EPISODE 1617

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FT: So Money episode 1617, Ask Farnoosh.

[INTRO]

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FT: Welcome to So Money, everybody. I'm Farnoosh. You're listening to Ask Farnoosh Friday on the So Money podcast. Welcome to all of our new listeners who've recently subscribed with the New Year, many of us looking for advice around managing our money, building wealth. I'm honored that you've chosen this show and our community to get that support that you need.

Today's episode is going to focus on a few important things. One, how my husband and I manage money in our marriage. This is one of the biggest questions I get from couples. How do you manage money in your relationship? I see a lot of mistakes. I've committed some of them. So I want to open the show with some of my best practices for managing money in your relationship when, especially, you are the breadwinner or you make more than your partner.

We have questions from the audience about what to do now that Mint, the longtime financial app that helped us budget and track our spending, has gone bye-bye. What are some good alternatives? A question about should I quit my job and take on more risk in my career so that I can earn more money, maybe retire early. But I also love my job, and it's very stable and very secure. Also a question about how to set up a teenager, a 17-year-old specifically, for financial success when your teen loves to spend, loves to spend her money that she earns in her job, but spends all of it, saves nothing.

Shifting gears to a big announcement, I am teaching a live webinar on, wait for it, investing, investing. Yes. This is a topic that I know because I surveyed you all last month, is a priority for many people in the audience. You want to learn how to finally get started with investing. You want to learn how to continue building upon your investments, and you want to learn from me.

You want to learn about my tactics, my strategies, how I'm investing, and what I recommend. I'm hosting a one-time live workshop later this month on my best investing practices. I'm offering this one time only. It will be limited seating. Go to somoneyworkshop.com. I'll put the link in our show notes, but somoneyworkshop, one word, .com to register.

If you've been curious to begin investing this year or grow your investments, you want to know what I'm doing with my investments, this workshop is happening live Thursday, January 25th. It will be recorded, so you can always get the recording if you can't make it live. But those who do join on Thursday, January 25th with me will also have the opportunity to ask me their questions. Somoneyworkshop.com, register today.

Coming up, announcing the winners of my *Healthy State of Panic* book giveaway, five audience members. I'll also be selecting a reviewer of the week from our Apple Podcast review section. This person will get a free money session with me. But, first, another exciting event that I have coming up. This is going to be later in February, and it's going to be in person, in real life, my annual Pitch, Please workshop. It's happening on February 23rd in New York City.

If you're interested to know how I've managed to get my name and my work in the media over the last 20 years and more recently with the publication of *A Healthy State of Panic*. The book was featured in The New York Times, The Today Show, NPR, Forbes. I'll be teaching my publicity secrets, and I'll also be inviting my friends who work in the media who are the gatekeepers to come and meet you, learn your ideas, learn what you're all about, and make some real lasting connections.

I love all my events, but this is probably up there, maybe number one or number two. It's just so much fun. I co-host it with Susie Moore, who is a blast and a media maven in her own right. The link for that is pitchpleaseworkshop.com, pitchpleaseworkshop.com. That is also going to be in our show notes. I hope to see you there.

In case you missed this week's episodes, we had two journalists on the podcast. On Monday, Jessica Cruel, Editor-in-Chief of Allure. I invited her on the show not only because I'm interested in some beauty hacks and how to reduce my spending when it comes to makeup and skin care. But, also, Jessica is a pro-investor and an experienced real estate guru. So I had to bring her on because she's just as passionate about media and beauty as she is money. We spent a lot of our time talking about money, her advice, her experience building wealth, and the behind-the-scenes of becoming editor-in-chief of Allure, the first black woman to lead that magazine.

Also this week, we had Danielle Robay on the show. She is the host of Pretty Smart podcast. She is an E! news correspondent. We discussed how she built her career in TV journalism, moving to Los Angeles at age 22, some chance encounters that helped her navigate her career, change the course of her career, actually, and life.

All right, winners of our book giveaway, our *Healthy State of Panic* giveaway. Thank you to everybody who filled out my So Money survey at the end of the year. These five audience members who filled out the survey will be getting a hard-cover copy of *A Healthy State of Panic* in the mail. The winners are Amber Wong, Christy Favala, Sonia Khan, Stephanie Corovo, and Juan Rivera. Amber, Christie, Sonia, Stephanie, and Juan, I will email you personally. I have your addresses. But I just want to let you know that you won and to expect the book in the mail soon.

