

EPISODE 1581

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FT: So Money episode 1581, Ask Farnoosh.

[INTRO]

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FT: Welcome to So Money, everybody. Friday, October 20th. I'm Farnoosh Torabi. You are listening to our Ask Farnoosh Friday episodes. Today, we have questions about whether to cash out some underperforming stocks. Someone in the audience is weighing two different job offers and wants to know which one to take. I'm also going to share a question that's been popping up on my book tour, which is, "Farnoosh, what are the fears you want your kids to have," and I have some thoughts.

First, though, I want to start out by clarifying something about the book. It's come up a couple of times over the last couple of weeks since the book has debuted. I just want to let everybody know. I think we all know this, but it's getting a little bit lost in translation. *A Healthy State of Panic* is not about how to be fearless. No. It's all the opposite. It's to the contrary. It's about how to embrace fear. You know this, right?

Some are still quick to think that what I'm talking about is just the same thing everyone else is telling us, which is that you got to be fearless all the time. Ignore your fears. Fight your fears. Well, as someone who's never quite been able to master that, I wanted to write a more honest take on how to work with fear because I think we all know that when we have these emotions that, yes, maybe they're a little uncomfortable. If we try to just fight them or ignore them, they just tend to compound. They don't go away. That's not how fear works. The world is a scary place.

What if we learn how to have a healthier relationship with fear? That's what *A Healthy State of Panic* is all about. Again, I've never been able to be quite fearless. I think I present as fearless. I

have a podcast. I'm talking to – this isn't a small thing. This isn't an easy thing to do. This isn't something that comes naturally or is not without fear. I go on stages, and I talk to hundreds, thousands of people. I go on television live. These things are not easy-peasy, and they do require a level of addressing fear. There's always a rumble of fear whenever I go up and give a talk or whatever. But I've learned how to work with it. I've learned to listen to my fears to figure out what they want me to protect.

If I'm about to go on stage and I'm scared, why is that? Is it because I'm not prepared? Is it because I haven't surveyed the audience? Is it because my PowerPoint presentation is glitch? Well, I bet better check on those things, right? So that I can get up on stage and still do this thing that seems terrifying but with more confidence and knowing that I have done everything I can to make sure that it is successful.

That's what we want at the end of the day, right? It's not that I'm trying to make, again, this talk on stage perfect. No such thing. It's more that when I get up there, I will feel like I have a handle on things. Even if things don't go my way, I will know how to navigate because I have understood what my fears are, and I've made a plan to work around them. So *A Healthy State of Panic*, not about how to fight your fears or how to be fearless.

This has come up a little bit on the tour. I was on a panel at Monclair State University earlier this week, and the panel was about how to work with your fears. The number of times people on the panel would say things like, "I'm fearless. I love that about me." I'm like, "Hmm, maybe it's not that you're totally fearless but that you have learned how to have a healthy relationship with fear." We don't give ourselves enough credit when it comes to how we actually face and interact with fear. It's much cooler maybe to say that you're completely fearless. But I've never been that person, right, who can just not calculate for risk. Who can do that? I think it's a privileged few, and you know who I'm talking about.

In my newsletter yesterday, I actually explored the fear of financial uncertainty. If you're not subscribed to my newsletter, you can do so easily at farnoosh.tv/newsletter. I've reserved a special gift for you there, link in the show notes. In the newsletter, I talk about how we all have this fear of financial uncertainty, especially right now. Broadly speaking, things haven't always

gone to plan in my life, starting with the day I was born. My parents intended to return to Iran in 1980, the year I was born. But the revolution disrupted things, and we've been here ever since.

I thought I was going to get into the college of my dreams. Instead, I got rejected from most of the schools I applied to, 80% of them, in fact. I was a political science major my freshman year in college. I thought I was going to go to law school. That didn't happen. Who knew I'd become a financial writer? In my 20s, I wasn't sure that I wanted to become a mom. Now, I have two kids. For years, I wanted to pursue a full-time career in television, which proved me wrong. I thought I was raising my family in Brooklyn forever. But now, I'm podcasting from my house in New Jersey.

I write about this in *A Healthy State of Panic*, how I've experienced breakups, miscarriage, job losses, and many other unexpected things, hardships that prove uncertainty is just kind of the only certainty in life. We see this globally. We see this right now with all this political unrest. There's a lot of medical and health uncertainty in the world. There's an ever-widening wealth gap. As technology evolves, we're right now terrified of what that's going to mean for our future, right? What is the rise of robots, artificial intelligence, crypto going to mean for civilization?

