

EPISODE 1459

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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 1459, how to make really good high stakes decisions this year, with Myra Strober and Abby Davisson, authors of the new book, *Money and Love: An Intelligent Roadmap for Life's Big Decisions*.

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[INTRO]

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FT: Welcome to So Money, everybody. We're kicking off a new week of the New Year by exploring what it takes to make a really good decision. This year, like any year, is going to be 365 days of us facing all sorts of decisions, big and small. But today, we're going to focus on those big ones like should I quit, should I take the new job, should I get married, get divorced, have kids, start a business, focus on maybe paying down debt instead of saving, all of these really high stakes decisions that at first can feel very paralyzing without a roadmap.

That's where my guests come in. My guests today are going to teach us how to make these very big important decisions with confidence and real alignment with who we are and our values. We're welcoming Stanford professor, Myra Strober, and social innovation leader, Abby Davisson. They are co-authors of a new book that comes out tomorrow. It's called *Money and Love: An Intelligent Roadmap for Life's Big Decisions*.

Myra and Abby and I, we talk about how to make the best decisions when, frankly, you are tired of making decisions. Decision fatigue is a real thing. How do we reconcile with it? How to know

who to consult with? Who are the real experts in our lives? The two authors have an original step-by-step method using what they call the five Cs, clarify, communicate, choices, check in, and consequences, to help us combine both head and heart in a balanced and fulfilling way. Here's Myra Strober and Abby Davisson.

[INTERVIEW]

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FT: Abby Davisson and Myra Strober, welcome to So Money. I'm really excited to dive into your new book, *Money and Love: An Intelligent Roadmap for Life's Biggest Decisions*. What a year it's going to be for big decisions. Welcome to the show.

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MS: Thank you.

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AD: We're excited to be here.

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FT: This book, when it came across my desk, the information about your book, I was so eager to connect with the two of you, especially in the context of what many are predicting is going to be a recession. There are still a lot of lingering economic insecurities from 2022, whether it's people who've lost their jobs or worried about losing their jobs, inflation. So we're going to talk about making big decisions, which includes money decisions, but also really decisions related to partnership and relationships and career.

You have, in your book, presented a formula, which is road-tested. Maybe we can start with the roots of this book and how you road-tested it. This started as a Stanford course.

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MS: So I taught this course at Stanford. I'm Myra, and I am the professor. Abby was a student in my class, as was her husband, who wasn't her husband then but became her husband. So they have road-tested the course in their lives personally. But I taught the course at Stanford for about 40 years. When I was about to retire, I had lunch with Abby and told her that I had been thinking about writing a book, now that I was no longer going to teach the class. I hadn't done anything about it. I was just thinking about writing a book. She said that she thought I needed an accountability partner to make sure that I write this book.

As soon as she said that, I thought, "No, what I need is a co-author. And, Abby, I need you to be my co-author." So right then and there at lunch at this beautiful little cafe outdoors, on a gorgeous August afternoon, I asked Abby to be my co-author, and she answered right away and said yes. So that's our origin. Then Abby can tell you a little bit about road-testing that.

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FT: Thank you. Abby, you took this with your husband. What was your expectation going into the program and to the course, and what were your results? What did you learn mostly?

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AD: Well, before I took the course, I was like many people in their early and mid-20s, finding myself really struggling, making the big life decisions that you make at that time. Should I move to this new city that I want to live in, even if I don't have a job? Or is this person that I'm dating someone I should be really serious about? Is this the one?

What I didn't know at the time, but was the light bulb moment in Myra's class, is that the reason I was struggling is that we are taught to make these decisions in a really flawed way. We're taught to think about money decisions with our head and be very logical about them. We're taught to think about relationship decisions with our heart and really compartmentalize them.

The truth is that all of life's biggest decisions involve both money and love. So this conventional wisdom to keep them separate does us a real disservice. So it was in Myra's class, as she mentioned, when I was – I took it with my then boyfriend. We met in business school. So we had been dating about a year at the time, and we were about to graduate, and we had to decide. Are we going to look for jobs in the same city? If we end up in that city, in the same city, are we going to live together?

These are really daunting discussions to have, even if you've had many more than just one year of a relationship under your belt. Myra's course forced us in a gentle and supportive way to have really scary conversations. That became the foundation and underpinning for what's now been 13 years of marriage, and two young kids, and multiple job and career changes. So she's right when she said we've really road-tested it, and it has not been a smooth road. It's been like a bumpy road. We've been in a jeep with potholes and mudslides. So we can very much attest to the fact that the framework works.

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FT: I want to touch on the thing that you said about the fear and how it's scary. What are people most afraid of when it comes to big decisions? Is it the regret? Is it the potential financial failure? Because often what you could see is someone – The absence of making a decision. They make no decision, which I always say is a decision. Not making a decision is actually a decision. You're not going to get away with it. But what is the fuel behind the fear?

