

**EPISODE 1545**

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**FT:** So Money episode 1545, Ask Farnoosh.

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. Another round of answering your money questions this Friday. We got questions about the lottery, real estate, financial rules in your relationship, and more. Before we get to all of that, let's catch up. Let's talk about what's in the news, what's in my life that's worth mentioning to you.

Okay. So first of all, I have not seen the Barbie movie. I want to but I just haven't gone around to it. Also, I'm like, "Who am I going to go with?" My daughter is only six. I'm not sure it's age-appropriate for her. It's PG-13. I don't know. I know kids are – people are taking their young kids. I think it'll be okay, but I try to be careful about these things. My son who's nine could probably see it, and he would be interested. But then it'd be weird if I just took him and not my daughter. So here I am like, "Who am I going to go with?"

My husband, when a movie comes out that he really wants to see, like most recently he went to go see Mission Impossible, he just goes. Like he waits till after bedtime, and then he just like drives himself to the theater and goes at like – sees like a 9:30 viewing. I'm not that fun. I don't know. I just feel like that's cheating or something. I don't know. I feel like I got to go during the daytime with a friend or whatever. It's not that important, is it? It's culturally important, though.

You know what I love about the Barbie movie is all the marketing. I'm so fascinated by all the business strategy planning and marketing that has gone into making this movie a success. No one's working harder right now than the Barbie marketing people. I just read that the guy or person who was responsible for them, not like it's one person, but that's what the article, the title said, like the person that is at the helm or responsible for this Barbie rebrand is, believe it or not,

getting so many other job offers. I think Gap reached out to this person to say, "Can you please become our CEO because we could really benefit from a rebrand," couldn't they?

It's interesting the cast is not doing any more press because of the strike, and yet it's still all over the place. Still, all the Margot Robbie interviews and the cast interviews are airing because they probably recorded them ahead of time. The strike came down. The actor strike at least came down a week or so before the movie debuted. So the Barbie team had already done so much marketing. It didn't even matter.

Now, I just saw something on the Today show with Margot Robbie where she's talking about how when she became wealthy and got her first sort of big paycheck, she immediately helped pay off her mother's mortgage, which I thought was so cool because, yes, I mean, parents, especially if you've got kids that are pursuing the creative arts, acting, there's a lot of time and money that goes into grooming that child for the stage, for the screen.

I've known parents who've done this, who've like literally quit their jobs to go take their kids to auditions and manage them because it's not just about shuttling your kids from audition to audition. It's about really being around your kid when they're around the influence of this industry, which is not always graceful and kind, a lot of rejection, a lot of influence, a lot of pressure. So it's important to have your parents around. Then when those kids grow up to become successful, hopefully, they remember who helped them get there.

There was actually an article that went out recently about celebrities and what they did with their very first paychecks, their first big paychecks, when they kind of like became "rich" overnight. Tom Cruise helped pay his sister's college education. There were some celebrities who bought themselves nice cars. Oprah got herself, she said according to this article, some nice towels because that's how little Oprah was getting paid before she finally got paid in doing The Oprah Winfrey Show. That was a huge pay bump for her, and she just needed to go get those nice towels. I get it.

Okay, shifting gears now, I want to give a quick announcement that today is the last day to join Panic Posse. I am closing doors at midnight, simply because I got to get going with the community. I got to start arming you with the things that I've promised, including the electronic

copy of the book. Now, I've also added in the physical copy of the book. But it's an early, early, early release. It's not the finished copy. It's the advanced reader's edition, which we have very few left. So if you want to actually hold, be one of the first to hold the pages of this book in your hand, I have reserved copies specifically for our Panic Posse members. But today is the last day to sign up to get that and even to just join the group.

You're also going to get invitations to calls with me in the run-up to this launch, as we're going to join forces. Not a lot, like I'm not going to overwhelm your calendar. There's going to be maybe two calls, but they're going to be good ones. There will also be chances to win tickets to live events around this book, in-person events in the fall. If you're interested, check out the link in our bio, quick application and form there. Just tell me who you are, why you're interested, and hit go. We're going to be off to the races starting soon. So I'm closing doors today for the group. Thank you to everybody who has applied. I love you all. These messages that you're leaving me, these love letters on the application are keeping me going these days. Let me tell you because I am tired.