Now, this year marks the 10th anniversary of publishing one of my books, *When She Makes More*, and I'll never forget the one publisher who bulked at my proposal. She said I was naive to think that there were any complexities worth discussing, let alone including in a book, when a woman makes more than her husband. Truthfully, there was always a lot of tension in the room when I brought up the topic of breadwinning women back then and still.

In honor of my book's anniversary, this year it's turning 10 years old, I'm dedicating more advice and insights on Instagram around female breadwinners. So if you aren't following me there and you'd like to get this content, that's where to find it. My latest post is about how my husband and I manage money in our marriage. I want to share this advice here on the show. Hopefully, couples can benefit from this, especially if you or your partner earns more in the relationship.

There's five things I want to share. Number one, give each person's money meaning. The person who earns less can feel less like a contributor to the household. So for that person, consciously appropriate their money towards one or two significant spending or saving goals so that it feels like their income is making a true significant impact. In our marriage, my husband fully funds the kids' college savings accounts, not a small thing.

Two, discuss how to share financial priorities. How you manage your bills and your savings goals is so important in your relationship, especially if you earn different salaries. Splitting bills down the middle, that's not going to work if you're making different levels of money. Instead what we do is we contribute an equal percentage of our incomes into a joint account to pay for whatever cost that we want to share. If any one of us changes jobs, gets a raise, quits, we have to review this again. We decide this again. We don't assume this is locked for the rest of our marriage.

Third tip related to tip number two, opt for three bank accounts. So when it comes to managing your money, we like to have three bank accounts; my account, my husband's account, and our account. A joint checking or savings account, like I mentioned earlier, it helps to manage those shared expenses. It makes it a little bit easier. But we also have individual accounts, which allows us to maintain financial autonomy in our marriage, which is really, really important.

This is something that I hear couples argue and gripe about constantly. It's like, "Oh, I want to go get my hair done." Or he wants to go buy something for his office or a piece of equipment. The couples aren't used to buying in those categories and may not know what things cost and then start to judge, and it becomes a whole thing. It's like, okay, easy fix, just have your own money for your expenses. You decide ahead of time how much you want to budget for that. But it's just yours, and there's no micromanaging in that department.

Tip number four, really important. This is universal advice. Making less is not a reflection of your worth. I'm going to repeat that. Making less money is not a reflection of your worth. This shows up in a terrible way often in relationships. We equate money to power. So we think making less means that we don't have as much power in the relationship, that our careers aren't as important, that our time is less important, that we shouldn't have as much of a voice in deciding things about our finances, our investments, our budgets, the expenses that we pay, the goals that we have.

Nope, money is important, whether you make $10 or a million dollars. Every dollar counts. By the way, if we start to judge people's careers and value people's careers based on how much money they make, what a load of crap. I mean, look at teachers, for example. What more important job is there than to teach our children? They're one of the lowest salaried workers in our country. Do you think a plastic surgeon's job is more important than someone teaching kindergarten? I don't think so. Yet if we start to value these jobs based on their incomes, we're in for some trouble.

Then lastly, enlist help. At the beginning of our marriage, my husband and I, we decided to work with a financial planner who helped us communicate about money. She helped us identify gaps in our combined financial lives, especially gaps related to insurance. It was worth every penny. We don't work with this financial planner anymore. But in the beginning, it was some of the best money we spent to help us level the financial playing field. All right, those are my tips.

Now, moving on to our Apple review section, where we're going to pick one listener who recently left a review. This person will get a free 15-minute money session with me. By the way, I'm doing this every single week. I'm picking one person from the Apple Podcast reviews section to get a free money consult with me. If you don't want to talk about money, that's fine. We can talk about your career. We can talk about your family. We can talk about whatever you want. I am here for you on these calls, and we can get a lot done in 15 minutes. It may not sound like much, but trust me. I've helped change some lives in 15 minutes.

This week, we're going to select Isabellaluvsroblox, Isabellaluvsroblox. The title of her review, Best Money Therapy. Here it is. "I've been listening to Farnoosh since 2016. She always manages to teach me something new in each episode. She keeps it real as a working mom, woman, and minority. Just when I get too comfortable with my finances, Farnoosh reminds me that there is work to be done."

Thank you so much, Isabella. Thank you for sticking with this show for eight years. We're entering our ninth year of So Money and lots of more exciting stuff in store. Thank you, thank you, thank you. Very simple to get in touch with me to book your money session. Email me, farnoosh@somoneypodcast.com. That's farnoosh@somoneypodcast.com. Let me know you left this review, and I will send you a link where you can pick a time for us to chat. You can also direct message me on Instagram. So just make sure you're following me there. Direct message me. I'll be in touch ASAP with the link. I invite everyone to do this. Leave a review in Apple Podcasts. Every week, I pick someone to get a free money session with me.

