

**EPISODE 1518**

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**FT:** So Money episode 1518, Ask Farnoosh.

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. Happy early Memorial Day weekend. I hope you're on your way to something fun, something relaxing. Or you're like me, and you're still at home and plan to be for the next three days, although we are inviting some friends over. I'm going to have, what now, five children under the age of nine in my home for a good bit. So thoughts and prayers are welcome.

In this episode, you'll notice the time code. It's a quickie. It's a quick one because I want to get us out enjoying the weekend but didn't want to go a Friday without answering some of your money questions. Remember, the best way to send your questions to me, there's a few avenues. You can email me, [farnoosh@somoneypodcast.com](mailto:farnoosh@somoneypodcast.com). You can go to the website at [somoneypodcast.com](http://somoneypodcast.com). Click on Ask Farnoosh and send in your submissions there.

You can also direct message me on Instagram, yes, where I'm spending too much time these days. But it's kind of the job, and I like it. It's fun. I'm not – I'm contemplating eliminating TikTok. I really am. I'm like so close to hitting the delete, the abort button. Friends of mine who are active on there say, “No, don't do it yet. Don't be hasty. It's going to endure. You'll regret it.” I don't believe them. But you know what? It's not killing me to have it. I'm there if you want to go check it out, @farnooshsomoney. I haven't updated it in – I don't even know when the last time I updated it. Was it like February? I care that much.

Today was exciting. I got to join Kelly Ripa and her husband, Mark Consuelos, on their show, Live with Kelly and Mark. It's always a fun time to join them. I have to say, I love this duo. I'm a big fan of this new combination. It's a great homecoming for the two of them. I've been going on

this show since it was Regis and Kelly. So that just one tells you how old I am but also how happy I am to see the show come so far. Kelly Ripa is just an absolute class act.

The topic of my segment was how to find a job right now, how to optimize your job-hunting strategy. The first thing I said was have a strategy because I think too often, when you lose your job or you're new to the job market, you think it's like a numbers game. Well, if I apply to 100 jobs a week, I'm bound to get something. Perhaps but is it that something that you want to do? So having a strategy, being really goal-oriented and think about quality over quantity. You can check out the clip on my social media with all of the tips.

But just a few of the highlights, one, did you know that some people right now are negotiating their severance before they take a job? So it's important to negotiate, as we know. But some people are taking it way down the road. They're like, "Okay. In a year or 10, if I get laid off, here's what I would prefer to have in my severance." It's kind of like a corporate prenup.

I learned this from Alexandra Carter, who's been on the show many times. She's the author of *Ask for More*. She's a Columbia law professor, negotiations expert. She is seeing this in the marketplace, and she highly supports I, especially right now with so much uncertainty in the market. You could get a job tomorrow. But in six months, in a year, get laid off. Because I do think that the recession is going to be technically called at least by this time next year because I have a fishy feeling that the unemployment rate that we are being told every month by the government, it's not reflective of the actual number of people who are out of work.

The monthly unemployment rate that the BLS releases is based on a survey of Americans. Part of what they ask to determine whether you're unemployed is have you been looking for work? Well, not everybody who's unemployed, technically, is looking for work because they are still living off of their severance. There are a lot of people that have been laid off. They're not accounted for in the way that we calculate the unemployment rate.

A lot of people who have been laid off from bigger companies, wealthier companies like Google, their severance packages were minimum 16 weeks and then another two weeks for every year that you worked there. I think we're going to see a very different picture of unemployment by this time next year, and a lot of it's going to be because it started now.

Okay, having said that, landing the job is the hardest, right? It's right now, especially depending on the industry that you're in, technology, advertising, and marketing, that have been really hard hit in the recent year, I would say that you got to leverage your network and your connections. I'm talking to you young adults who may not think you have any connections because you're new to the job force. You just graduated from college. But do you know someone who knows someone who works somewhere that you want to work? Probably. Because guess what? Don't you like go to the doctor's office? Do you not hang out with friends? Are you not part of a league or a group? Do you not have family members? Do you not have friends who have family members?

Everybody, when you're job-hunting, is a resource for you. It's your job to be an advocate for yourself and ask the questions. Do you know somebody who could help me at this company? What do you know about this job opening? What do you know that they need really in a candidate for this job opening so that I can amplify that, highlight that on my resume and in my cover letter?

Speaking of cover letters, do the cover letter. Unless the company explicitly says, "Do not send in cover letters," do the cover letter because I think a lot of people skip this step. They think, "Oh, it's a waste of time. No one's going to read it." But I do think that it can be a differentiator. Think about it. If you're an employer seeking job candidates, and you have asked specifically for a cover letter, and 50% do not write a cover letter, I'm going to start with those who wrote cover letters because they follow the directions.

The cover letter is an opportunity for you to really shine. Your resume will be supportive. But what are some elements to the resume that might confuse somebody or raise questions? Or are there skills and experiences not represented on the resume that the cover letter can now highlight? Keep it short. Show off your personality a little bit. But really, don't skip this step because it can be the difference for you.

