

**EPISODE 1614**

**FT:** So Money episode 1614, Ask Farnoosh.

[INTRODUCTION]

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**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]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. The first Ask Farnoosh on So Money in 2024. Who's excited? We have questions today about how to approach the job market in your 40s. This person has a PhD. How can this benefit them? What do I think are some of the best investments for our health? A listener wants to know where to invest in their wellness, in their health, in their mental health to get the best ROI. Then a very specific question, do I have to pay taxes if I'm taking money out of a whole life insurance policy?

First, let's talk about the new year and what everyone is up to. Do you set New Year's resolutions? January is a big month for health resolutions, financial resolutions. I just, for me, success in week one is showering, doing my hair. I dropped off some dry cleaning. I've been preparing meals, not doing a lot of takeout. I feel like that's success. That's winning in week one. I'm just going to try to build on that momentum. Maybe next week I'll wear jeans every day, instead of just one day. Those hard pants with the zippers instead of the drawstring, try and drink more water.

On a work-related note, some of the things that I've been doing include doing more Instagram reels, which I will say does take time. I don't have any help with that, but I am a quick learner. I've been following some folks who've been teaching me about hacks and things to do to boost engagement and it's working. I'm not a pro yet, but I'm really pleased with some of the engagement that I've been getting this week, at least on some of the posts.

I've decided to every week now share a diary of a bread-winning mom. There's a lot of diaries about traditional wives, trad wives, and even stay-at-home girlfriends, if you can believe it. I'm like, you know what? Let's add something new to the mix. Let's add a new flavor to the female content, the female empowerment content. I'm going to tell you every week some things, some things about what it's like to be the breadwinner in our household, raising two kids.

My advice was recently featured in The Cut. Do you read The Cut? It's part of New York Magazine. It's one of my favorite websites in Charlotte Cowles, who's an incredible writer for The Cut. She has a financial column there, interviewed me about, what my tips are for saving money that don't involve money, like you don't have to actually, this isn't a financial tip per se, but it's a habit, it's a tendency, it's an exercise that we all can do to effectively save money. The article talked about how walking can be something that can ultimately help you save money. Interesting.

I contributed two things. First, clean out your closet, because I recently organized my closet, including my daughter's closet and felt no desire to buy any new clothes. I'd actually forgotten about all the things that I had, including jeans and shoes. Then I donated a bunch of the clothes. that was a little difficult. Always sentimental donating clothes, right? Because it's like, "Oh, I love this sweater or these jeans. They don't fit anymore." But you know what? They once did and they represented a life well lived. I'm going to Marie Kondo it, and take it out to Goodwill.

Cyndy Spiegel, actually, who was a guest on So Money on Monday. If you didn't catch that, go back and listen. Cyndy is the author of, *Microjoys*, and previous to that, *A Year of Positive Thinking*. She has great advice on how to part ways with sentimental items, clothing from our closets that we know we should give away, but it's just so hard. You can go back and listen to – you'll have to go and listen to that episode for her full take on it.

The other thing I offered The Cut. The other tip is to sleep earlier, which I have been doing this week, even just a half an hour earlier. We all know the benefits of sleep, but it's also an effective practice for saving money. Here's why. Well, there's a couple of reasons. One, raise your hand if you've ever made a guilty purchase, a necessary purchase on Instagram, on your phone late at night when our impulse control is at its weakest. I'm raising both my hands. More sleep means that I'll wake up more refreshed, and I'll be able to be more focused, and less impulsive throughout the day. Either go to bed sooner or just leave your phone in the bathroom. Then come back to bed, because out of sight, out of mind, out of your wallet.

Then here's the other thing. I didn't mention this in the article, but I came across the stat this week. When it comes to making your bed. It's another habit that I fortunately was, it was ingrained in me as a young daughter of Iranian immigrants. This is actually an indicator of someone who may be rich. Those who make their beds in the morning are 207% more likely to be millionaires. This is according to research from Randall Bell. He's a socio-economist who interviewed over 5,000 people globally. He has been studying success for 25 years. This is a correlation. People who make their beds are tend to be wealthier. Interesting. Need any more motivation to make your bed in the morning.

Then sticking with the theme of habits and how to use your habits and how to pick the right ones to make more money in the new year or at least save money. Vivian Tu, stop by the show on Wednesday on So Money. She is your rich BFF on TikTok. Wildly, popular financial expert and influencer. She has a new book out called, *Rich AF*. In it, she talks about laziness, being lazy, just being lazy. That is something that a lot of rich people share in common. It makes you laugh, but also, there's some substance to this. I want you to go back and listen to her interview. We talk about it. We get into it about what she means by laziness.

All right, so we're going to get to the mailbag very shortly, but first a couple of housekeeping items. I want you to know that if you leave me a review this year on Apple podcasts, most of you listen through Apple podcasts, and it's actually the only major podcast player where you can leave a review. I don't think Spotify has this capability. So, if you listen to the show on Apple podcasts or have Apple podcasts on your phone, and you want to leave a review for So Money, I would love it. Number one, I would just love it. Number two, I would feel so inclined to give you a free 15-minute money session with me this year.