But the fear of uncertainty, let's sit with it for a minute. What does it want us to protect? It wants us to protect our sense of control. For me, when I look at the fear in this way, it has offered me surprising upsides. This fear wants us to pause. It wants us to reflect, gather information, and work through the fog. It doesn't want us to stay stuck. It doesn't want us to catastrophize like we tend to impulsively do when this fear shows up. But take it from me. Use this fear as a sign that maybe you need to do something different, bigger. Maybe you have to make a serious decision. Maybe you have to make a change. All so that you can alleviate some of the risks and eliminate some of this uncertainty.

When I got laid off in 2009 from the street.com during the recession, the height of the recession, I panicked, of course. I wanted to regain the certainty of my paycheck, my title, which I had negotiated this senior correspondent title only six months before that. I was actually told the week before I got laid off that I was one of the best people on the team, by my boss. So talk about not expecting a pink slip, and I was terrified. But my fear of uncertainty wanted me to answer this question. What can you do to regain your sense of control and confidence?

There are things that I couldn't do that I really wanted to. I couldn't go back and ask for my job. I couldn't recreate my salary and my title. I certainly couldn't reverse the subprime mortgage debacle, the housing crash, the financial crash, any of it. That was all out of my control. But what can I control? That is what the fear of uncertainty wants you to identify, especially in our financial lives. What I did was I took inventory of unshakable, unwavering certainties in my life. I call these my priceless assets. It's all that stuff that if you hit rock bottom, this is what remains no matter what, and it's good.

For me, in 2009, my priceless assets look like my body of work, my platform as a journalist, as an author. I had fortunately published my first book a year prior to the layoff, my education, my professional network. Also, not for nothing, I could stay up all night and work on projects, which isn't true anymore. But back then, it was. This exercise of seeing and remembering my priceless assets proved to me that you can lay a woman off from her job, but you cannot lay her off from her ambitions.

So right away I started to freelance, much faster than trying to regain a full-time job in the recession because there weren't any, frankly. I began contacting various organizations. I pitched myself as a contributor, a consultant, or a speaker. They weren't all home runs, but enough of them were. Later that same year, I combined my income streams into a business, which was actually quite frightening to me prior to getting laid off. I thought I could never start a business, but uncertainty taught me otherwise. I began building my platform. I went from writing to hosting television, running workshops, doing this podcast. The fear of uncertainty has led me to you.

Let this be your work. Whenever you fear financial uncertainty and you want to make friends with the fear, my advice, remember who you are. Remember what you're capable of, what can't be taken from you. Use this to make your next best move. Again, that was all taken from my newsletter this week, which I love writing once a week. It doesn't – it's not an overwhelming email. Don't worry. You're not going to get an email every day selling you stuff. It's just my money musings and lately my fear musings.

Switching gears to our podcast episodes this week, in case you missed any, here's a recap. Earlier this week, we met with Anisha Ramakrishna, who is the star of the Bravo show, Family

Karma. She also hosts a podcast called Currently Cringing. We talked about playing financial catch-up in your late 30s. Anisha is 39, newly married, and also new to really getting a handle on her finances. She talks about how she pivoted from a really stable, good, solid career in fashion to entertainment, where now she's pursuing comedy and reality TV. It's a whole other world and talk about financial uncertainty. But there are many lessons she's learned along the way. She finally feels like she's come into enough money where she can actually do things with it, other than just get by. A rich conversation with Anisha, she also talked about her lessons learned as an immigrant. She moved to the US from India when she was just 10 years old.

Then on Wednesday, we spoke with Karen Berzanski, who's a transformational money mindset expert. We talked about the struggle with wanting more, wanting to be rich, declaring that. We can all agree that every person has the right to be rich and to claim wealth. But when it comes to our own ability to do that and our own wanting for that, we struggle sometimes. Are we worth it? Is it right? Is it right for me? What does that say about me that I want money, that I like money? Karen unpacks all this for us. Karen's also the founder of theluckysoul.com. So check out that if you're interested in your own journey towards claiming wealth. She's helped hundreds of women make more money and eliminate financial stress.