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MS: People don't have a framework for doing this. It's all kind of revolving around their heads. Should I talk about x? Should I talk about y? Which one should I talk about first? How should I do it? When should I do it? So what the course has given them and now what the book gives people is a framework, a flexible but sturdy framework, for making these decisions.

What you need to do first, before you talk to anybody, especially someone that you're thinking you may be partners with for the rest of your life, is to clarify your own preferences, your own wishes, your own hopes and dreams so that you know what it is you want from a relationship

and you know what you want from your financial relationships. Why are you investing? Clarify what it is that you want from your partner, from your investments, from your life. What is it that you want?

Now, of course, you'll be changing your mind over time, especially as you listen to your partner or potential partner. But if you start out by yourself clarifying, that relieves some of the fear people have.

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FT: Right. I want to touch on this structure that you have created, this methodology, the five Cs. You touched on clarify. So important in the beginning of maybe making a decision about a relationship or a job or buying a home. Like what are your – I guess what I'm hearing from you is like understanding what your expectations are, what your needs are in any of those scenarios. You also talk about communication. Communicating is also important. Choices is the third C. Can you talk a little about what that entails? What are you encouraging people to explore there?

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MS: Well, let me just go back for one second to answer the question that I didn't really answer, which is what is it that people fear. I think they fear that they're going to make a big mistake. That the stakes are so high, and they're going to do it in some sense wrong. Then they're going to have regrets for some period of time, maybe even for the rest of their life. So that's what happens. People have very high stakes and no framework on which to hang their ideas.

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AD: And I would add, people don't like to sit in uncertainty, right? Humans have a bias for not being uncomfortable, which evolutionarily makes sense. We find ourselves when we're in the midst of these decisions in limbo, essentially. Kind of not – We want to get to the other side of the decision as quickly as possible, which is not always the best approach.

So to your question about choices, the reason that I love that particular step is that when we're in the midst of the decision, we get tunnel vision. So we tend to create these false binaries for ourselves. Should I marry this person, or should I break up with them? Should I splurge on this new car, or should I continue to take public transportation?

There are – The truth is a lot of places in between the two extremes that you can go. Frankly, the more choices that you have, the more that you're likely to find one that actually lets you have your cake and eat it too. So the idea behind the choices step is generating as many alternatives as possible so that you brought in your set of alternatives, and you're not thinking so narrowly about is it just A or is it B.

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FT: But you know, Abby, I've read a lot, and I'm sure you've come across this data, where too many choices can actually backfire. Where in this case, we're talking about maybe life's decisions and the different avenues we can pursue. But maybe I'm talking, I think, in the context of like consumer choices, where you walk into a department store, and there's 800 different like televisions or lipsticks. Or that actually we think that more choice equals more opportunity, and we feel a bit more empowered. We can choose something that really fits ourselves. But we're not really good at making decisions, and so that can sometimes, again, create paralysis. How do you kind of reconcile with that so that you're not overwhelming yourself with all these choices, possibilities?

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AD: No. It's such a good point, and definitely the paradox of choice is real. That's why the clarify step comes first, right? Rather than just saying, "Okay, what are all the possible choices? And how can I pursue all of them?" Before you even get to the stage of brainstorming choices, you do the really intense sometimes introspection that's required to say, "Actually, what are the choices and the dreams that I care about, not the ones that my parents maybe had for me, or that society tells me I should want, or that even all my friends are doing? But truly, in my heart of hearts," and often these are really linked to values, right? The personal values that you hold close. What are the things that are truly important to me?

Then that helps you cut through and call through some of those choices so that you're not trying to pursue all the jobs out there or date many, many people until you find the one, which we think is a false concept anyway.

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FT: I want to touch on some of the more the mistakes that we sometimes make when we're making decisions. So you mentioned, Abby, sometimes consulting with people that really don't have a stake in the matter. Like I have my brother. God bless him. He's a great decision maker, but sometimes he consults with like 20 different people over a decision that maybe he should just talk to one person or two people.

So how do we identify the right people to consult with? We shouldn't always turn to maybe our parents, right? Or our best friend. Because while they love us, maybe they don't understand what we're really – What our – They're not clear to use your formula on what is important to us. They're clear on what's important to them, and that can create confusion. So maybe, Myra, you can talk a little bit about that problem because I think so often, we lean on our loved ones for guidance. Where else should we best turn to?

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MS: This is a very important question about who you should use to check in with. I think you have to ask yourself exactly the kind of questions that you're suggesting. Does this person have such strong opinions about this and is a type of person not able to distinguish his own preferences from mine? But the other thing you have to do is tell the person that you're checking in with what your preferences are. Hopefully, it's a person who understands that we're talking about your preferences and not theirs.