Okay, let's hit the mailbag. First up is Amanda. She has a question that she has been noodling on, and she wants my thoughts on what she should do with her career. A little bit more about Amanda, she's a 27-year-old engineer, and she's been working as a government contractor for the past five years. She makes just shy of $100,000 a year, great benefits, awesome work-life balance, incredible job security. This is according to Amanda. She says, “My career trajectory at this company is very linear, and I could see myself following a traditional career path, eventually retiring from the same company around 60 or so.”

She says, and this is not a small thing, “I have a pretty balanced life right now. I make more than enough for my living expenses. I save towards retirement, I have an emergency fund, and I even have the ability to save towards a down payment on a house. My work-life balance doesn't leave me feeling burnt out, and I find my work to be very rewarding. I can take time off whenever I need without push back, and I work flexible hours that fit my schedule.”

Well, my gosh. What do you need help with, Amanda? Here it is. She was listening to my conversation with Vivian Tu, Your Rich BFF, who's also the author of the new book *Rich AF.* Vivian, of course, being Vivian talked about how it's important to ask for more money often, and that if you don't get a raise every two years, you're going to make half as much over your lifetime.

This got Amanda thinking. She's thinking now with the uncertainty of where America’s financial systems are going. For example, Social Security, will it even exist by the time she retires? She's wondering. Is it better to hustle for 20-ish years, make a lot of money, and maybe retire early versus following a traditional career path? She says, “I feel really lucky to be in the position that I'm in. I'm not sure if I'm willing to give all that up. I would consider it, though, if the added stress of changing jobs so frequently would provide me better financial security later in life.”

Now, important to know that Amanda does get a three to five percent raise every year, and that's not including a six percent raise for promotions that happen roughly every other year. With her 401(k), she gets a four-and-a-half percent and then another three percent in a capital accumulation plan. So by and large a very generous and exceptional, I would say even, company that's providing her and affording Amanda with a lot of work-life balance, enough money, as she says, to address her living expenses and then some. Why rock the boat, right?

Okay, so here's what I want to say to you, Amanda. I don't think you're quitting your job. I wouldn't. I mean, all is going well, right? But I think if we're going to incorporate not just Vivian's advice but the healthy state of panic approach to life that I like to live by, that I subscribe to, never ever assume that anything is secure, okay? I know that the job that you have right now very much feels secure and safe and linear, but that could change, right? Nothing is guaranteed. So at your age and stage in life, if I were you at 27, even with this super stable job, but I know you're thinking, "Okay, Well, am I leaving anything on the table? Am I missing out on my full financial potential?" Maybe.

You don't want to throw the baby out with the bath water. While you are working in this very "stable" job for now, I think you want to keep your eyes open and peeled to other opportunities that are out there. Continue to network. I think that what you can at least do right now is just educate yourself on what is possible. Is the grass really greener elsewhere? Maybe what you decide is that you want to create a side hustle for yourself, another revenue stream for yourself that you can control that may not have anything to do with engineering. It may be an opportunity for you to leverage and milk a skill that you have, a passion that you have. That's another way to feel more in control of your career and your income.

I have to say, this company that you're working for, I want their name. I want to share this with everybody else. Right now, again, with everything that's going on and all the uncertainty and the layoffs, this is a standout employer; giving you that automatic raise every year, including a raise for a promotion, a four and a half percent match in your 401(k), and then three percent capital accumulation plan, vacation whenever you want.

I mean, this is pretty great, and it sounds like you might have some extra time on your hands to be able to dedicate to a side stream. What that's going to be? That's something to explore. That's something to look into. If you really value your work-life balance, then I think this kind of job is what suits you better. By the way, money is not everything. I think that there is a huge tradeoff to switching jobs every two years. You might make more money. But, yes, there is a lot of adjusting. There might be some moving. There are risks associated with that as well. It really depends on your personality.

Now, I appreciate Vivian's advice. Really, what she's telling us is to know our potential and know that you have other options. For you, I think the smart move is to get very clear on what those other options may be. Explore them. Talk to people who have switched jobs and what it has taken, and what the trade-offs have been, and what the financial gain has been, but also what the loss maybe has been in their work-life balance. I want you to take inventory right now of all of the things that you are enjoying and benefiting from in your life that your career is helping you afford, that your job is helping you afford.