PS, I mentioned this last week. I'll mention it again. It's worth repeating. If you are liking this show, please subscribe. I don't often ask you to subscribe because I assume you already are. But there was a glitch in Apple Podcasts earlier this summer that I've just learned about, which makes a lot of sense now because I'm realizing that not everybody is subscribed as they were. Basically, bumped a lot of shows out of your feed. So if you've been missing some shows, that's probably why. That is to assume you're on the Apple Podcasts player. This wasn't the case with Spotify or some of the other podcast players, so not to promote Apple Podcasts exclusively. But if that is your preferred podcast player, just make sure that this show is in your subscribe folder. That way, you never miss an episode, and you always get them as soon as they publish.

Sticking with Apple Podcasts, though, let's go find our reviewer of the week who's going to get a free 15-minute money session with me. This time, we're going to say thank you to Adis from Orlando who says, "The show is a must for all." "This show has given me the strength to ask for what I want," says Adis, "without feeling guilt or shame." "I've consulted Farnoosh on Instagram

at several times, and she has given me advice as if we were old friends. I recommend this show to everyone.”

Adis, thank you so much. By the way, that's true. You can often catch me in the DMs on Instagram. You can slide into my DMs, and we'll have a conversation. But, Adis, I'd love to move our relationship from Instagram to the phone. Call me. But, first, I'm going to send you a link to where you can pick a time for us to connect. For that, you'll have to email me, though, at farnoosh@somoneypodcast.com. So email me, farnoosh@somoneypodcast.com. I'll send you a link to where you can schedule a time for us to chat.

Now, let's answer your money questions, starting with the question that I've been getting a little bit on this book tour, which is, “Farnoosh, what fears do you want your children to have?” My kids are six and nine, and my parents raised me with, I think, an abundance of fear. I'm not sure I want to repeat that. I can appreciate some of it, but I'm not sure I want to terrify my kids about all the things that really don't – like we know. You can probably share some cookies with your friends in school if you're in kindergarten, as long as you're not allergic to anything, and all will be fine. Or you can go to a friend's house for a play date and as long as there are adults there, and you've met the parents at least once. Like go for it. Go for it.

I think my parents were very cautious about me being in the company and presence and responsibility of other people. They were worried about me eating things that they hadn't prepared for me. I don't know. Was it like the Five O'clock News in the eighties at that time, all the kids on the backs of milk cartons? Probably, probably. But you live, you learn. I've lived and learned. While I allow my kids, I think, a lot more space and runway to be free and interact with the world, there are things that I think are worthy of their extra care and attention.

When I say that I want my kids to be afraid of these things, it's really so that they give it a minute and stop and think more critically before they're about to do something, something as regular as like riding their bikes in the street. I always tell them that they can be really cautious, but other people may not be cautious. So you have to be hypervigilant when you're riding your bike or running across the street. That I've also learned kids up until the age of 10, this actually came up on the tour, don't have an accurate sense of speed and proximity when cars are approaching them. They think they're further than they are.

For all these reasons, I think I'm going to keep telling my kids to look both ways several times before they cross the street, before they ride their bikes across the street. They, of course, have to wear their helmets. They, of course, usually have to be with an adult still when they're doing these sorts of things. But never hurts, never hurts to tell them and know that this is something that they should be afraid of.

Of course, strangers. I actually talked to my son the other day about we having a secret password. If somebody ever comes to the schoolyard and says, "Hey, your mom called me and said I need to come pick you up," you got to ask this person what's the secret password. Then he'll know that this person and I have had a conversation and that I have approved this pick up. The school's really good about also making sure that these sorts of things don't happen, but I don't think that's a bad thing for kids to know that they shouldn't trust strangers that just come up to them and want them to get in their cars.

This was definitely a fear that my parents instilled in me. I have friends who were like, "I was never afraid of strangers." I was like, "Well, I'm so glad it worked out for you. But in the meantime, I'm going to continue this fear for myself and for my kids." Then financially speaking, I think I want my kids to be afraid of knowing that mom and dad are not going to be here for all the bailouts. My parents were very generous, I thought, in this department, where my dad did bail me out at one point with some credit card debt early on, early, early, early on. But then I got back into credit card debt, so I didn't learn my lesson. I got out of that second and third time of credit card debt myself.

I think it's healthy for everybody to have a little bit of financial fear, that they're not going to just – they're not going to take risks with spending. They're going to be thoughtful about how they budget, spending within your means. I think that if you are afraid because you know you're somebody that has a tendency to be impulsive with your spending, listen to that fear. Listen to that fear. Get some help.