We're going to get to the mailbag in just a few minutes. I want to just give a quick reminder, another reminder, that if you leave a review for this podcast, you will be entered to win a free 15-minute money session with me. A lot of you who are new to the show may not know this. But every Friday, most Fridays, I pick someone out of the review section on Apple Podcasts specifically to get a free 15-minute money session with me. I know the summer, everyone goes away. People are busier. They're not like writing reviews. But I'd love to hear what you think of the show. Send me a review on Apple Podcast. Again, hopefully, starting next week, I'll start this process of picking someone from the audience for a free phone call with me, like an actual Zoom call. We get to talk about whatever you want.

This week's episodes were amazing, as usual, and I want to give them some shout outs. On Wednesday, we had Chriselle Lim. Chriselle Lim, everybody. She's a megawatt fashion entrepreneur. She has garnered over six million global followers. She was an influencer in fashion and lifestyle before influencing was a thing, when she was just a blogger. Remember blogs. Now, her brand portfolio spans fashion, beauty, and parenting. We talk about not just her career and her strategies for being Chriselle, but she's just gone through a divorce. Let me tell

you, there were some hard financial lessons learned. She was kind enough to tell us what those lessons were on the podcast. So check out Chriselle.

Then also on Monday, a topical conversation about the subscription craze. Raise your hand if you are a member of multiple memberships and subscriptions that you don't even know about because maybe you signed up right before bed. Or it was like a – for me, I just got billed again for this app for kids that I needed it in a desperate moment when my kids couldn't sleep for a period of time, and I just needed like some soothing. It was like an app with songs and storytelling. It was worth it at the time. But now, they're back to sleeping, and I'm still paying for this thing. No, thank you.

So our guests were Sunny Israni and Monica Villar, co-founders of a new disruptive service called lightswitch, subscription disruption called lightswitch. It's a game-changer that promises to create a seamless experience, bringing less hassle and more savings to subscribers. So real quick, if you're subscribed to the Netflixes, the food delivery programs, the sleeping apps, all the things, and you want to just go on pause, and you want to, first of all, see your dashboard for all your subscriptions. For all your subscriptions, they provide you with that. But then they also provide you with the chance to pause or cancel. Whatever you want to do, they do it for you.

Now, I know there are some apps that are sort of like that, but they're mainly just cancellation apps, which is not what they do because they know that sometimes you want to go back onto these apps. Your life evolves. It goes – it reverts. It speeds up. It slows down. You have different needs at different times. So they keep your accounts active, but you're not paying for these subscriptions for as long as you don't want to be paying for these subscriptions. You can sign up for their program at [getlightswitch.com](https://getlightswitch.com), by the way.

Okay, drum roll please. Here are the questions from this week's mailbag. Thank you to everybody who sent in. Keep them coming. You can always direct message me on Instagram. If you want to send a question, that's a great, fast way to get included in these Friday shows. Also, you can go on to the website, [somoneypodcast.com](https://somoneypodcast.com). Click on Ask Farnoosh and submit that way. Thank you, thank you in advance. Here we go.

The first one, of course, has to do with the lottery. I haven't actually talked about the lottery on this show probably because we're not that kind of show. But the Powerball did hit a billion dollars recently, and someone did win it. I hope this person never reveals themselves. Some states you can't control it. The state reveals your name, and I find that to be such a burden. Here's the question. Lee wants to know, "What are your thoughts on playing the lottery?"

Well, my thoughts are that it is basically like going to a casino and playing the slots. But your odds of playing the lottery are probably much worse because raise your hand if you've ever gone to Vegas or Atlantic City or somewhere, and immediately you win like \$20. It's kind of like their thing. They want to make sure that you're winning at least a little bit. But ultimately, you leave a loser. I've always remembered that rush, that initial rush of like going into a casino and like playing. I like to play Price is Right because I loved that game show growing up. So I go to the slot machines that are very nostalgic to me. Then I sit there and I usually will win. Like I'll play \$100, and then I'll win like \$200. Then I'll probably end up losing \$30 at the end of it.

But for me, I don't consider this my way of trying to strike it rich. This is just like I'm doing this while maybe my friends are playing the actual tables. Or I just figured I'm in Vegas, and I got to do this because it's what you do, right? I mean, listen. I'm not perfect, but I do partake sometimes in those things. I can count them on my hands the number of times I've partaken in those kinds of things. So I'm not a lottery enthusiast. I think that it is sad in some ways how much people spend on gambling.