We actually have a question in the mailbag later related to careers and asking for more. I'm looking forward to answering that. But, first, let's talk a little bit about some really cool offers that I have going on right now related to *A Healthy State of Panic*. So firstly, if you haven't yet

purchased the book as a pre-order but it comes out October 3<sup>rd</sup>, you can pre-order it now everywhere, your local bookseller, online.

For those who commit to buying just one copy, I want to give you a new program that I developed. I mentioned it last week. It's now live. It's called Scared Smart. It's a three-video lesson plan, plus a workbook, plus the prologue and introduction to *A Healthy State of Panic* for you to get a head start on some of the important lessons in the book that specifically talk to the fear of money. So if you'd like that, please pre-order the book. Submit your information over at [ahealthystateofpanic.com](http://ahealthystateofpanic.com), and I will deliver it to your inbox instantly. I just want to remind you about that.

Secondly, this might sound outrageous coming from me, but I'm taking a leap of faith here, and I am ditching my speaking fee for the summer. Why am I doing this thing? Because my goal is to introduce *A Healthy State of Panic* to as many audiences. So in lieu of my speaking fee, I'm asking organizations to pre-order a book bundle. I will tailor fit it to what your goals are for your organization.

By the way, I will do it for all organizations; your place of worship, your school, your company, your pickleball association. Bring me on board, and I actually have some giveaways for those who make the connection, you. If you connect me with a gig where they buy books, you're going to get a free 20-minute call with me and two signed copies of *A Healthy Stat of Panic*. I will put that link in the show notes as a form you can fill out. Let me know if you're interested. I would love to connect with you.

A quick recap of this week's shows, on Monday, we had Shanna Hocking, who is the author of the new book *One Bold Move a Day*, sharing practical hands-on tips for achieving your own professional goals with intention and joy. How even the smallest and seemingly mundane moves we make every day count, including getting up out of bed. Then on Wednesday, we invited two guests to the show, Margie Fox and Megan Flood. The topic, what if your boss becomes your employee? What if you become your boss's boss? Would it be great? Would it be a catastrophe?

Margie Fox and Megan Flood contest to the win-win factor. Margie is the former co-founder of the award-winning creative agency Maloney and Fox. She was Megan's first employer out of college. Now, the tables have turned. The roles are reversed. Megan runs her design agency, Marine Lane, and has hired Margie, now 60 years old, to be her partner and self-identified consigliere. Learn all about the relationship and how the women are leveraging their nearly three-decade age span in this what Entrepreneur magazine calls the boomerang boss effect.

All right, let's hit the mailbag and pick our reviewer of the week. This person gets a free phone call with me. This week, we're going to say thank you to channnnntellephant.

Channnnntellephant has been listening to so much money on and off for years, since she heard me give the commencement speech at Penn State in 2017. Oh, my goodness. Do you want to know a funny story behind that, channnnntellephant? So I had just had my second kid. I think I was like four weeks out. I really shouldn't have been there at Penn State, but I really wanted to do it. My body was like, "Please, can we just rest for a little bit longer?" But I was like, "No, we have to go to Penn State. This is an opportunity of a lifetime."

So I got there. Of course, in true mom like just having a kid brain is like I left it back in Brooklyn. I forgot all my makeup, my shoes. I basically was like I hope that the gown is big enough so that I can just wear sweatpants to this thing. I went to like the CVS the night before, and I just like got some random, whatever I could find. My mother-in-law was with me. I borrowed her makeup. Some of you might not be into makeup, but I am, especially for events like these, where I was going to be under heavy lights and lots of photos. Also, I'm tired, so I was trying to just like look my best, feel my best, and of course, forgot all my makeup.

But I made it. I did. I remember that day vividly. I remember looking out into the crowd, the thousands of students. You were there. I look over to the right. I see a box, a glass box of my family, my kids looking at mom doing her thing, trying her best to keep it together. It was an incredible, incredible day. So thank you for sharing that memory with me.

Continuing your review, you said, "Even though, Farnoosh's advice has been in my ears for years, I've sometimes fallen off the financial responsibility wagon. But every time I've restarted, I've always turned to Farnoosh first because she delivers advice to help me get back on track and stay on track. The most influential piece of advice I've received from Farnoosh is to forgive

myself for the money mistakes I have made in the past and not to live in shame for not knowing what I didn't know before I knew it. If I knew better, I would do better. And because of Farnoosh, I'm learning more each week. I've gone from low money to so money, and I'm looking forward to the next milestone in my financial journey.”

Oh, wow. I love that. What a lovely tribute to your journey, channnnntellephant. I'd love to connect with you. Email me, [farnoosh@somoneypodcast.com](mailto:farnoosh@somoneypodcast.com). DM me on Instagram, whichever is easier for you, and I'll be back in touch.

