

EPISODE 1437

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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 1437, Ask Farnoosh.

[INTRO]

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FT: Welcome to So Money, everybody. It's Farnoosh, and I am back from Paris, officially. It is Friday, November 18th, 2022. I missed you. Did you miss me? Well, hopefully not because we continued to air fresh episodes, all while I was away in Paris. I'm here to give you some financial tips from, of course, right? I mean, I'll tell you generally how the trip went. It wasn't without its fair share of meltdowns from the kids and some travel mishaps. Like when we got off the plane at Charles de Gaulle at 7:00 AM in the morning on Sunday, after a overnight flight, well, I should mention, my daughter threw up like 20 minutes before the flight landed, just decided to throw up. She's five, and I hadn't packed all the things because I thought I was beyond that stage, right? Like that might happen with a toddler, but a five-year-old.

So luckily, we had some carryon bags with some clothes, and so we quickly changed her and just tossed her clothes in a trash bag because you can't keep vomit out in the open for too long on a plane. You start to bother your neighbors. So that happened and then we land and we think we've gone through the worst of it. We get to customs. They ask for the passports, naturally. I pull out not four but only three passports. My husband's passport is missing in my fanny pack. Yes, fashionable, but a fanny pack.

I turned to him in. I'm like, "Where's – What – Do you have your passport?" He's like, "No, I gave it to you." I'm like, "No, you took it right before we boarded because you had to check in, and you needed your passport." He goes, "Oh, my God. Did I leave it at the gate in Newark?" I was like, "Okay, what is happening," right? Like we're foggy because we haven't slept. We're in a foreign country. How are we going to leave customs if you don't have your passport? What do

we do? I didn't have enough time to Google that in this panic, like what's next. So the customs people were very nice. They said, "Just go back to your plane. Maybe it's on your plane." So we ran back up to the plane. I found a very friendly flight attendant. She went back on the plane for us, found his passport, had fallen through the cracks of his seat." Ah, I was like, "Please let this be the last thing that gives us near heart attacks on this trip."

Luckily, nothing was worse than that. But there were mornings following that, where we were still extremely jet lagged, especially the kids, and getting up and going. Pro tip, do not book any tours before noon within the first 48 hours of landing in a foreign country, where you are many, many hours ahead. I mean, we – Not knowing this booked a 9:00 AM, or is it 9:30 AM, tour at the Louvre, and our group, which consisted of my family and another family, we all overslept, somehow. We had alarms set, but we like slept through the alarms. We rushed to the Louvre. It was home alone, family trying to get to the airport.

We finally got there like at 9:32. Of course, we couldn't find our guide. So I'm asking all these other guides like, "Do you know where this guide is with this company" He goes, "Oh, yeah. Just go downstairs. I saw her. She's downstairs. She told me to tell you to go downstairs." We went downstairs. She wasn't there. By now, we've probably missed the tour. Indeed, we had. She had left without us. Not even a text. That was no fun. Our fault, we were late.

But I also learned a few financial tricks. While you are planning your trip to Paris or an EU country, I think these would apply wherever you go in the EU. So I wrote about this for CNET. It's my Hot Mic column of the week. I'll put the link in our show notes, but some of the top financial tips from the trip. Ready? Go in November. That's an obvious one maybe. But the offseason, which is November to March in many tourist heavy countries, France and Italy and the UK, try to go November, December, January, February, March, excluding holiday weeks because this is not when most people think about going on a vacation, right?

I know it's a tricky time because of school and work. But in our case, our school district was actually closed for most of last week when we were gone. I made sure to vote, of course, before I left because it would have meant missing Election Day. But I'm telling you, you're not going to see any lines at the Eiffel Tower, the Louvre, restaurants. You can just walk in most cases. We got to the Louvre, and I didn't trust that we were at the right entrance because I didn't see

hundreds of people. I saw the security guards and a rope. I was like, "This can't be it. This cannot be it," and it was.

The other thing I want to prep you on is the VAT tax, which is now 20% on all retail items that you purchase. It's a very big tax that is known as the value-added tax. It's 20%. The better news is that as a US visitor, you can actually reclaim that 20% tax when you spend more than \$100 on a single piece of merchandise like a clothing item or something else. However, getting that refund is not straightforward, to put it gently. There are many steps you have to take prior to departing to go home.

