EPISODE 1569

[INTRODUCTION]

[0:00:03] ANNOUNCER: You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[EPISODE]

[0:00:30] FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. It is Friday, September 22nd, 2023. You all are being very, very nice and checking in on me. I appreciate you. Asking me, "How are you?" With just, I don't know, what is it like, 10 days now until, *A Health State of Panic* is out in the world? Sorry, not sorry. I've been talking about this book a lot, but it is a dang marathon. Releasing the book, finally, is not the finish line. That is maybe mile 11. This book has a lot of more miles after it comes out on October 3rd, actually.

What am I thinking? It's October 3rd, not October 2nd. The party is October 2nd, which by the way, I just released a few more tickets to the Brooklyn launch event for *A Healthy State of Panic*, which is happening on Monday night, October 2nd. It is me, Mrs. Dow Jones, for Haley Sacks, of course. We're going to be in conversation about fear and money, the gift bags. I mean, I'm just coming for the gift bags. I'm just going to say that, but if you have been not sure about being able to attend, if your schedule suddenly cleared up, if you wanted to get a ticket, but it was sold out, because we'd sold out last week, I did just open it up for a few more tickets.
There might be one or two left. So, go to ahealthystateofpanic.com now and grab your ticket.

Back to how I'm doing, I'm just marching along. I've been very adamant about having boundaries around this book launch. I would like to do everything that I possibly could, but I can't because I'm one person and there are only 24 hours in a day. Most of that time, I would like to be sleeping or hanging out with my family and or taking a nap. I've been very deliberate about how many things I'd take on every single day.

Again, this is a marathon. I've run a half marathon. I ran a half marathon when I was 25. That was hard. That was only half of a marathon. As you would know, it's a half marathon, 13 miles. I trained for that. I paced myself. I guess that's all I'm seeing here is I have to pace myself. People are very nice and they want me to do all of the things. They've invited me to all of the things. That's so cool, because it means to me that the message of the book is resonating. People want me to show up for them. I plan to, but I can't do it all this week or next week.

Authors tend to think that and even publishers, I think the pressure comes from the publishing industry that the week leading up to your book launch or the month leading up to your book launch is go time. Sure, you want to build some great momentum, especially if you aspire to be a bestseller, which we've talked about on this show, becoming a bestseller. Your best chances are that first week that your book comes out, because that's when everybody has like heard about it, potentially. They're revved up.

Those first week of sales technically are actually all of the sales. Ever since your book became available, which was probably six or seven months prior to the launch of your book, the technical launch of your book. So, you have a long tail to build up those sales and get those “first week of sales” in and crush it. I hope to. I hope to make a bestseller list. I'm not married to this idea that I have to be a New York Times bestseller or bus that if I don't make the New York Times bestsellers list, I will not have been successful as an author.

B.S. A lot of books do not make that list that are worthy of our time and our money and our attention and our wonderful books. It's a curated list. It's an editorialized list. They like what they like. Just because a couple people at a bestseller list department at the New York Times don't think my book is worthy. I mean, that's their opinion. I've heard a lot from you. That's all that matters. I've been reading the Goodreads. I keep refreshing the Goodreads and it's what's giving me life right now.

To note that this book is in the right hands, meaning your hands, some of you have gotten advanced copies, some of you have asked for electronic copies, so that you could leave the reviews, but rest assured, if you have pre-ordered, you will get yours on October 3rd. I hope you would leave a review. Just let me know what you think of it. This book is the culmination of my 43 years, living life afraid, somehow putting one foot in front of the other.

I want to talk a little bit about fear while I have you, before we get to today's mailbag. I want to talk about three things that I do when fear arrives in my life. It arrives often, because have you stepped outside? Have you watched television? Have you been on TikTok? But fear and I go away back as I have told you, specifically my fears of loneliness and rejection haunted me as a kid. Back in the 80s and the 90s. Why? Because I was different. I was a kid with a sorely different name. I was the only Iranian in school in our neighborhood with strict parents. So, I was excluded many times. But as I write in my book, as I grew older, I learned how to befriend my fears. I learned how to engage with the adrenaline to make healthy choices.

