

EPISODE 1688

[INTRO]

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FT: So Money episode 1688, secrets to avoiding financial burnout with Kate Northrup.

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ANNOUNCER: You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, in 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.

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***KN:** "I love to look at nature as my greatest teacher and I look at, okay, what are the plants and the animals doing? I need to really take a look and say like, okay, there is a springtime, there's a summertime, and then there is fall in winter, and we are nature. We are animals. We are animals and we need to really be building that in as well, and not constantly expecting ourselves to be in full bloom, because it's impractical, and it does lead to energetic, emotional, and financial burnout."*

[EPISODE]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. We are talking to my dear friend, Kate Northrup today. Kate and I go back, way back. She is an entrepreneur, best-selling author, mother. Kate has built a multimedia digital empire that reaches hundreds of thousands of people

globally. She's committed to supporting ambitious women to light up the world without burning themselves out in the process.

You just heard her talk a little bit about her secret sauce, which is to use biology and the cosmos as proven blueprints to make your revenue and impact dreams come true. Kate and I talk very candidly about my own work burnout, earlier this year, how I navigated that, and advice for anyone listening on how to find peaceful profitability, potentially do less while making more. Here's Kate Northrup.

Kate Northrup, welcome back to So Money, blast from the past. OG finance expert. You and I in the trenches in the 1900s, you and I.

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KN: At the turn of the century.

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FT: In the early aughts.

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KN: The early aughts, out here before Instagram, before TikTok, before social media was even a business thing.

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FT: I have to respect that, not just because I have sour grapes with the fact that I have 11 followers on TikTok. But because, there is something admirable about having a sustainable business. I guess let's start there a little bit, and maybe refresh us on the Kate Northrup thought leadership, financial wisdom that you've been spreading, and sharing with the world since the early days.

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KN: Yes. I started blog in 2009, 2010-ish, just like because I felt like writing. That was literally, that's the birth story of my business. I was like –

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FT: I remember blogs. I remember blogs.

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KN: Yes. Remember blogs? Yes. It really took off, and I was like – I mean, not in the way that like a huge – it wasn't like, I don't know, I can't even think of a famous blog right now. But it wasn't like that. But I just started to learn like, "Oh, online business is a thing, and this is really cool." I had been studying personal finance since I was a teen, and I started my own business early, early days when, you know, like selling vitamins, early kinds of businesses. Also, early days. I got started at that time, and then that turned into really sharing my personal experience around personal development, spirituality, and personal finance. But, I came at it not from the perspective of like, "I'm the world's leading expert." I came at it from the perspective of, "Wow, I got myself into a lot of credit card debt."

When I got into the personal finance world to learn about how to do something about that, and how to fix my financial avoidance, I felt like I was always in trouble. I felt like I was being shamed. It didn't feel good. I was like, "There's got to be a way that I could fix this without feeling bad about myself." Because if feeling bad about ourselves was a crucial, like was a helpful ingredient for transformation, everyone would have perfectly flat stomachs, and fat 401(k), like all the things, all of the things, but it doesn't work feeling bad about ourselves.

I sort of created my own curriculum that had emotional wellbeing and self-love at the core of it and I started teaching that. I paid off my debt in a matter of six months from – and it was 20k of debt. which is not gargantuan by today's standards. But given that at the time, my annual income was \$34,000. It felt like Mount Everest.

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FT: Oh, sure.

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KN: Yes. So, through my steps of emotional awareness, emotional healing, and combining those with practical steps, I was able to pay that off quickly, and triple my income, and double my savings. I didn't get a fat paying job, I didn't inherit anything, and I didn't marry somebody rich. So, it wasn't from those things. Even though those are wonderful things, they just didn't happen in my life. So, I wrote my first book, *Money: A Love Story* based on that curriculum. Then, I kind of took some time in between and created a different body of work around time and energy management. Then, have been back talking directly about money for the last two years or so.

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FT: The last two years are the post-COVID years, the beginning of the post-COVID years. You and your family went through a lot of transitions. I'm wondering how that experience, all those life changes informed your teachings today about money?

[0:06:11] KN: Well, there why I am back teaching about money, because what happened was, 2020 was obviously a very difficult year for everybody for so many different reasons and in different ways. 2021, early 2021 – my husband had been ill in 2018, with this chronic illness that presented as a severe, severe skin condition. He lost 40 pounds in a month, he was basically incapacitated, and he's also my business partner. At that time, in 2018, I found myself without a coparent, really, without my business partner, and I had a six-month-old, and a two-and-a-half-year-old, and kind of having to keep it all together. I did it really from doubling down, and feeling a lot of stress and pressure, and just like barreling through.

In 2021, he got sick again. We were in Florida, because we had decided to just spend a month in Tampa. We were living in Maine at the time, but we were like, "Let's just be somewhere warm, the kids aren't in school anyway. We can do our business from wherever, so we'll just we'll just

go to Tampa, because why not." He got really sick again, and I could feel my response. I was totally having a trauma response around it. I got super armored up, I was deeply resentful of him, which I'm not proud of, because he was so sick. It's not like he chose this. But there we were, again, like business partner down, coparent down.