First, you have to get a tax refund form from the retailer, and you have to show your passport. Some stores require your actual passport. Others will just take a photo. Then you go to the airport before your flight, before you check in. I'm talking before you go through security. You must find this kiosk. It's called the PABLO kiosk. You must, at that point, scan the barcode on your form and get it approved. If it's not approved, then you have to go through customs and all of that. Once you get closer to your gate, you have to go to the VAT office, where they will review your forms in person, and then you probably then have to mail in your forms.

But if it's verified at the PABLO kiosk, you're good to go. Your refund should come in the mail, or your refund will go back on your credit card. If you want cash, you can also go to the VAT office, where you go to your gate, and they can often do it for you there. But you have to make time for this, and I did not know about this kiosk, at least the location of it. I thought it was going to be after check in. I thought I could go to the VAT office and just do it there. Nope. Once I got to the VAT office, after checking in through customs, they said, "You have to go back to the kiosk downstairs." Then that means I have to go through the whole checkout process again. They said, "Yep."

So here I am like doing the calculation in my head. I'm like, "Okay, this is going to take 30 minutes. Is it worth it?" The answer was yes because I was getting back, I think, \$200. So I was like, "You know what? I'll walk 30 minutes. Get my steps in for \$200." Luckily, I had the time but barely. I made it back with 20 more minutes till we boarded. I wasn't the only one who had to do this. There were many disgruntled passengers before and after me, who were as confused as I was.

The problem too was that when I got to the airport before I checked in, I asked an airport worker, "Where do I find this kiosk?" They're like, "Don't worry. Just go to the VAT office after you check in." I was like, "Okay, that makes sense." They were wrong too. This was not a fun way to end the trip, let me tell you. Know about this VAT tax refund, which is cool, but know also the hurdles you might have to go through to get it. I was convinced that the system is set up for you to fail because they want to make it as hard as possible to give you back your money. Call me a conspiracy theorist.

Also, I want to bring your attention to Airbnb Experiences. They're not paying me to tell you about this, but I got really lucky with some guides on Airbnb Experiences. We also rented an Airbnb, but I didn't know you could also book locals to take you around the city. They'll chauffeur you. They'll put you on their boats. They'll invite you into their homes and cook you an original meal. What I liked most about the Airbnb Experiences, as opposed to, say, the Louvre guide that I booked, was that you have direct contact with your tour guide ahead of the tour. So if you're running late or you're trying to find them, you can text them.

Whereas with the Louvre guide, I just had an 800 number, and I could only speak to a dispatcher. I couldn't actually like text my guide and say, "Hi, we're here. We're lost. Where are you?" I do believe that that cost us because we missed her, and she didn't have a way to reach us as well. It might be a little bit more to book through Airbnb Experiences, but well worth the ticket. We booked one to go to Versailles, and it was Paolo. He was fantastic. He booked the car. He got the tickets. Once we were there, he had an iPad to walk us through all of the before and afters of the Versailles. He was super great with kids. If you want his contact, if you want his link, let me know.

But you can also read my article on CNET Money, where I link to his page on Airbnb and so many of the other tips that I share from my time abroad with my family. I got to say the best part of the trip was just seeing the city through my kids' eyes, and you can probably guess who was more into it, right? Colette, for sure. My daughter was way more game for all the walking and doing and seeing. My son was into it but not as much as my daughter Colette, of course. She found her name written on a street sign. She thought it was so cool. My son was feeling a little

bit left out about that. His name is Evan. So he decided that the Evian water bottles were the French translation of his name, and I just nodded and agreed. I said, “You're absolutely right.”

That is a wrap. Paris is a wrap. Now, if you missed any of our episodes while I was away, please go back and check them out. On Monday, I spoke with Andresa Guidelli, who is the co-founder of a very popular community called Real Estate InvestHER, and we talked about how investing in real estate can be respite for women who are looking for not just financial independence but ownership in their lives, particularly women who may have come out of bad relationships, trauma in their lives. For her, she has a very personal story about how real estate was catharsis for her. Now, she guides women through their own real estate journeys, just a really great conversation with Andresa.