We're not talking about gambling addiction right now. But in general, I think the lottery is a complete shot in the dark, right? You don't play this with the hopes of actually winning real money. But people do and I think there's a sadness to it that people like will actually use a consistent part of their paycheck every week to play, when that money could go towards some things that are more meaningful and, frankly, more certain like putting money towards certain things, things that will certainly pay you back with dividends, whether that is actual stocks and the stock market or in yourself, investing in yourself. I think there's a host of things you could be putting your money towards that are better than the state lottery.

Funny anecdote, I was actually at a dinner recently in the neighborhood and got to talking with some of our neighbors. Of course, the Powerball came up. I think when there's a large number,

like a billion being thrown around the Powerball, like it does conjure up a lot of excitement and people will play, just because it's like kind of a cool thing to gather around with your friends and talk about. Maybe it does spark a conversation about money and what you would do with it. I think that's all sort of healthy. I mean, as long as you're not risking a lot to do this. It's like five dollars you pull together as a group, 20 bucks, whatever.

But there was a guy at the party who is wealthy and works in finance. He plays regularly. He has an app. He showed me his app. It's like the lottery. It's the Jackpot app. Out of curiosity, I downloaded it because I didn't realize there were apps for this. I thought you still had to go to the Quickie Mart and pick your numbers. I mean, it makes sense because some people don't want to do that or don't have access to that. So apps, hey, they make life so much easier and so much more dangerous.

So he would go in there, and I said, "Well, what would you win if you won the lottery? Would you tell anybody? Would you tell – would you quit your job?" He's like, "Yes, but I would give them 30 days' notice, and I would give that job my all for those remaining 30 days, and then they would never hear from me again," which was I thought just interesting, like he's thought about it. So I think that the lottery conversation is interesting, simply because it does spark conversations. It's less about the hope to win but more about thinking about the hypotheticals and imagining.

I was talking to my husband this morning. I was like we've been talking a lot on this podcast about financial enoughness and what is enough for you. I've got a podcast coming out later this month with Manisha Thakor, who wrote a book called *Moneyzen: The Secret to Finding Your Enough*. You got to hold on for that podcast. It is so, so good. But I've been really interested in digging deep into this idea, this concept of like what would actually make me happy and hustle culture. I mean, I'm raising my hand. I have fallen prey sometimes to the circuitousness of just making money to make money. I did that in my 20s.

But I also had debt in my 20s. I had ambitions to get out of living with a married couple and their cat. So I don't regret making the money that I did in my 20s and how I did it. But there is a point where you have to sort of stop and think about, well, what is it all for? I'm venturing away from lotteries here but this idea of like going out there to make tens of millions of dollars. I won't be

mad if someone hands me that money, but I think I don't want to be pursuing that. I know the work that is involved in trying to make 5x, 10x, 20x your income.

I'm good. I don't aspire for that, and it's not because I'm not ambitious anymore or financially ambitious. It's not a priority for me right now. It is a privilege say like I'm good. I feel like we have – if I can just keep my status quo. I have a good quality of life. I know what I value, and I spend money on those things intentionally. That's me. I'm not saying this because everybody should feel this way, but I'm just thinking out loud here. Your lottery question really woke me up this morning, Lee. Thank you for the question. I'm not a promoter of the lottery in general as a way of trying to build wealth or get rich. Frankly, if you have other financial responsibilities like paying down debt, trying to save more, reaching bigger goals, don't let the lottery be a distraction, a financial distraction.

Okay, next is Huamei. How much financial transparency do you really need in a relationship? Oh, my gosh. What a loaded question. Specifically, Huamei wants to know, “Should I share all of the things that I buy?” Well, of course, I'm a big proponent of financial transparency in relationships. I think it is the most important thing, more important than how you actually divvy up your finances. A lot of people first come to me with the question of, “Farnoosh, should we have 2 bank accounts, 1 bank account, 17 bank accounts?”

I say you'll get to that, and it'll become apparent. Well, whatever you decide will work itself out, if you have first laid the groundwork of committing to transparency in your relationship. What does that mean? That means that at the minimum, you are discussing your financial goals with one another, your financial baggage, if you have any, and I'm using air quotes. Like what is the stuff that you're bringing into the relationship, whether that's debt or money narratives that you grew up with, that you're trying to unpack and rewrite? Fears about money and that you do share your individual expenses not all the time, not every single expense.

But I think it's important to sort of establish a threshold for how much is for what we would discuss at the minimum, the price of something that we would discuss. If you are regularly getting your hair done, and it costs \$150 every eight weeks because you're getting highlights and what have you, and that's just something that you do, you don't have to tell your partner every time it's happening. But maybe you bring it up casually, like this is what it costs. I would

assume that that might be coming from your own bank account. If it's not, if it's coming from the joint account, then I think you definitely want to disclose.