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FT: And now we have a pandemic in the foreground.

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KN: And now we have a pandemic. Then, we needed to do something about his healing, and it was suggested to us by his healing team, that we stay somewhere warm and humid for him to heal. They were like, "If you go back to Maine, it's just going to get worse because of the dry and the cold.:

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FT: What is it that he had or has?

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KN: It's like one of those things that doesn't have a clear diagnosis. But in the end, we realized it is topical, it was like a whole cacophony of toxicity in his body that was triggered by topical steroid withdrawal.

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FT: Oh my God.

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KN: Which is like one of those – I mean, this could be a whole – I'll just say one quick line, which is like, when you go to a dermatologist for this particular thing, they suggest steroids, which is the thing that caused it in the first place. So, we were operating outside of the traditional medical system, because that system didn't have a solution other than to cause the thing it caused in the first place. It was a dark time. So ultimately, what ended up happening is, we go to Miami, because I had community in Miami. I find myself living in Miami, paying for this life, also paying for our Maine life. So, paying for two lives suddenly. Like, one-man down parenting-wise, income-wise, all of it. I felt so much stress and pressure, and we had a call with our couple's therapists, because we were not in a good place. It was dark, dark times.

Our therapist said, I was just in this loop, and I think based on what you write about being the primary breadwinner. I'm sure this comes up with your people quite a bit. But I was in this loop of like, "If Mike could just make money, everything would be fixed." I just was like, "If I wasn't the primary breadwinner, everything would be okay," which is super not the case. This was my – I perseverated on it, and this was my focus. We had this session, my therapist had me close my eyes, and he was like, "Okay, Kate. I want you to imagine that Mike has just come home, and he has said to you, 'Babe, I just made \$10 million, and so now, you don't need to work. You can do whatever you want. You can rest, you can play, you can do whatever you want.'" David was like, "Now, what is happening inside your body? How do you feel right now?"

I would have thought, I felt deeply relaxed, and relieved, and elated. But what actually – my internal response was, I felt flatlined and like dead inside. Which told me through some exploration, I realized that I was using stress and pressure as my main fuel source for running my business and creating income. I was doing everything from this sort of martyr. If everything doesn't feel super stressful and intense, then it doesn't count. I was self-manufacturing all of this. I did an experiment, 90 days. I was like, "Okay, for 90 days, I'm just going to practice not mounting some kind of campaign, not doing something out of stress, and pressure, and fear, and just see what will happen." Of course, I delivered on the things I had already promised, but I put the business in coast mode.

The story I was telling myself was, if I'm not ramping up all the time, if I'm not in go mode all the time, everything will collapse. What happened after 90 days was fascinating, which is that, we hit all our financial goals. It was like, "Mm, okay."

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FT: It's not to say that you can always coast. I think you were able to be successful in those 90 days, because you had hustled so hard.

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KN: Yes. I was on day one of my business.

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FT: You earned this. I went to that this year, where I was like in hustle mode, but January through March, April, and I was like, I am in a bad dark place. On paper, everything looks great, and I said, "I'm going to have to just like Jesus take the wheel" as basically. I need to believe that I don't have to go 150 miles an hour in order to have peace, and joy, and financial security. There's got to be some inbound stuff, I have to believe. That I don't have to always go out there, and score the deal, and be proactive.

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KN: Hundred percent. How did it go?

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FT: It worked. I mean, I will say that what has given me additional calm during this time of – it's like a reset. I'm not pausing. I'm very busy, but I'm not – I was going to do another cohort of my mentorship program. I paused on that. I'm going to re continue in August, September. I'm like, "I can't do that in the summer too." I just need to create more space. I will say the thing that gave me additional calm is that, about few years ago, I opened up a brokerage account in addition to my retirement accounts. I had some capacity to continue investing, and I optimize all the tax advantaged accounts. I was like, "All right, time for a brokerage account, and I'm going to just

quietly invest." I don't know what this is for, maybe it's just another retirement account. But it's a brokerage account, you can access it anytime. It has now grown into a six-figure pot.

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KN: Awesome.

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FT: In my mind I'm like, this is my in case of an emergency, break open glass. What a gift I gave myself that I didn't have any intentions, that now would be a time maybe where I would execute on it. But the advice to my listeners is that, sometimes the best gift you can give yourself when it comes to peace of mind is money, investing quietly for some goal in the future. You don't know what it is, but here we are.

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KN: Yes, I love this. I actually literally had a session with somebody yesterday. I very rarely do one-on-one sessions, but this happened to be a session that she won. It was so fun. We had this conversation precisely where I was like, "She's in a period where she's wanting a 90 days like this to pull back. I said, "Could you?" But she doesn't want to do it from a place of scrounging and scrimping. But I was like, "Listen, the most abundant choice you could make is to give yourself a cushion in the future." That like in times – and she has plenty of income right now.