Then on Wednesday, we've revisited our financial fears. My guest, Hadley Hagen, is a nervous system educator and money coach, and she talked about the connection between money and our bodies and how to listen to our fears, something that I encourage and why it's important, what the science tells us about our financial fears.

All right, shifting gears to holiday shopping, and what I hope is going to be on your holiday shopping list is the So Money 2023 Page-A-Day Calendar, and the calendar makes a great gift, whether for that special young person in your life or a friend who is so money. I'll put the link for the calendar in the show notes. By the way, 30% off if you buy the calendar now through the end of the month on workman.com, using the code cyber 22. That's cyber 22 for 30% off when you buy the calendar on workman.com.

All right, let's go to the iTunes review section to see who left review and, in the spirit of giving, give that person a free 15-minute money session with me. Okay. So most recently, we had a review from Bianka51, who really enjoyed some commentary recently on this show about kindergarten. So here's the review. “Farnoosh, I so love your podcast on October 28th, when you started out by describing your experience in your child's kindergarten classroom. As a kindergarten teacher of 35 years, I just chuckled out loud at your comments. It truly made me reminisce about all of my cherished memories in my kindergarten classroom. I have listened to you for many years, and I always appreciate how you bring such a personalized touch to your

great financial advice. Keep up the great work and know that your influence has made a significant difference in many people's lives. With love and gratitude, Maureen.”

Thank you so much for your really kind words, and I meant every word of that kindergarten commentary when I recently went to my daughter's classroom and volunteered for just an hour, and it was a workout, a mental workout, and sort of a physical one too, but mostly a mental one. But I will do it again, and I so appreciate all of the teachers out there, particularly the ones who are looking after our little kids. Maureen, to get in touch, just email me, farnoosh@somoneypodcast.com. Let me know you left this review, and I will send a link where you can pick a time for us to chat. You can also direct message me if you're on Instagram, and let me know, again, that you are the Maureen that left this very, very nice review, and I will be in touch. Thank you.

Okay, time now, before we go to the big mailbag, for a Recession Help Desk question. Our friend Ricky writes in with a budgeting question. He says the following. “Farnoosh, I hope you had a fabulous time in Paris. I am 27, and I live in the DC area. Because I live in an expensive city, over half of my income goes towards necessities. As a result, it is hard for me to stick to my discretionary budget. Every few months, I rededicate myself to a budget. And then when push comes to shove, I pull out the old plastic credit card, leading to a cycle of overspending. Any tips for those of us who find it challenging to curb our spending?”

Yes, Ricky, I do. I do, for sure. Living in a high cost of living area, it really does weigh on your ability to have that discretionary income at the end of the month. While I'm going to give you some savings tips, I would also look at trying to bring in more money because sometimes you save as much as you can, and you try to curb spending as much as possible. But you're still left with not a lot to go around and to enjoy the city that you live in after all, right? You live in DC for a reason. The lifestyle, the restaurants, the museums, which I believe are free. But if you're going to be somewhere, you want to take advantage of being there, and sometimes that requires more money.

When I lived in New York City in my 20s, I had several side hustles. Without them, I for sure would have had way more credit card debt, and I would have had a much more miserable experience of living in New York. It's just the unfortunate truth when you live in a place like New

York or San Francisco, DC, even Austin now, right? These cities that were maybe a little bit more affordable 15 years ago, 10 years ago, and now are very, very difficult to afford. So making more money, let's not ignore that.

But in terms of just being a little bit less tempted to spend and pull out that credit card, I would say, you know what, maybe you got to go back to an old fashioned cash wallet. Cash stuffing is this big trend on TikTok. I've written about it. It's one financial trend that I can get behind that's on TikTok. I don't get behind a lot on TikTok. But this, I think, for those of us, especially where you're at, Ricky, where you're trying to save, but with that discretionary budget, it's getting tempting to pull out the credit card, plan your week. Include in that plan going out to eat or going out with friends. But plan for it with cash and try to just stick to the cash. Honestly, leave your credit cards at home. Unattach your credit cards to some of the online sites that just have them, and they get, oh, so easy to spend, including social media sites.