That's why the clarify step is so important. Clarify what it is you want and then check in. But prior to that, you want to have communication with the person who's involved with you in this decision. So your potential partner, your spouse, if you're talking about how many children to have, and you want to get their opinion as well. So this is like a long term dance. You clarify your

opinion, and then your partner listens to that and, hopefully, has clarified his or her opinion. The two of you talk. As you talk, each of you might change your opinion based on what the other has to say.

So as Abby said, this is not something to get done by 11 o'clock in the morning. When you decide that you're going to have these conversations, you want to choose a time and a place where it's private, where you have enough time for each of you to say what it is you want to say. The main thing you want to do is listen. Listen. People think of communication as talking, but it's only partly talking. The other part is listening.

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FT: In your book, and I actually took the quiz on your website, and it turns out that I am – What is it? Let me see if I can find it. I'm a balanced decider, which I was pleased with. I don't know comparatively what that means. But I got the – As a result of taking your quiz, you sent me a list of sort of dos and don'ts when you're making decisions. One was do not make a decision urgently or without giving yourself proper time, which speaks to what you just said, Myra, about this isn't something to just sort of like rush to. Get it over by a deadline. These big decisions require nurturing and revisiting and all of that.

But I mean, let's just think about the pandemic, right? So many of us were forced to make really quick decisions out of necessity, out of health necessity, right? Moving away from an area that wasn't safe, for example. So any advice for when life does throw you a curveball, and you kind of have to make a really quick decision? Is there a shortcut or a shorthand for the five Cs? Or is there one really overarching C that you think can help you make those decisions when time doesn't feel like is on your side?

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AD: If there is an overarching C, it is clarify. I think the more that you know what's important to you and your values, the better off you are for every subsequent decision that comes after. But you're right that the pandemic forced us to make so many big decisions in rapid fire fashion, and that's why we're all collectively exhausted. I think that we are just still –

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FT: We don't want to make any more decisions.

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AD: Right.

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FT: We're really done.

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AD: Decision fatigue is real, and it keeps coming, right? We're just – Now that remote work is on the table, now that there are some other constraints that have been lifted, we do have a bit more space to step back and make some of those maybe decisions that weren't available to us before. But it's so important too to think about – Thinking back about your check-in question. What questions really do benefit from having more check-ins?

We know there's research, for example, that when you're looking for a job, it's our weak ties that help us, right? It's like your friend of a friend of a friend's dog walker's roommate because those are the people who are not in your circle, who know people you don't, and are – It's actually good to tell them the types of things you're looking for because they can give you new information.

There are other decisions, for example, like when to have a child, whether to have a child, whether to have more than one child, that you might not want to get your aunt's hairdresser's photographers put on, right? Like those are not helpful questions to get everyone to weigh in on. So thinking about the type of decision it is.

As a balanced decider yourself, it sounds like you have some experience leaning on others who have maybe done the research on something. Once you have someone whose advice and opinion you trust, you can actually use them as a bit of a shortcut to say like, “Help me understand how you thought about this question. It's not necessarily what should I do. But, okay, you made the decision to move recently. Help me understand how you thought about that. What were some of the criteria that you considered when you made that?”

So that can help get your wheels turning in a way that isn't asking them to weigh directly in on the particular question in your mind.

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FT: Yeah. I'm a member of a parent Facebook group in our community. While I love it, mostly just to read everybody else's issues and see, take inventory of everyone else's concerns, and maybe reference them later for myself. But I can see where, especially in the field of parenting, there are so many different points of view, different philosophies. Same with money, same with career, same – So while I appreciate community chat boards and social media for feedback and for insights, you have to take it with a grain of salt, right? You have to just sort of know that everyone's coming from a different vantage point.

I also want to hear what your thoughts are on consequences, which is the last of the Cs. I haven't read the book yet, but is that where you evaluate how things went, or you predict what the consequences are going to be. Some consequences you might be okay with. It's almost relative. What is your instruction around consequences?

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MS: Well, consequences looks like a pre-mortem, not a post-mortem. What we are suggesting you do is think about what are the likely consequences of the decision you are about to make. We suggest that you think about both the short-term consequences and the longer term consequences because they may not be the same.

So let's say you're thinking of moving to a new community to take a new job or not, and you have a child in elementary school. You think that this child is going to be very upset at the notion of leaving her friends and moving. Then you know that the school she's likely to go to in this new community is going to be a much better school than the one she's in now. So the short-term quant consequences are probably that she's going to be unhappy. The long-term consequences may be very positive. She may get a better education than she would have had you stayed.

So this is all to be considered in making the decision. One of the things we find in talking to people who have used this framework, especially my former students, is that using this framework and doing this kind of pre-mortem gives you confidence in your decision. If you've thought about what the likely consequences are, and you are accepting of those consequences to some degree, you have more confidence that you are making the right decision.