Every week, I'm going to pick one new reviewer to get a free 15-minute phone call with me. We don't have any this week. I think, I don't know what that means about the show and where it's going. I know we have a lot of subscribers, but this is something that I know it takes a little bit of effort and just like with my book, *Healthy State of Panic*, I have to constantly ask, but I really would appreciate your reviews, not just because it feeds my ego, but because it really does help when others are coming to the show, wondering whether to subscribe and it helps the algorithm. More reviews, higher rankings.

As my thank you, every week, I'll pick one new reviewer to get a free phone call with me. Right now, doors wide open. If you want to get a handle on your money this year, you want me to take a look at your finances, or talk to you about whatever's on your money mind, give you some encouragement, give you some strategy. This is our time to do it. I don't sell anything on these calls. Just honest advice.

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Stay tuned, because later this month, I'm going to be doing, as I'm going to be doing every month this year in 2024, a pop-up workshop. What the heck is a pop-up workshop? It's going to be a way for you and I to connect and go deep on a topic within the So Money world. Topic number one is going to be investing. Remember, I surveyed a bunch of you last year towards the end of last year, hundreds of you responded. Most of you said that you want to learn about investing.

You want to learn about investing from me. I'm going to teach investing, later this month. It's going to be a limited workshop. I'm going to pie talk about it next week and tell you where you can sign up, but stay tuned for that. We're going to be doing lots of these pop-up workshops

throughout the year tied to financial themes that you are telling me you want to learn about. I'm going to teach them. We're going to have Q and A at the end of the sessions. I'm going to put on my professorial hat and actually do this thing and teach, which I think I'm pretty good at. People tell me.

All right, let's go to the mailbag. A question from someone in the audience who's just earned their PhD, which by the way is quite a few of you. When I surveyed you towards the end of last year, I asked about your academic background. I think about 10, 15% of you have PhDs. We have a very fancy audience. This person is now entering the job market, and has maybe some concerns, which I don't know why. I would think that with the PhD, you're highly qualifiable, but also at the same time, it's probably a very competitive landscape.

My father has a PhD in physics. It's a very specific type of physics. I know that for him, when he got laid off in his early 60s, it was rather difficult to go back and find a similar job that paid a similar salary that had a similar role. There are only so many people at his level, and so many employers that want to employ people at that level. So, he had to pivot a little bit. He's fine now. You can actually listen to that episode on So Money, Adam Torabi. You can Google it. Now, our friend here in the audience, not in their 60s in their early 40s with a PhD, wondering if I have any tips for how to navigate the job market.

Number one, if you haven't done this already, it's really important to clarify your goals, really define what kind of work you want to be doing, who you want to be working for, because with a PhD, you could very easily, well, maybe not easily, but you could. A very viable path is to go work in academia. You could teach, you could become a professor. I know those jobs are very competitive, but if that's what you have your eyes set on, that's one option. Then there are options in the corporate and nonprofit world, right? So, really making sure that you are clear on which path you want to take. Yes, you can pursue multiple paths, but there's probably one path that you're more excited about. You're more passionate about. I would suggest that you start there.

If you haven't already, update your LinkedIn, your resume. Your PhD is really special. I want that to be highlighted. I think that's really, it's a standout in this job market. Detail your PhD research and other relevant experiences. If you were a teacher during your time, during the program,

that's also very applicable to the job market. Leadership skills there. Then networking, your university, wherever you got your PhD, hopefully has a built-in network. Your classmates are huge resources for you. I know, I don't have a PhD, but I have a master's in journalism. To this day, I'm very much in touch with my classmates. To this day, we very much help each other out even now 20 years later. I can't believe it. Lean on your classmates.

Then I would also reach out to head hunters, and maybe even a job coach, but definitely a headhunter. Again, you have something special. You have a very special degree. You are an expert and you should get paid for that. There should be some competition. You should have multiple bids. I mean, I would be very, very excited if I were you. I say this not knowing which industry you're in. The recent jobs numbers were not so hot, but obviously, we have to take this and look at it specifically through lens of the industry, the market that you want to work in. I'm only here to cheer you on. I'm very excited for you.

One last thing I want to say about people who, whether you have a PhD, or a master's, or you have a double of major, and you spent a lot of time in higher ed and now you're just emerging back into the job market. There may be a part of you that's feeling disconnected, wondering if people are going to judge you, because you haven't been in the job market for a while, like being in the academic world and the theoretic world. That might be a little bit of an insecurity. I definitely had that when I got out of graduate school, but there are so many transferable skills that you have.

Again, as a PhD candidate, there's incredible research. You've built up as expertise. You've worked with probably a small team. You've perhaps taught, and you have taken an idea from start to finish, right, with your thesis. That again, shows a lot of hard work and dedication and willing to take risks, a willing to experiment. You're a critical thinker. These are highly valuable skills, traits to include on your LinkedIn and your resume. When you're talking to a job, make sure you highlight all of that. Good luck to you.