I think here's the thing. Anything that's coming out of your pooled money together that would be a significant amount of money, and significant is relative. So as a couple, maybe you decide like \$150 or more, we're going to like fess up. We're going to talk about it. We're going to disclose it. We're going to discuss it and, again, if it's coming out of your joint pool account, if you have a joint pool account. Because at that point, that is enough money where it could interfere with other goals you've established as a couple. What if your goals are to pay off debt, and that \$150 could have really come in handy to pay down some balance's principle? Or you're saving up for something and that \$150 could really go a long way, especially if it's a consistent \$150.

It's so not to say that you won't make that purchase or it's going to cause a fight but that it merits a conversation or just a touch base like, "Hey, this is happening." This is why, ultimately, if you are somebody who doesn't want to have these discussions all the time because it feels like financial policing, I get it. We're getting married later in life. We're partnering up later in life. At which point, we have started to make our own financial decisions. We are our own financial people. In a relationship, you want to maintain that autonomy. So you know what? Have your own individual bank account because that allows for the division and the conquering. That allows for that separation and, I think, that sense of freedom that we all want and deserve in a relationship.

But my husband and I have transparency in the sense that I don't tell him everything that I spend on and vice versa. But if we're curious, we could find out. We share – we use an app where all of our finances are pulled onto this app; my savings, his savings, my retirement accounts, his retirement accounts, our joint accounts, which we have a few, our college savings for our kids, our mortgage. Then the two of us can see at any point in time on the go, what is our net worth? Has my husband gotten paid? Have I gotten paid? What's the balance of our kids' 529 plans, et cetera?

Let me tell you. That goes a very long way in just keeping the peace, keeping these miniature conversations at bay. They don't need to happen. So I don't think you have to tell your partner every single thing. Here's a good litmus test. If you feel like you're buying something and your



partner would be curious about it, would have questions, would want to have a conversation about it, then that's a good instinct. You know your partner better than I do. So when you're doing these things, and you feel like you have to hide something, or you don't want to talk about it because you're worried about what it could mean in terms of your partner finding out, then that's probably a signal that a conversation needs to be had. Okay, thanks for your question.

Next up, Renee has a question about inheriting her family's house, her mother and father's home. She says that her brother and I recently received their parents' home. Their mortgage is paid off, but it is a lot of overhead; taxes, maintenance. There's a pool. Renee and her brother are trying to figure out whether to keep it and use it as a rental property, maybe make some cash flow, or just sell it.

I was actually reading an article in the Wall Street Journal about this. It was months ago about how increasingly adult children are inheriting their parents' homes. Ultimately, the article went on to say, and I agree, that unless this house is one that you want to live in or you want to frequent because it's a vacation house, it's a summer home, you want to use it, you want the grandkids to use it, then it's usually better to just sell it. Long term, the real expenses to think about, taxes, which will go up every year or over time, maintenance as well. It could be these like price shockers you weren't expecting like, "Oh, my gosh. We need a new roof. Wasn't planning for that."

The decision to rent it, on the other hand, may be financially feasible. You have to, obviously, do all the calculations for that. But then, of course, the other big consideration because it is you and your brother is who is going to handle that. How are you going to divide and conquer the management of this home, the responsibilities, the rentals? So look, it's not for everybody, and I don't blame you. It's the reason why I haven't yet really ventured into investing in real estate because I know my time is limited. Yes, you can hire people, but that also takes away from the profit.

So Renee, I think that if you're asking this question, it's not clear that you do want to own it. That's not like – it's not a hell yes for you and your brother. I think you want to work with a real estate attorney to look at your options and make the decision. I will just say this too that selling your parents' home, don't feel guilty about it. I don't know if that's at anything you're feeling. But I

think parents – I think that adult children sometimes think maybe my parents wanted me to keep the home. It was their – they owned it for 20 years, and there's sentimental value. Maybe you grew up in this home.

But the home has served your parents. It has served your lifetime, their lifetime. Now, it's ready for another family. Now, you can maybe profit from it, which is at the end of the day, your house is an asset but not really. Only until you sell it and you cash out, right? So a financial asset. Remember that and don't feel hesitant to pull the trigger over the emotions. This is all part of the bigger conversation about the transference of wealth that's happening, law largest transference of wealth in history from the Boomers to the Gen X and Millennials. I think we're going to be getting more questions like these. If you have a question like this, please do send it in.