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FT: Is it to suggest that sometimes even when you anticipate failure, that sometimes a move is still worth it because you will learn a lot? Or it will almost like – I mean, anything could fail, right? A relationship could fail. A job prospect could fail. A business could fail. So we should really work, like almost envision that. We don't want to. We don't want to think about failure. But how do we work in our relationship with failure and the fear around failure into this decision making process? How do we –

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AD: You said before that life throws us curveballs all the time, which we certainly agree with, and we all saw very up close the last two years. So it's not to say that using this framework will be a silver bullet or a magic wand, and everything will go perfectly according to plan. I mean, far from it, that's certainly what we all know from experience.

But what we do know is that doing some of that pre-thinking, right? Imagining what could go wrong does help us create a plan B and a plan C and a plan D, which we often need to go to. But it also creates this sense of, okay, I've done my best, right? I have really done the work

required to make this decision in the best way possible. Now, I'm releasing myself from holding tight to the outcome, right?

Sometimes, I think when we jump into the decision and we make it in haste or out of fear or discomfort, like that's when we really need it to work. It's when we – When it doesn't work, that's what leads to regret. If you go in eyes wide open, and this was what was so beautiful about Myra's class, it was like all of these big life decisions that when you're early in life, you don't think about elder care, divorce. Like no one gets married thinking that they might, ultimately, get a divorce, but that sometimes it does happen.

By being prepared by hearing how other people have handled those situations, you have a bit more of a sense of what could happen. Therefore, you're actually more informed and more prepared for those possible results.

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MS: You're also more at peace with yourself because you've engaged in this process, and you know you've done your best. My father used to have a saying, which I still love, which is, “Do your best. Angels can't do better.” So when you've done your best to make this decision, go with it.

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FT: Yeah. I just want to say, it's very courageous to make a decision. It takes a lot, right? It takes a lot of faith. It takes a lot of study. It takes a lot of hope. You hope that maybe also you have a little bit of luck along the way. I think that's where the angels come in.

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AD: Certainly. I think putting your true wishes out there is very vulnerable.

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FT: Right? That's the word, yeah. It makes you vulnerable.

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AD: It makes you vulnerable. It makes it hard, even – When my husband and I were having these conversations to say like, “Yes, I do want to try to see what a life together would be like.” I mean, that's scary, even with somebody who you know also cares about you. So there is this sense of the fear comes from the vulnerability. The way that we can best manage that vulnerability is to be as thoughtful as possible in the way that we approach these decisions.

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FT: As you say, this is a flexible way to approach decision making, which I think is a breath of fresh air because we often think of decision making too as sort of like black or white, rigid. You make the decision, and you have to hope for the best. It's all out of your hands at that point, but that you really put the power back in the decision makers' hands to say like, “This is a journey.”

I love what you said, Myra, about this isn't like a decision that has a deadline. You have to make it and then give up on it. You have to really nurture it and keep revisiting it. I do think as parting advice for our listeners, who a lot of us are maybe in the earlier stages of our careers, that what you said about having that clarity and clarifying your values is hard when you're just starting out. Like a lot of times, I find that young people haven't done the homework of like figuring out what's important to them, exclusive of what is important to their friends and family and all the other influences because it can be really hard these days to feel independent and to be brave in that. So I guess that's why you put that first in the exercise.

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MS: It's got to be first.

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AD: I think there are some – Not to say tricks, but one thing that I actually love as a way to figure out what's important to you is pay attention to what you get angry about. Like what – When you're reading a story, are you – In a newspaper or on social media, you're like, “That's not okay. I'm really annoyed about that.” Like what is that that's touching a nerve that is connected to a value that you might hold really close?

For me, like that's always been about equity, so when things feel unfair or an equal. In Myra's class, I learned how people who work part-time make less per hour than people who work full-time, and they actually have fewer benefits and fewer opportunities to advance. That is not fair. So it's actually shaped how I continued my career after I had kids. I always thought I would work part-time once I had kids. That's what I saw my mom do.

But having this information in Myra's class made me realize no. Like I don't want to do that because that's not fair, and I shifted my whole approach to my career once I became a parent.

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FT: I appreciate that. Abby Davisson and Myra Strober, thank you so much for joining us. Your book, again, is called *Money and Love: An Intelligent Roadmap for Life's Biggest Decisions*. Everybody can learn more at moneylovebook.com, and take that quiz. That was interesting. I learned a little bit about myself, and I was stuck on some of those questions. I don't think I've really thought deeply about how I do make decisions, but it's worth the exercise. Thank you.

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AD: Thanks so much, Farnoosh.

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MS: Thank you.

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FT: Thanks so much to Myra and Abby for joining us. Again, their book is called *Money and Love: An Intelligent Roadmap for Life's Biggest Decisions*. You can learn more about their work and the book at moneylovebook.com. I'll see you back here on Wednesday, and I hope your day is So Money.

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