In my financial life, my fears have given me clarity and confidence to do everything. Spending within my means to negotiating for more money. I'm terrified every time I ask for more money. It's good. It's good feeling. It's what you're supposed to be feeling. It means you're on the right track. Fear has helped me have really tough conversations about money with my parents, which I write about, which you'll read. It's encouraged me to reevaluate my investments, also in the book.

Also, I wrote about how fear led me to fire my lousy accountant, because red flags are my favorite. They're my favorite kind of surprise that I wasn't hoping for, but here we are. So, what's my method for having a healthier relationship with fear? Well, it's all in the book, but I do want to give you a preview now. In case you're wondering if the book is right for you. I go much further in the pages, but one, one thing I do when fear shows up is I give it space. I don't try to be fearless immediately or attempt to fight it. That has never worked out well for me, because I am an earthling with a beating heart. I respect that fearlessness is not something that I can blindly afford.

Second, I ask my fears important questions. I'm a journalist, so it comes a little bit more naturally to me. But one question that seems to always help me find my way is this. Hey, fear, what do you want me to protect? When we are at a major crossroads in life, fear tends to show up for a reason. A reason that's often very personal to us. It's worth the attention. A conversation with fear can unveil so much about what we value. From that place, we can try to make a healthier decision. That brings me to my third step, what I do with fear, is that I use the learnings from those questions that I've asked fear, those answers to map out a self-aligned plan.

If fear tells me I want to protect my time, or my energy, or my money, or my sense of safety, well, guess what? I'm going to consider all of that, if and when I'm barking on the next step. I still go maybe do the thing or I don't. If I do the thing that scares me, I'll be able to at least do it now with a much better understanding of my risks with a safety net at my back. Those are the three things I do. The book explores way more than just the fear of money, explores loneliness, rejection, FoMO, uncertainty, failure, all these fears that we have. The fear of endings, which is gutting if you think about it, right?

Think about the time when you lost anything of importance in your life or any one of importance in your life. The book takes us to those hard moments, but how fear can be a guide and can be a source of wisdom for us. If you've yet to pre-order your copy, because you're unsure if it's for you, I just want to read a recent review on Goodreads that explains what this book has helped one reader at least discover.

This reader says, “Farnoosh has an innate ability to be an expert, while at the same time being totally relatable. In a healthy state of panic, she uses examples of her life to demonstrate how embracing instead of running from fear allowed her to grow. She gets vulnerable and discusses those moments that you sometimes wish had never happened, but she adds a spin to show that those moments are what allow us to develop the skills and attitude we need to succeed. She poses critical questions that challenge the reader to think of different scenarios where we can use fear to improve our lives. A must read especially during this time of uncertainty.”

Gosh, it's so nice to hear when a reader gets you and gets the material, because I grapple with this material a lot for years. I wanted to push it away. I wanted to just drop the project. I didn't even believe myself at times that I could do this, that fear was even helpful to me. I was like, “Is this really it? Has this even worked for me?” The more I sat with the material, the more I reflected, the more I connected the dots. I became more and more confident and more excited to share my insights with you.

Remember, when you pre-order the book, you will get over $300 worth of bonuses. So, go to ahealthystateofpanic.com. Those bonuses expire on October 2nd. This week on the podcast, we talked about the fear of failure. On Wednesday, we sat down with Monica Packer, who calls herself a recovering perfectionist. We talk about perfectionism, comparison culture, and the struggles that women face when measuring their progress against others. My guest, Monica, she is a mom of five. She's a former middle school teacher. She talks about the model, the new model that's working for her, to recover from perfectionism, which is progress over perfectionism. Progress made practical. She talks about the things that she does on purpose that scare her. Got to love that.

Earlier in the week on Monday, Laura Michelle Davis stopped by. She is an editor at CNET, one of the smartest people I know and a friend. She and I worked very closely together when I was at CNET. We talk about a very important topic that is not going away, that we all need to get schooled on, which is artificial intelligence and the job market. Specifically, how AI is impacting job seekers.

Laura has done some investigative journalism. She has advice on how job seekers can leverage AI to boost their chances of getting an interview, because AI right now, it's programmed to not immediately scan for the winners, but scan for the losers, the applications that will never make it to the next round. That, she says, is usually three quarters of the applications. How do you speak AI's language, so that you get selected? You don't want to miss that episode.