When people write in and they say, "We're thinking about paying for some of our children's college education but not all of it because we want them to have some skin in the game," maybe that means they come out of college with a little bit of debt. But could that be helpful in some

ways? One, they're more financially invested in their success at school. They're not likely to quit or drop out because then they know that they're going to have this money to pay back at some point. If they don't have a degree, it's going to feel pretty lousy.

Then when they graduate and they have this debt that is theirs, it might encourage them to go out there and make money faster than they would. This isn't about saddling your kid with 70,000; 80,000; 100,000 dollars' worth of debt but 15,000; 20,000. I had about 20,000; 30,000 dollars' worth of graduate student loan debt that I carried for many years. But it encouraged me to go out there and get several revenue streams. Once I got my book deal, I paid off the balance immediately. That felt amazing. My father was an assistant on that. He was like, "I'm not paying for a graduate school entirely. You're going to have to take out most of the loans. And if you really want to do this, you need to be committed." He probably had the resources, but he wanted me to be more critical about the decisions I was making, realizing I'm the adult now. If I'm going to do this, I need to afford the consequences.

So those are just a few healthy fears that I'll probably be passing on to my kids. I probably already am. What about you? What are some fears that you are going to pass on to your kids or are passing on to your kids that's coming from a good place? Let me know because I'm thinking that maybe the next leg of this book, the next iteration could be something for families, for kids, for parents. We'll see.

All right, to the mailbag. First question is from our friend in the audience, who is in the midst of accepting one of two jobs. It's a nice problem, I guess. Nat writes in and says, "Firstly, congratulations on the book, Farnoosh. My copy's on its way, and I can't wait to dive in." Well, when you get the book, fast-forward maybe to the chapter on the fear of uncertainty because it sounds like you're kind of at this crossroads and working through the uncertainty. The fear could be really, really helpful.

Here's Nat's question, everybody. Nat is deciding between two job offers. Nat says, "I haven't worked in about a year due to a big burnout that saw me on sick leave for seven months. At which point, I decided to quit entirely because co-workers informed me that the work environment had become even worse. I simply wasn't willing to put myself back into a situation that had been so detrimental, especially when I'd come so far in resting and healing. After

several months of applications, I'm now in the early stages of interviewing for two positions that differ in several ways. Neither pay what I was making, but I am ready for some structure and income, and would continue my job hunt for something higher paying.

The first job is full-time and high-volume, with an expected promotion within 18 months. Job two would be 30 hours a week. It pays less but has a lot of flexibility in when I log those hours. It also has a stronger title, which I'm thinking will be beneficial in future job searches as it will enhance my resume. I don't think I can leverage the jobs against each other in negotiations because they're not very similar. So the businesses are not competitors.

In terms of my financial situation, I've almost depleted my emergency fund, but my partner has a good salary and can float us while I continue to search for the right fit professionally. Our only debt is a mortgage. It's very manageable. We only have three years left, and the interest rate is 2.29%. I'm leaning towards the lesser-paying part-time job because I think the flexibility would be really helpful, as I ease back into working, plus the title will strengthen my resume going forward. I worry, though, about leaning away from more money. It feels like I'm pushing my own financial goals further away. Are there any angles I'm failing to consider here? Any prompts are welcome.”

Well, Nat or Natalie, I'm finally seeing your full name here. Natalie, thank you so much for this question. First, I'm really happy you took time off. That was time well spent. Good for you. Anyone listening who's burnt out, it's not easy to quit your job. That's a really hard choice. Do I stay in the job that's making me miserable, but it's paying my bills? Or do I leave, get the time off that I need, and deal with potential financial consequences with not working? I'm glad, Natalie, that you were able to get the care. It sounds like you were able to support yourself financially. Now, you want to get back at it.

I'm with you. I think job number two, even though it's a lesser-paying job, is far better than job number one, far better. Of course, no one likes to leave money on the table, but that money is going to come at a price. Job number one is high-volume, you said, and that doesn't sound like what you're looking for right now. You are in a different place in your life, and you ask me, what is something that I'm failing to consider here? So I want to use your words, right? You said, “I

worry about leaning away from more money because it feels like I'm pushing myself away from my financial goals.”

Did you ever consider that in order to achieve financial goals, you need to also have time, flexibility, and your health? Your financial goals don't just happen because you have the money. You also need to have the space and the mental health. So you might make more money in job number one, but it's going to come to you at too tall a cost. Your financial goals, I understand, are to increase your emergency fund. Making a little bit less money is not as ideal as making more money to enhance the emergency fund. But you're going to have an extra at least 10 hours a week to do whatever you want.