Okay, mailbag time. First up, Jennifer, she's the one with the career question. But first, she wants to let us all know that she just finished watching Ramit's show on Netflix. She said, “It was amazing, and thanks for having him on.” Absolutely. That show needs to be your next Netflix binge. The diversity of financial complexities that they show in the program from the dynamics of being the female breadwinner to a couple that's living paycheck to paycheck but still wants to buy a house, to a single woman who's now a new homeowner, and everyone in between. I think they did a really fantastic job of just showcasing the diversity really of how people are living and how they're managing their financial lives. So kudos to the show. It's called How to Get Rich.

Jennifer's question is this. “I live in Los Angeles, and my company just recently had to post position salaries for when they post jobs. I have been fighting for a pay increase since I got here. In January, I received a promotion, and I asked for more money than what they offered me, and I got it. Now, Farnoosh, I am seeing that positions lower than mine have a salary range higher than mine. I am a manufacturing scientist. My pay is 71,000 a year, and the pay range for an associate is 60,000 to 84,000. I don't think this solely is an argument for a pay raise, but I think I should inquire. Do you have any tips? What should I do?”

All right, Jennifer. Now, firstly, I have seen this. I've seen this at companies that I have worked for. The thing to go back and review is for your role as a manufacturing scientist, what is the highest end of the range? Is it more than 84,000, which is the highest for this associate pay? If it is, and I think the company is kind of doing what a lot of companies do, which is like it's a range. As long as the maximum they would pay for a senior role is higher than what they would pay for a junior role, they're kind of not doing anything suspicious. But you can definitely ask.

This is curious to me, as I think it would be to a lot of people. You might want to talk to your colleagues first and be like, “Hey, maybe we should come together and ask this jointly to our employers if we see this pattern in other job postings.” I think you've got a case here for at least inquiring because it does deserve an explanation. I think you just leave the ball in their court. Hopefully, they'll come back with a logical response.

Even if you're not satisfied with the answer, you keep this in your back pocket. You just asked for a raise, and you just got it earlier this year. So I think the momentum is no longer there to go back right now towards the end of May, June to follow up and say, “Hey, I found this new piece of information. I want to reopen my case.” I know you know this. This isn't what you want to do. But I do think that this is a powerful question to ask. Depending on the answer, you might be satisfied. You might not be. If you're not, leave this in your back pocket for the next time, the next review, when you can go and negotiate again.

Next is our friend, Lauren, in the audience, who says, “I've just moved back to the United States, and I'm trying to figure out my money situation.” “This may be a silly question,” she says. No, there are no silly questions, Lauren. But, okay, here's the question. She said, “Is the 20% that is the rule of thumb for investing and saving including the 401(k) match? And is the 20% calculated before or after taxes?”

Okay, so I always say that the match is included in that 20%, 10% of that being your investments, 10% of that being your liquid savings. If you contribute five percent, and then your company gives you another five percent, you're done. You've really only invested five percent. The rest has been “free.” So that's great. That's why the 401(k) match is such a win.

As far as before or after taxes, again, I've always thought of this percentage as being before taxes because we know too that with the 401(k), the contribution is taken before taxes. It lowers your taxable income. So there's that savings too, okay? This was not a dumb question. I think that sometimes people have these questions. They just make assumptions. This is what – this has been my approach. Some people may have a different approach. Next is Bailey, and she has \$12,000 in student loans. Is it better to make two large payments of \$6,000 to get rid of it or pay the monthly amount over time?”

So, Bailey, I don't know how many months are left on the loan. I don't know how long it would take you to pay off the full amount if you were just paying the minimums. I don't know the interest rates. But here's two things I want you to consider. The decision you make with this really comes down to two considerations. The first is the interest rate. How much would you save an interest if you accelerated this payoff? If you paid off \$6,000 today and \$6,000 in three months, and then you're done, what would that save you in interest against paying this loan off at its scheduled pace?

The next thing you want to ask yourself with that savings in mind is this. Is it worth it to save that much in interest? Then the trade-off is that you won't have as much liquidity. How important is liquidity to you? Is liquidity more important to you than the savings that you will have in the interest payments paying off this loan faster? Things to consider, right? Are you somebody who needs the cash, needs that liquidity month to month? Because you have bills, you have expenses, you have expenses that might be growing in the coming months. You're worried maybe about your job security.

If liquidity is important to you, especially now in these tough economic times, if you're running low on savings, if you're legitimately worried about getting laid off, then cash is important to you. Unless this interest savings is we're talking thousands of dollars, thousands and thousands of dollars, I mean, I would lean more towards having that liquidity. Again, the balance here is \$12,000. So even if it is 10%, what is that? \$1,200, right? You're saving roughly on interest. That's not a little bit of money. But against the reality of what you have in savings and your need for keeping that \$12,000 in your bank account for as long as possible, what's more important to you?

[END]