on some over others. Wander Onwards has doubled its income revenue year on year for the last three years. So that's pretty exciting.

[00:19:05]

FT: You mentioned TikTok. Is that the – I mean, I'm hanging out there a little bit, but I have to say it's quite exhausting and very easy to give up. How do I stay motivated?

[00:19:16]

VMW: I think just finding your community and the right for you page setup. So what a for you page is, it's the algorithm saying, "This is what Vanessa loves and wants to know more about." You can manipulate that by liking and downloading. This is really important, guys. Not just leaving comments. You need to download/save these videos that you prefer, so the algorithm knows that it's something to continue to bring back.

[00:19:44]

FT: Downloading video, though. Like that's so weird. Who would think to do that? How did you figure that out?

[00:19:50]

VMW: Well, I work in tech. Yeah, I know how to manipulate these algorithms. Actually, if you really want to throw Google off, you can like put a bunch of things private or like save a bunch of random websites. Then they all of a sudden think you're like a middle-aged man in the Midwest like I've made it. So my ads are all fucked up, but that's okay because I want to limit the amount of access that they have to me.

[00:20:15]

FT: Why is it important to you to retire early? It sounds great on paper like, "Yeah, I don't want to work forever or be tethered to an employer's expectations and be on someone else's time and schedule." Get that. But there's also – It sounds like you really enjoy what you do, and you really enjoy making money. So why put that added pressure to save so much so quickly?

[00:20:39]

VMW: I think it's because, historically, I've never had a dime. So there's a part of me that wants to prove to myself like you can do this. You can overcome generational wealth gaps to put the next generation in a better position. But also, I'm a bit unhinged. I want to start doing all of the villain era things that in my heart I would never publicize, until I have that like monetary cushion set up. But when you speak about immigration as a topic, that is my life's passion and calling because I've almost been deported from every single country I've moved to. So once that bank account is filled, she will be unhinged and parading in the streets, fighting for immigration rights.

[00:21:24]

FT: Villain era. Is that like the new bucket list that is rebranded like, “No, don't just put it in a bucket list. Put it in a villain era jar.”? Tell us what you got planned. I need to prepare for this, I think.

[00:21:38]

VMW: Yeah. Well, so I build platforms with APIs at my full-time job. So my ambition is to make the immigration system more accessible, transparent, and like quick. So I would like to build a platform that helps move people through immigration and tax in a more transparent way. Then I will lease that SaaS technology to governments, to consultancies. I'm going to store information encrypted through blockchain as well. So like if you're running away from a country that's collapsing, like we can store your data in a confidential way that we can access and verify at a later point.

Anyone who goes after something like this is always villainified like, “Immigrants are taking our jobs,” blah, blah. Villain era. That's why I call it that. I will be unhinged. You can't tell me nothing because I have a bank account to back me. Then I'm going to bring down the systems that oppressed me.

[00:22:35]

FT: That is hot. I like that so much. Well, let us know when you do that and how we can support you. So to wrap here, we started by talking about law school. I think for sure there's been misguidance there, and so many people end up going to law school for the wrong reasons and then getting so indebted. But we still need lawyers in society. We still need lawmakers. We still need people to look through the world through the lens of lawfulness.

So what's your advice to somebody who's at that juncture, who was you 10 years ago, contemplating that? They may or may not have the pressure of society, but they just feel like, “I think it's a good cause. I know it's going to be expensive, but I feel like I could really make a good living out of this.” How do you know with certainty that this is the right move?

[00:23:28]

VMW: I think you should get experience in that field, whether that's working for an NGO, paralegalling, any way to get your foot through the door to give you at least a year of experience, so you can say with confidence, "This is my calling, and this is my passion." Because that's something you can't replicate. You cannot replicate intention and passion and purpose. If the answer is no and you decide to go somewhere else, you just saved yourself \$150,000. So follow me for more financial advice.

[00:23:58]

FT: We shall. Thank you so, so much, Vanessa Menchaca-Wachtmeister. Did I say that right?

[00:24:04]

VMW: Perfect. You nailed it. If you ever want to speak German, you can always text me.

[00:24:08]

FT: Oh, my gosh. You know my husband's – Well, he's not first generation but his 23andMe is like a lot of Germany.

[00:24:19]

VMW: Well, maybe he can trace back like a passport, and then that can be your way into Germany. You call me when it's time to apply for your visa. I will give you a great price.

[00:24:29]

FT: All right. Always here, always here for us, Vanessa. Thank you so much and wishing you continued success. This business plan sounds fantastic. Much needed. We are here to support you.

[00:24:41]

VMW: Thanks so much. I really appreciate you bringing me on the show, and I will see you on the Internet.

[END OF INTERVIEW]

[00:24:47]

FT: Thanks to Vanessa for joining us. To follow Vanessa, visit our links in the show notes. Be back here on Friday for Ask Farnoosh, all things Social Security. Oh, yeah. It's going to be sexy. Stay tuned. I hope your day is So Money.

[END]