Okay, a couple more housekeeping items, and then we're going to get to the mailbag. I mentioned how we have a couple more tickets available for the Williamsburg, the Brooklyn launch event for *A Healthy State of Panic,* happening on October 2nd. You can learn about that and try to grab one of those last few tickets at ahealthystateofpanic.com, but if you can't make that, I'll have a few other events happening on the East Coast in the tri-state area. We have an event in the Philadelphia area at the Upper Dublin Library on October 11th in the evening. I'll be in conversation with Joe Piazza, who's a fantastic journalist, author, podcaster.

My best friend, Kate Dailey, whom I talk about in the book. We met in college. She is now a big-time editor at the Philadelphia Inquirer. Those tickets available at ahealthystateof panic.com. Then after that, the next night, on my way back home in Montclair, New Jersey at my local bookstore, watch on booksellers for not just a book talk, but a reception. Your ticket gets you access to our full reception after the talk. It's going to be so much fun. I hope you can join for that one.

Then I'm going to be coming back to New York City later in October, October 26th. I'll be showing up at Luminary in New York City to sit down with Cate Luzio, the founder of Luminary, to talk about my book. There'll be a signing. There'll be wine. There'll be light bites. It will be a lot of fun. I hope to see you at one of these many events. Now, let's go to the review section on Apple Podcast and pick our beloved reviewer of the week. This person gets a free 15-minute money session with me.

Okay. We got a review here from LaLaLiz217, who says, "Farnoosh, I love the show, and all the education you are always giving me. I just turned 40 and have only recently started my financial education. I am discovering how many opportunities I have missed. I worry constantly that I'm not looking at the right savings and investment opportunities. I was hoping you might have some guidance for someone trying to play catch up."

Liz, yes, I would love to help you catch up. Let me know you love this review. Email me farnoosh@somoneypodcast.com or you can direct message me on Instagram. I'll send you a link where you can pick a time for us to chat and have a little discussion about how we're going to catch you up and not just catch you up, but help you thrive in your 40s and beyond. Thanks so much for listening to the show. Thanks for your review.

Everybody else, this is a low hanging fruit opportunity. So, I'm getting a thousand reviews every day, like you're going to get picked, eventually. It's not that hard lever review. I pick someone every week to get a free 15-minute money session with me. If you're up for that, you're down for that, you want that. Do it. I'd love it.

All right, let's go to the mailbag. Starting with Vincent, who says, he recently got a job offer in his field. He likes the company and the vibe of the management team overall, but they came in with a low-ball starting salary offer and expensive medical benefits. "I have been interviewing for competing companies where their starting salary is $10,000 more. Do I take this offer given the state of the economy or wait for a better option? Is there a way to negotiate the initial offer to be more favorable? Would love any advice you can share. By the way, this company does offer a bonus of 10 to 20% based on performance.”

All right, Vincent, do you know what I'm going to tell you? Can anyone guess? This is just the first offer. Companies expect a back and forth. If they are a company right now that is able to hire, even though there are layoffs and even though the economy is really tumultuous, it's a really hard economy to characterize, to say definitively what is going on. We know it's not great, but we don't know how long this not greatness is going to last, what the next shoe drop will be. I think, Vincent, you do have some negotiating power here. I do think that if these other companies are offering $10,000 more, I think going back and asking for at least $10,000 more or maybe ask for 15, because maybe they'll come back with 10 is fine.

They're not going to rescind the offer, just because you decided to ask for more. If they are, they're a weird company and you might not want to work for them. If you're willing to take that little risk, it's not a big risk. I'm telling you. A lot of people have this fear of asking for more, but this is the time to ask for more. When you have gotten the job offer and they've given you the initial offer, the ball is in your court. Your next best move is to come back with your asks.

Sometimes you want to ask for a little bit more than what you want, because again, you want to have that back and forth. You want to feel as though this is a win-win for both sides. If I were you, I would go back and ask for more. I would ask for more and I would peg it to the fact that you have knowledge that competing companies are offering more and that you really want to work here, but here are some of your asks. I think that you're jumping the gun a little bit to assume that you either have to take this or move on.