All right, next up a question about the best ways to invest in our health. What are some things that we can buy, we can do, we can invest in for longevity, for mental health and well-being? Well, one is preventative care, regular checkups and screenings to see if you have any health issues early on. Make sure you do have health insurance. I mean, that is the, I think, number

one way to invest in your health, to have access to medical professionals and care. Early detection, taking care of issues today, not only a lifesaver, but saves you significant amount of money in the long run.

Then we know the benefits of sleep. We talked about this earlier, but a consistent sleep routine, a comfortable sleep environment. This impacts both your physical and your mental well-being. I think back to the days when I was a new parent and not sleeping in the middle of the night. I mean, it is real. Sleep deprivation is a real thing. It's dangerous. I have a friend who's now disabled, because he didn't get enough sleep one night. It was actually a pattern. Several nights, several weeks' worth of bad sleep. He got into a car accident and almost died. A father of five. This is something that has never escaped me, that reminder of how important it is to rest.

I take those naps if I'm short on sleep. It doesn't replace my evening sleep, but it's something and it helps me to feel more revived and more focused. By the way, when you are more alert, when you are more awake and in tune with your body and with your mind, you make better decisions. It's not about just not operating heavy machinery. It's also about when you're operating your finances, and your relationships, and also treating yourself, like having sleep, it is an incredibly free way to invest in yourself and in your health.

Now, I know time is not free, so maybe you're thinking, well, sleep is not free, but you got to prioritize your sleep. You just have to. The list goes on. Nutrition, exercise, seeing a therapist. If that's what you need, all of the stuff, it does matter, but I think one thing that we've talked about a lot on So Money is the burnout factor. So, when you're at work and you're stressed, stress is a killer. There's a great book I read called, *The Upside of Stress*. If you're stressed, how to work with your stress or how to interpret your stress to figure out what it is that you need. Stress manifests in many different ways for people.

For me, when I was completely stressed out one year, because I was launching a side business. I've talked about on the show, right? It was called, She Stacks. Stacks House was our financial museum in LA. We launched the thing, but it was financially so stressful, and production wise, so stressful. But I started to get an itchy scalp. I couldn't sleep. I was having breathing problems. It was manifesting physically in my body. When that project went away, I started sleeping better and it continued to haunt me though, because we had debt, but at least

the project was done. Then I saw my body improve. I saw my health improve. I saw my relationships actually improve with my partner and with my kids. It was a time.

My friend, investing in your health, it starts with things that don't cost any money, creating boundaries. I think that's what I learned about my time on that project, was I just didn't have any boundaries. I was doing everything. I was just working 24-7 stressed all the time. I wasn't talking about it with anybody. So, I probably could have used a therapist at the time. I wasn't sleeping, which we've just discussed the benefits of.

Health care is really important. It's not something that unfortunately is a given in our country, but to the extent that you can afford even a basic health care plan, invest in a basic health care plan that gets you access to trustworthy doctors and a medical community, because they are the people that are going to be at the front line of seeing the signs potentially before you do. Those routine checkups, those regular mammograms, all of that's so, so important. We know is what can prevent health failure down the road.

Last but not least, next question, last question. Do you have to pay taxes if you get money from a whole life insurance policy and not a death benefit? I looked this up. I don't have a whole life insurance policy on purpose. I don't really believe in them. For most people, I think most people just need permanent or term life insurance. It's much cheaper. It expires, of course, after a term, but a whole life insurance policy is very expensive to maintain. It's a complex product. A lot of fees. Most people don't need them. But this person apparently has access to one and wants to know if they start making withdrawals. What does that mean from a tax perspective?

The taxation of funds from a whole life insurance policy, it really depends on what kind of withdrawal you're doing. Now, this person said this is on a death benefit withdrawal. Death benefit withdrawals are paid out to the beneficiaries upon a person's death. That is typically not subject to income tax. This person already knows this, but just to reiterate. It sounds like more of a cash value withdrawal. A whole life insurance policy, there's a death benefit, then there's this cash value.

If you withdraw the cash from the policy's cash value, the amount that you're going to receive, it might be tax free up to the total amount of the monthly premiums or the annual premiums that



you have paid into the policy. Any withdrawals exceeding the total premiums paid may be subject to income tax, but this is something that I would highly recommend you talk to a tax professional or a financial advisor or both for their take. All these policies are very different. They're unique and might have their own nuances. That is what I've discovered. I hope that is helpful to you, my friend in the audience.

Thanks so much for tuning in, everybody. That's our show for this Friday. First Friday of January 2024. I got to catch myself, because I will probably be saying 2023 into March, but it's helpful that I have a podcast to keep me accountable in saying the year out loud three times a week. I appreciate you joining. I appreciate the new friends in the audience who may have discovered this podcast, as I know January is a big month to land on a new podcast and find some new resources as you embark on your financial wellness journey.

Our New Year's resolutions often involve money resolutions. I'm honored that you're considering me a part of your journey. Stay tuned for more exciting things on this podcast and within the community. As I mentioned later next week, I'll be talking about our pop-up workshop on investing that I'll be hosting later this month. I hope many of you will join. In the meantime, I hope your weekend is so money.

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