I will admit that I have my credit card attached to many retail sites, and I must say that whenever I have to pull out my credit card from my wallet to put down the card numbers into a website, thinking about doing that alone sometimes makes me go, "Oh, I'll get to this later." Then I never get to it and then I realize, "Oh, I didn't really even want that thing." So that's another tip. Put something in the cart, leave, and then don't go back to it for another 24 hours or 48 hours, and see if you actually really want it. Because what happens a lot of times is when we're in that shopping mode, in that spending mode, the dopamine levels increase, and it's really hard to make rational purchasing choices, so some separation from that online purchase.

Specifically, now we're talking about online purchases that might be causing some dependency on credit cards. Give yourself that space. So important to be doing this ahead of you next year when we think – When many economists and CEOs forecast that we're going to be, for sure, in a recession. If we keep following the jobs numbers and the layoffs, it does point to that.

All right, next up is JK, who wants to know my thoughts on robo-advisors. Which ones would you advise? If you don't have a specific recommendation, do you know of any great resource sites, where robo-advisors are ranked? Oh, do I JK? We at CNET have ranked them all, so I'll put that link in our show notes. But I do think that many robo-advisors tend to offer very similar services, where are they say, "Come to us. Give us your money. We'll invest it in a diversified

portfolio. And depending on your goals and your risk tolerance and a few other variables, we'll make sure that the portfolio aligns well." They'll charge a fee for this, of course, usually anywhere from .3 to .05 percent, which is lower than what you would pay a human being to do it. A real financial adviser typically charges one percent of your investments every year. So it is more affordable than working one-on-one with an advisor.

But the robo-advisors that I like best are the ones that offer the human touch. So you can automate your investments, great. A lot of times, they're investing for you in these low-fee index funds and ETFs. Again, that's pretty similar across the board. But where they sometimes differentiate is in the additional services they may provide like a robust customer service, a human financial advisor who can help answer questions, who may be able to take your portfolio and your financial plan to the next level, where they may be able to introduce you to some other products that you may want to consider like insurance, a college savings plan, other kinds of retirement savings vehicles. So ultimately, what they're offering is a hybrid experience.

That's what I still like because I'm a Gen Xer/millennial. So I find a lot of value in that human touch. I also appreciate and want to leverage the benefits of technology. But go to the CNET link. We've ranked them all there. What I've said on this show before is that while a lot of the services are the same and a lot of the fees tend to be the same, where you may find differentiation is the look and feel. Some robo-advisors are catering more to women. Others are catering more to entrepreneurs and freelancers. Others are catering more to families, and some are just more broad base. So depending on where you feel that connection is also where you might find a better fit. But explore. Check out the list. Always check for the fees. If they've got that added human advisor service, I like that. I think that's great. Okay, JK, thanks for the question.

Ann has a question and says, "My relative has moved to New York. She has consistent temp work in fashion media relations. As someone who has made it in financial media, Farnoosh, what advice can you give for someone looking for long-term employment in fashion media? Okay, so my advice, if you want to work long term in fashion media, is to establish relationships with the editors and the influencers who work in fashion. For someone who works in fashion PR, getting in touch with the media gatekeepers. Again, this is like the editor at Vogue, editors at Vogue, editors at Elle, online bloggers and influencers who cover fashion. This is who you have

to ultimately go to pitch your clients, whether that's a designer or someone else in fashion. So just following them for starters, getting to know them, learning about them, reaching out to them, if they're local to you.

You say she's in New York, great, the epicenter of US fashion. Reaching out to them and saying, "Hey, could we get coffee or lunch?" I mean, as a journalist, I think some of my best relationships with folks who are on the other side of things, those who work in PR, it's been a long road, right? We started with an email or an online connection. Then it turned into maybe getting a coffee. Then it turned into them asking me, "How can I help you, Farnoosh? Like what are you covering? What are the stories you want to pursue," so that they can go back to their pile of clients and go, "Okay, this is how we can help Farnoosh and maybe keeping an eye out for me."

So really looking at your role in PR as being in service of the media, as well as in service of your clients. You're creating this bridge, right? But creating and establishing relationships with those in the media, in fashion media, in your relative's case, is paramount to her success. What I would say is don't wait to build your client roster. Start maybe small. Start with somebody who doesn't have a huge budget, but you know you can get great results for, and then you start to build your portfolio. You start to build your client testimonials. You have to, essentially, approach this as an entrepreneur.