I think that there's another step here, which is that you can come back with your offer. Here's what I would like. I will say this that culture is really important. If you like the vibe, you like the management team, that's really important. The money is very important, but also where you're working and the environment is just as critical. I'm not saying sell yourself short. I'm just saying that I want you to give this more of a chance. By that, I mean go back and ask for what you want and what you think is fair based on your market research. Good luck to you, Vincent. Keep us posted. We're reading for you.

Pune has a question about whether to file her taxes jointly or separately, now that she's married. You got married earlier this year in April. Congratulations, Pune. “Wondering what is most beneficial? We both make six figures. We both own homes in our names. He has a house and I have one, too. We've been using the mortgage interest as a write off all of these years. Not sure what is the best way to file taxes next year. We'd appreciate some help with this.”

All right, Pune, I'm not a tax expert, like you should really at this point work with a certified public accountant, a CPA. For everybody listening, when you get married, you have two choices when it comes to filing your taxes. You can either file married jointly, MFJ, or married filing separately, MFS. There are a bunch of things to think about before selecting that status. As I said, it's very helpful to work with a certified public accountant on your final decision, but it is clear that the IRS plays favorites and does prefer couples to file jointly.

If you file separately, you may lose the ability to claim key tax benefits. You are left with a lower income phase out range for deductions. You may also need to choose the same method for recording those deductions, whether you choose standard or itemized. This filing status tends to result in the bigger tax bill filing separately. It's why a lot of accountants advise their clients to go jointly, but that said, there are some advantages to filing separately. Maybe you want to take these notes down, bring them to your CPA, and get his or her their approval.

This may or may not apply to your situation, but for you and everyone listening, this might be interesting. You did mention that you make the same amount of money. You both own properties, but if one of you greatly depends on itemized deductions to lower your taxable income, then filing jointly may entail reporting a much larger, combined, adjusted gross income, right, which then reduces your chances of being able to itemize some major deductions. That includes medical expenses, personal casualty losses from theft, accidents, and other miscellaneous itemized deductions, including accounting fees, unreimbursed business expenses.

Another reason you may want to file separately is to offset potential financial risks or tax liability. Does your spouse or their tax preparer take certain liberties that you're not comfortable with? I mean, I can speak to this personally. Not in my relationship, but I have friends where one spouse chooses to file her taxes separately from her partner, because the partner has a very liberal tax accountant. She's not comfortable with those liberties, like she doesn't want it to backfire and get audited.

Her husband's a little more risk tolerant. They have different accountants and they file separately. It gives my friend who's not risk as risk tolerant to have more peace of mind. If an audit does crop up down the road, she's not going to be on the hook as well. This probably isn't on your radar, but it's unfortunately a price that couples do pay sometimes for filing jointly. If you file jointly, I will say this. It sounds like you're both on top of your finances and your taxes, but you don't want to become that couple where, because you're filing jointly, now one person takes the lead on the tax prep and all the meetings.

The filing and all the other person is doing is signing. That happens too often. That can be a huge risk, because it may not even be intentional that the husband or the tax accountant that the partner or CPA is being careless or on the other end of the spectrum fraudulent. It's really important that you stay involved and you ask all the questions and you're very clear on everything.

Finally, the state that you live in may simply dictate what is best. If you live in one of the nine so-called community property states, Arizona, California, Louisiana, New Mexico, Nevada, Idaho, Texas, Washington and Wisconsin, you may find that it's more convenient to file jointly, because your state requires you to go 50-50 on most, if not all income and deductions earned while married.

If you file separately, there may be some added steps, like reporting half of your spouse's income in addition to yours. I hope that's helpful. What I would suggest is you download this information and then you take it with you to your appointment with a certified public accountant who can really look at your financial lives and come up with the best route to make it as simple and as efficient and as optimal for the both of you financially optimal. Thanks for your question.

All right, Kara has a question about an inheritance. She says, my husband and I are about to get $25,000 as an inheritance. We have several options as far as what we're going to do with this money. We still both have student loans about 40,000 each. My husband's might be forgiven, however, through PSLF, which stands for Public Service Loan Forgiveness to federal program. Mine were refinanced to three and a half percent in 2019.