Then sticking with real estate, Melissa has a question on real estate syndication. “We're looking to invest \$50,000 in real estate syndication, Farnoosh. Have you ever had any experience with this? Have you ever done it? What do you think?” Melissa says, “We really enjoy your show and have come to count on your podcast every week as a financial touchstone.” A little bit more about Melissa and her situation, she says that she and her husband are looking to diversify their investments. They have around \$200,000 in index funds. They max out their retirement accounts. They have an 18-month rainy day cushion. They just bought their dream home last year, and they're paying off the mortgage ahead of schedule. “We have two kids, and college is prepaid through a prepaid college program through the state, which their godparents took care of, and they have life insurance.”

So phenomenal, Melissa. I think it's important that we bring this up because Melissa's coming to me saying, “Look, I've got a lot of ducks in a row. I'm set financially, and so I have this extra money to play with. What do you think about real estate syndication because it is an alternative investment?” You don't want to really look at alternatives like real estate investment, and even I would consider things like art and investing in startups as alternatives. These are riskier ventures. And \$50,000 in one project, although real estate syndication, the idea is that they spread out your money, which is great, is taking on more risk than, say, putting it in the US stock market and letting it ride for 30 years.

But to answer your question, Melissa, no, I haven't done this. I have had a guest or two on So Money who has done this or is running a program like this and offering it to folks. I remember we're talking to the founders of Goodegg, Annie Dickerson and Julie Lam. They were on a few years ago, and Goodegg Investments is a syndication program or real estate syndication program with hundreds of millions of dollars of real estate assets. The two women founded this company because they were interested in doing this. They didn't really see a sound offering in the marketplace, so they started to do this.

I don't know how their investments have been performing, but I'm happy to see that they're still around, and they have openings for offerings. They do have requirements, though. So that's one thing to check when you're applying to any of these real estate syndication programs, which I like to see. I like to see that they want to make sure that you're not somebody who has a lot of debt, who has the capacity to invest with them. So firstly, they want to make sure that your income is over \$200,000, that your net worth is a million, and that's not including your primary home.

So I would look into to these programs, if that's what you're interested in, with the understanding that this is risky. That if you're doing \$50,000, what is that? Is that more than 10% of your net worth, of your net investments? I wouldn't do more than that to start with, at least. That's a rule of thumb for alternative investments, which also includes investing in like a single stock. You don't want to put more than 10% of your investable assets in a single stock, in an alternative investment like real estate, or any other kind of project/out-of-the-box asset. Is \$50,000 the sort of money where if you lost it in two years or in a year, and maybe it would grow again because that's the volatility, but you would be crushed, and you would lose sleep, and you would be worried about maybe affording more important things on your to-do list. Those are really important things to consider.

What I like about real estate syndication is that it's diversified and that the good programs do do background checks and financial background checks to make sure that their investors do have the capacity to participate. That's always a good sign that they're not there to like take your money and run, that they're there to really work with you, to make sure that you can do this. Goodegginvestments.com, just one example. I'm just bringing them up because the two women co-founders were on my podcast, and I'll link to that in our show notes.

All right, fantastic questions as always, everybody. Thank you so much for tuning in. It is Friday, it is the last day to join my launch team for *A Healthy State of Panic* because it's pretty much August. That means we have two months left till the book comes out. I really want to take advantage of these remaining weeks, eight weeks, to engage with our community and help you help me bring this book to a debut success. I really want to make the bestseller lists.

I know that there are so many factors that go into making bestseller lists, and it's not a guarantee. But I'm going to give it my best shot. As I say in the chapter on uncertainty in my book, the fear of uncertainty, when uncertainty arrives in our lives, it's scary. But the job that you have in that moment, what the fear is really trying to nudge you towards, is to control what you can control because what you're really wanting for is stability, is a sense of certainty. What is certain is that you're going to work hard, that you're going to do what you can, that you're going to, in this case with my book, engage with your community. You're going to give it your all.

If it doesn't still work out, look, on the other side of that, it's still going to be good things. Maybe it's not the initial goal of making the bestseller list, but only good will come out of trying. Only good will come out of working hard and having a goal in mind. The goal post can change, but you will not regret having made these efforts. I will not regret working with you to bring this book to life because, frankly, I wrote this book for you. So if I'm not going to work with you, like what is this even for? So check out the link in our show notes. I'd love for you to join.

That's my wrap. Have a great weekend, everybody. I hope it's So Money.

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