But really coming at this from a place of, "I want to help. I want to be in service of both my clients and the media," is a great foundation for building a long-term successful career in media relations. As you say, she's already doing temp work, so she's in it. She's in the industry. A lot easier to getting those coffees and getting people to respond to your emails when you have employment, when you have a name behind you for now. So take advantage and leverage the fact that you have a name behind you. Thanks for your question.

All right, next up is Betty, who wants to help her parents plan for a future retirement where they may have to work after 70 years of age. What to consider, Farnoosh? All right, so working after 70 is not unusual anymore. People really aren't retiring in the traditional sense of quitting working altogether, laying on a beach, playing golf all day. Listen, I feel for these retirees, right, especially the ones who are approaching retirement or are in it, where with inflation where it's

at, the cost of living, it's making it so their retirement dollars, the savings that they have accumulated for retirement just isn't going as far as they had hoped and planned. So maybe it means they have to continue working.

Some considerations, I mean, this is like I assume, Betty, your parents have not reached 70 yet. Maybe they're still in their 50s and 60s. So this is a good time to start thinking about what sort of work you want to be doing at 70 or beyond. Is the work that you're doing now fulfilling and the kind of work that you want to continue to do after 70? Or do you want to completely shift gears? If you want to shift gears, what do you do to kind of bridge that gap? Do you go and you take some classes? Do you get an apprenticeship? Do you consult and incorporate so that you can – Instead of working for an employer and offering your skills, you be the boss and do it as a consultant and get clients.

It's a great time to be thinking about this I'd say 10 years before you want to retire because then you can really plant some seeds. You can start to get some client work on the side now. Then in retirement, it becomes a more full-time thing. But listen, some retirees they just want to work in retail or do a 20-hour-a-week job that might be from home. So it's really about thinking, okay, what are their expenses going to be in retirement? If they have savings and they anticipate higher expenses, what is that gap, and how can they fill it? How many hours a week will this entail? What are they earning? From there, they can reverse engineer and say, "Okay. Well, these are like the jobs that would allow me to bring in this kind of money and not only this kind of money but the kind of work that I want to be doing."

So I think it really starts with just looking at the numbers. There are a lot of retirement calculators out there. Understanding what their Social Security paycheck is going to be. What their investments will yield them. If they were withdrawing, let's say, three or four percent annually, will they be downsizing? Then what will be their estimated monthly costs? They may have enough. If they fear they don't, then now's a good time to start thinking about job prospects.

Okay, and last but not least, a friend of mine asked over DMs on Instagram how to consolidate previous 401(k) from all the different jobs that he has had over like the last 20 years. I guess he's just been letting them sit idle in their accounts, which is fine. But you run the risk of losing

track, right? You run the risk of also not being able to continue contributing to those accounts, while they sit idle in their old plans. So I would say, if you like where you're investing today, the brokerage house, the robo-advisory that you're with today, then begin the rollover transfer.

This may take some time if you have several. But the process has been simplified over the years, and we've gone over the process on the show before but essentially filling out the forms. You're doing a direct transfer. In that way, everything is under one roof. This isn't something you have to do, but I think it can lend itself to more convenience, more organization, which is worth something.

That's our show, everybody. Thanks for tuning in. You may have noticed on Instagram, I've been doing many more reels, many more short videos because I just realized it's time. I need to up my social media game. I, funny enough, had a cold reach out from a So Money listener and fan who said, "I can do this for you. I can help you edit your videos." I think the timing of her DM was just right, and I was feeling it, and I said, "Let's do this," because I get requests like this all the time. I get a lot of people saying, "Oh, your social media, like we can help you grow it." But this was an authentic So Money listener. I'm going to shout out to Eva **[inaudible 00:26:57]**, who is keeping me accountable and making my videos look so fun and so great.

I have so much to be thankful for with this show like the listeners always keeping me, you guys and gals always delivering for me. Thank you. I hope you're enjoying the videos. I hope you have a wonderful weekend. I'll see you back here on Thanksgiving week. I hope your weekend is So Money.

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