We are also expecting our first child this summer. I'm not sure if we want to set up a 529 plan. We both max out our employer retirement plans. We might make too much this year for a Roth IRA. We don't have any brokerage accounts at the moment. That's another option. We thought it would be good to sit down with a financial advisor to come up with a plan for this inheritance money, which would be a better plan for us, a certified financial planner or a chartered financial consultant. Second question, do you think that we should use this inheritance to pay off our student loans, all of our student loans? That's what my father thinks we should do.

All right, I'm going to answer that second question first, because for me, that's a very easy question to answer. The answer in my estimation is, no. Why? Because you said that first of all, your husband's loans might get forgiven. Why jump the gun and pay them off when you could get them paid off?

Also, your debt is only at three and a half percent. I think this money is better invested in the stock market over the long haul. We've talked about on the show a lot, that sometimes carrying debt is not bad, especially when it's a low interest debt. The payments are affordable and that opens up your finances and your cash flow to then use that money more instrumentally where there's a higher ROI, because you're investing it in the stock market, whether that is that 529 plan for your children or a brokerage account that you two want to start, because you've maxed out your 401Ks at work.

I personally, would not pay off a 3% debt. If I have other to-dos on my financial checklist, including investing and growing my money for retirement, for big expenses down the road like college or even a next home that you want to buy. I know that our parents are a different generation and there tends to be a different mentality and mindset around debt from a previous generation.

He may also, your father, be closer to retirement or in retirement and knows the benefits of not having that debt, but for you two where you're still in that growth stage of your financial life, where you're still very much motivated to invest and grow your money more aggressively, paying off low interest debt, of course, it buys peace of mind, but is it the most financially beneficial thing to do?

The math says, no. If the choice is between paying off that three and half percent student loan debt or investing in the stock market over the long run, over the next 20 years, 30 years, the historical charts show that the ROI on that money put towards the investments of the stock market, the diversified portfolio, much better returns.

Now, your first question about whether to hire a certified financial planner or a chartered financial consultant, CHFC. I have to say there's not a ton of difference between the two designations. When you are becoming a CFP versus becoming a CHFC, both tracks, you have to go through some rigorous exams, testing, you have to up your certification periodically to prove that you're in good standing.

I will say the most important thing no matter who you work with is that there is a certification, and whether that is the CFP or the CHFC, and that this person is your fiduciary. In other words, somebody who is going to look out for you, make a plan for your money and do so, with your best interest at stake, not theirs. There are fee-only financial planners, typically CFPs, who do not earn commissions on products. That's where I would start, because in those cases, you're working with people that are most objective and can really lean into that fiduciary role.

Based on what you're telling me that you're getting this inheritance, you have a lot of wheels turning in terms of your investments, your retirement planning. You are deep in this next stage planning phase, planning and growing your family. I do think working with a financial advisor, whether it's a CFP or a CHFC can be helpful. This person can guide you with your overall financial plan, answer specific questions you have around estate planning, tax planning, general financial planning, saving for college, saving for your next home.

You really want to like the person at the end of the day too, so I recommend you interview at least two or three people, start with folks that are within your network. Maybe it's your colleagues CFP or someone that your insurance agent recommends. I also refer people to NAPFA, N-A-P-F-A.org, where you can find fee-only financial advisors. There's also XY planning, which is a destination for finding, again, a CFP, but what's cool about that site is that the collection of advisors that they have there, tend to work with people in the millennial subset, in the millennial cohort, Gen Z, Gen X, Gen Y.

They understand that you're very much in this growth stage of your life. You are interested in building wealth and they work with entrepreneurs, all types of couples. The advisors there are not afraid to nitrify and sometimes that's the best way to work with an advisor, someone who really understands what you're going through, what your goals are, what your plans are, because they themselves are either going through it or they have a lot of their clients going through similar phases.
[OUTRO]

[0:28:22] FT: All right, and that's a wrap everybody. Thanks for tuning in. A reminder. Check out a healthystateofpanic.com to learn more about some of these bonuses that we have in store for you, if you choose to pre-order the book ahead of publication. I want everyone to get a head start on the financial advice portion of the book, how to manage your financial fears. So, with that, I've created a program to give us all a jump start. Thanks for tuning in. I'll see you back here on Monday and I hope your weekend is so money.

[END]