Could you do something on the side to focus on rebuilding that emergency fund? Your mortgage at 2.29%, if that's your only debt, God bless you. I think that's so great. Your emergency fund will get replenished. Commit to spending less, maybe working an extra 5, 7, 10 hours a week, something that you choose. You can do exclusively online on your own time and compartmentalize that revenue stream.

This was very helpful to me at one point when I was replenishing savings as your savings job, the job that is going to replenish your savings. Just focus on that for six months, eight months. Get it back to where you want it to be, and that's it. I think your instincts are right. Everybody likes to write in and just get my second opinion, and I appreciate that. A lot of you already know what you need to do. This proves to me that what often is lacking is a reputable second opinion, and I really appreciate that you consider me your reputable second opinion.

Finally, a question about investing from our friend in the audience. Kat says, “I love your podcast, Farnoosh. I feel like I've finally worked up the courage to face my finances and get them in order. My question is this. When is it good to realize losses from a bad investment and use the money to purchase better-performing ETFs? Is it ever worth it? Here's the story. When I was a kid, my uncle opened and managed an individual brokerage account for me. A few years ago, he gave me the login information and handed over the account. Unfortunately, I didn't know how investments worked. I was scared to mess it up and basically ignored the account.

Recently, I went in to try to manage it for the first time and realized it was only invested in a few individual stocks that were not performing well. It went from 20,000 to 10,000 over a decade because it doesn't seem like it's a portfolio that will rebound. I'm thinking of selling the stocks and putting them towards better-performing ETFs or bonds. But it feels like a waste of this gift that my uncle gave me, and maybe not like the correct choice is realizing the loss in favor of better investments, a tradeoff worth making.”

Well, Kat, I think that this portfolio is not structured properly. A good portfolio, we know, basics, comes down to diversity. This portfolio has three stocks, so it was kind of set up to fail in that it was set up with very few options. There's what – you actually – she actually said this to me. I didn't read it out loud, but there's one particular stock that's really dragging all the others. It doesn't look like that stock's going to ever rebound. So one out of three is – those are not good odds.

So I agree with you. I think that your uncle has still gifted you this portfolio, which, yes, has lost value. But it's still worth something. It's still worth \$10,000. There's still time to course-correct. So I would take this \$10,000, cash it out, pay the taxes, which won't be too high because it's long-term capital gains at this point. It's been 10 years. Use it to create a diversified portfolio of low-fee exchange-traded funds. If the current platform where this fund is sit – where this brokerage account is sitting is a good one, where they don't charge high fees, and it's easy access. You can do this electronically online. Maybe consider staying with them or pick up and go somewhere else.

I don't think you're being unthankful. I don't think you're being ungrateful. I think that you're being smart. I think, ultimately, you and your uncle can agree that you want this portfolio to grow. The smart money bets on a diverse range of investments, not just three. Thanks for your question, Kat. I think it's a really good one because as we are getting older, a lot of us might be inheriting investment portfolios from our loved ones. The wealth transfer is happening. So I predict more of these questions, where people are like, “Ah, I got this money. I don't know what to do with it, and I feel like I should do it this way because this is what maybe my parent or my grandparent or my uncle would have wanted.”

But you have to be smart about this money. Money is a limited resource. This portfolio has already tanked 50%, whereas it could have grown 50% over the last 10 years, considering that from 2011 to 2020, 2010 to 2020, was quite the market, quite the boom market. This portfolio had a chance, and it still could have a chance, but you need to make some pivots. I would start by reallocating that money to a more diverse portfolio that covers a wide range of assets across low-fee ETFs. Good call. You have my blessing.

That's our show this Friday. Thank you so much for tuning in. If you have read *A Healthy State of Panic* and you like it, I beg you, please leave a review. I'm begging now because this seems to be quite a chore, and I know firsthand that writing reviews are not easy. They take time. They take a minute. But if you liked this book and you want to support and you're wondering, "How can I support Farnoosh? She's given me this podcast for nine years and never asked for anything in return." I might be putting words in your mouth.

Please go to Amazon and leave a review. It could even just be a quick rating review. You don't have to leave a word review, although I would love a word, although I would love a written review. But if all you have time is just a quick five-star rating, I will take it. I will take it gladly, gratefully. I'll see you back here on Monday, everybody, and I hope your weekend is So Money.

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