It's really important to be clear on this and to not lose sight of this because it's easy to hear someone else's experience and go, “Oh, I'm missing out.” What I'm hearing in your voice is a little bit of FOMO. You have a fear of missing out on the unknown, on potentially making more. But it's going to require switching jobs a lot, which doesn't sound like it's something that you're really into. But there is a seed of interest in your voice, in your heart of reaching your fullest potential. I so appreciate that, and I want you to honor that.

But maybe it's not that you switch jobs every two years. Maybe it's that you find other ways of making money. Maybe it's that you take the savings that you get from this job. You buy a home. Maybe you buy a second home. Maybe you become a landlord. I mean, I don't know what you want to do. But there are a lot of other ways to make more money and reach your biggest financial potential outside of your nine-to-five. If your nine-to-five is what's helping you afford those extracurricular opportunities that sometimes will make you money, you're in the right place, assuming that you're happy, and you like your job.

We have done so many episodes on burnout, people. Finally, someone who says that she's not burned out. What am I going to do, tell her to switch her job? Of course, not, especially since I'm hearing, too, from you, Amanda, that you really enjoy it, and it's affording you so much else in life. Kudos to you and your employer.

All right, next up. Our friend, Hannah, wants to know an alternative or two or three alternatives for those of us who were using Mint. Now, Mint is going to become Credit Karma. “Any other options, Farnoosh? I'm looking for budgeting, net worth, and auto-syncing accounts. So just to share the news, in case you haven't heard, on March 23rd, Mint, which is one of the most popular, one of the most downloaded personal finance apps in the universe, is going away.

A company, Intuit, which owns Mint, originally said that was going to happen at the top of the year, January 1, but then extended the deadline. Now, people are kind of scrambling to figure out what they're going to replace it with, as Mint was often this resource to help people budget, track their spending. So Mint is now going to become Credit Karma, also owned by Intuit, the parent company. But Credit Karma does not offer the same sort of budgeting tools that Mint provided, so people are in a pickle.

For some picks, I went back to CNET where I was editor at large for some time. My friends at CNET, CNET Money, have put together a roundup of alternative apps to consider instead of mint. I'll go through this right now, and I'll also share that link in our show notes. First up is PocketGuard. It's a free budgeting app. There's a free version. There's also an eight-dollar monthly plan, as well as up to like an $80 lifetime plan. It comes with all sorts of bells and whistles. Like Mint, PocketGuard offers a free version to help you access some basic budgeting, pie charts, bill tracking. It is actively courting Mint users with a feature that lets you upload your exported data from Mint and automatically sync it with PocketGuard’s service. So PocketGuard, one option.

Another option, Quicken Simplifi. For two dollars a month, Quicken Simplifi is priced significantly lower than a lot of its competitors. Then there's YNAB, You Need a Budget, which has been around for quite a while. It's $15 a month. We've had the founder on So Money. It stands for You Need a Budget, YNAB. The app, really what it encourages is thoughtful consideration about where your money goes. They want to assign every single one of your dollars to a job. YNAB comes with spending trackers. They let you plan your goals. They have payoff strategies for debt. There's also a regular calendar of workshops to help you learn more about money as you're using the app. That's YNAB. It’s not free, but it has a lot included in its $15 per-month membership.

Also, Monarch is working hard to attract Mint users. It's offering a discount for your first year of membership, plus a trial period. The app is popular with couples, where it offers shared savings goals, and it emails the couple a monthly report. Compared to other couple-friendly apps like Honeydue, Monarch is doing more specifically for Mint users with helpful guidance to simplify the transition. It's $15 a month or $100 per year.

Then there's Wall-E GPT, and that sounds like – that's like if Pixar and ChatGPT got married. Wall-E GPT is the first AI-powered finance app. A lot of the apps I just talked about, if not all of them, use AI to a degree. But Wall-E GPT is like entirely AI-powered. You don't have to look at graphs and charts. Wall-E GPT, you just ask it, “How much have my groceries changed over the past six months,” and it will tell you. If you want to export all your data from Mint, Wall-E will take care of it.

There are many other apps. These are just the top ones that came up in the article that my friends wrote at CNET Money. My husband and I, we use Empower, formerly Personal Capital, which is not a budgeting app per se. But it is a great net worth tracker. That's the free version. Then if you pay, there's other bells and whistles. There are investments that they can do for you. But I like to just see where things are in a snapshot on a given day, and it breaks down our net worth by our savings, our investments, our liabilities and other assets that we have. So we can kind of keep track on all of our financial buckets on one screen, which is great, and it's free.

All right, let's help out our parent in the audience, Noelle, who wants to set up her 17-year-old daughter for success and security. Her daughter works part-time while going to school and has yet to save any money, despite her mom's suggestions. She says that she likes to spend what she sees trending on Instagram, latest skin care products, et cetera. Noelle is worried that her daughter's developing unhealthy money habits. She says, “I want you to know that I am letting her learn through natural consequences. I don't give her additional spending money when she blows her budget, but I want her to learn to live below what she makes, get into a habit of saving and understand the importance and power of saving and investing.” I agree with you, Noelle. So she wants to know, “What are my suggestions, my resources? What can I offer her?”

All right, so I actually had a conversation a short while ago with Harlan Cohen, who is a fantastic writer, expert. He helps so many young adults. He visits college campuses every year, hundreds of them. He works with administrators and teachers and parents, coaching them on how to coach their students and children and the young adults on all sorts of things. I brought up your question when I talked to him. I want to start with his advice. You can follow him on Instagram. He's fantastic, Harlan Cohen.

He said, “You know what? At age 17, they're not quite 18 yet, but they're almost adults, and it's very hard at 17 to convince your young adult child that what you say matters and that you actually know what you're talking about, sometimes.” He has teenagers, and he says, “A lot of times, when I want my son,” who I think is also 17, “to take my advice, I tell him this. I say, look, you're about to go to college. I have a very short window to tell you everything that I want you to know, all my wisdom, all my insights. I understand that you to do what you want to do, but I have this short window of time, and I want to be able to relay to you the things that I wish I had known when I was your age and I think can really, really benefit you.”

Now, whether your daughter or your son takes your advice, I can't control that. You can't control that. But Harlan truly believes that even if they don't take the advice, down the road, when the stakes are higher, and they do make a mistake or they're about to really be at a crossroads, and they will remember what you told to them, that that's probably when they will listen. They will appreciate this moment in time today and to trust that and to believe that is very important and helpful to parents who are very frustrated often in these moments when the young adult child isn't taking their advice in the moment right away.

I want to add to Harlan’s advice and say this, that when I was working and I was a teenager and I loved to work, my parents mandated that I save a certain amount of my money. Now, my parents probably more strict than others, but their rule was that as long as you're living in our house, we don't care if you're getting a paycheck from somebody else. That paycheck comes into our house. We're going to have a say in the matter, and we're doing this because we are looking out for your best interest, and we want to get you into the process of automatically saving.

What was really compelling for me to see was just how much a little bit of savings could go a very long way. So saving, let's say, 10% of every paycheck or $25 out of every paycheck, $50, and then in a year. Or how about this? You put it in a Roth IRA. It invests in the stock market.

Let’s say the job continues or a job continues to be present in her life. Every week, she is saving 50, 100 dollars, and it's investing, growing at five, six, seven percent. At the end of her senior year of college, when she's just about to go out into the real world, get her own apartment, how much money will that equate to? You can use a compound calculator online. It'll tell you.

But I'm going to guess. It's over 10,000; 12,000; 13,000 dollars. How does that sound? How does that sound to your daughter? Sometimes, the numbers are what can really drive home the point, and it's no longer what you think or what mom's opinion is. It's what the math is saying. It's pretty compelling stuff. Great that you're letting her fail and that you're not giving her extra spending money. But I'm wondering. I'm curious. What are the expenses that your daughter is responsible for with this paycheck that would actually be painful if she couldn't pay for them on her own? Is it gas in her car? Is it money when she goes out with friends? Or are you giving her those allowances out of your own pocket?

If there is a way that the next time she runs out of her money that she's earned that it can actually be painful to her, that would actually make her stuck in a situation, force her to get more creative, force her to go without for a month. Can you create that scenario by saying, “Look, from here on out, you don't want to listen to me. That's fine. But from here on out, I'm not giving you money anymore for this thing.” See how she does. I do believe in letting kids fail and with some boundaries, with some guardrails. But they've got to learn, and sometimes failure is the best teacher.

That's our show, everybody. Thanks so much for tuning in. If you want to join my live investing workshop happening later this month, January 25th, go to somoneyworkshop.com. Limited seating, one time only, live event. Reserve your spot. This is it. This is what you've asked me for. I'm delivering it. You'll get to ask me questions, get access to how I invest, my insights, meet others in the community who care about finance and financial well-being. You won't regret it. Thanks so much for tuning in, and I hope your weekend is So Money.

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