In times when there is plenty, the most abundant choice we can make is not to go buy a designer handbag. I mean, sure, if you want to do that as well, fine. But like it is to take some of that and put it away, and I don't call it even an emergency fund. I know that that's like the standard thing, and that's not what you're talking about. This is a different brokerage account. I actually like to call all of that cushion. I don't have an emergency fund, I have a cushion fund, three to six months of living expenses. Then, even beyond that, what you're talking about is, making the cushion even bigger. Doing that when times are more stable. My family's in a more stable time right now, I have the capacity to do that. No one's sick, no one's gotten – shortly

after my husband got sick, he also fell off a bike and broke his knee. Then, 18 months later, he got hit by a car.

We were like through the wringer from 2018 to 2022. Those were times when I was super squeezed. I was so grateful I had some cushion. In the end, I didn't need to dig into it so much, but having it gave me permission to slow down a little bit. What I find, Farnoosh, and I'm curious what you find, the fewer offerings I have in my business, the more money we make, because I actually do have more capacity. So, I'm like not working as "hard", but the offerings we have become more robust, because there's an element of the compounding effect of focus, and only working on a few things as opposed to spreading our energy over tons of things.

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FT: Yes, I'm not there yet. I am grateful that I have all these different revenue streams, where when one revenue stream like right now, brand deals are very quiet. Those used to be a big piece of my pie. This year, very slow. What has replaced that is, I still have book money coming in. I have a mentorship program, I have my members club. So, ideally, in an ideal world, I don't have to ever care about brand partnerships, again, because I'm having more fun doing this sort of other work that is going direct to my audience, and not going through a business. Like less B2B, more B2C.

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KN: I love that.

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FT: You've been doing B2C for a lot longer than I have. You've been creating interesting and important products and communities for your audience. I need to learn from you. I'm just kind of dipping my toe into that in 2024. I'm just experimenting with a lot right now. I'm doing workshops, pop-up workshops, I'm doing the members club. My thought was, to your point, slowing down a little bit. One area that I have dialed it back a little bit is in the enrollments. I was under the impression that I have to open enrollment every couple of months. It's like, maybe I

just do it twice a year, once a year, and then it becomes a bigger event. There is more of an appetite, and there's a little bit of scarcity from –

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KN: Psychologically, so we went from opening the doors of relaxed money twice a year to one times a year. We just did close to – we did, wow. We just did, maybe not quite, but close to three times the revenue in one launch that we did in our last launch. Because I think there were a lot of factors, and of course, there's so many different things. But I think one of the factors was deciding that we were only opening doors once a year. I'm not telling people that they need to only open doors once a year. But if you're doing like, I was talking to a girlfriend who's launching every eight to 12 weeks, like a big freaking launch. I was like, "Girl, you will have more signups, do fewer launches. If you're going to be doing the whole freaking launch anyway, let's have 300 people join instead of 30 every 12 weeks, or whatever, or every eight weeks." Because psychologically, if people know this is my only chance, they're going to get it together.

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FT: And you are going to get so tired. So much of what you put out there is going to be marketing. That's what I –

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KN: I know. It's a guy thing.

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FT: I've never really done so much marketing for myself. Not to mention, I just published a book, that was a lot of marketing, and now marketing more stuff. I didn't get into this to be a marketer, nothing against that. You need to market, that's business. That's part of your success. But this is my year to learn to fail fast, and next year will be better. That's it, like it has to be.

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KN: I love that you gave yourself permission to ride on the hustle season. That's one of the things I talk about I *Do Less*, is like, being really intentional about the season that we're in and it's not – do less is not about doing nothing. Do less is about doing less of what doesn't matter, so we can do more of what moves the needle. Part of that is looking at our seasonality, and saying like, "There are going to be times where we're sprinting." But in order to fully integrate and reap the rewards of the sprints, we need to then give ourselves a period of pause, just like in workouts.

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FT: Europeans take two months off.

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KN: No, right. Exactly. Exactly. Yes. Like really leaning into that I think is super smart as a growth strategy, and obviously from a wellness perspective.

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FT: well, it goes back to what I was initially saying of endurance and sustainability. Because, why do most businesses fail? It's not because they didn't want it to succeed. It's because they burned out.

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KN: Yes, I think it's burnout and also cashflow management.

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FT: Money burned out, your energy burns out, everything burns out.

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KN: Financially burned out, for sure, for sure. I think that, I love to look at nature as my greatest teacher and I look at, okay, what are the plants and the animals doing? I need to really take a look and say like, okay, there is a springtime, there's a summertime, and then there is fall in winter, and we are nature. We are animals. We are animals and we need to really be building that in as well, and not constantly expecting ourselves to be in full bloom, because it's impractical, and it does lead to energetic, emotional, and financial burnout.

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FT: That's your special sauce. You use nature, biology, the cosmos. As proven blueprints, we know these work for everybody else. Humans have yet to really get on board with the seasons, and their biology, and their cycles. Let's talk about money and stress. We kind of touched on this, like financial burnout. What's your best tip for somebody right now who's feeling really financially anxious, stressed. This is airing in the summer, so maybe not the season for it, but I know that come fall, come winter, especially with the holidays, and a lot of like seeing family, it brings up a lot.

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KN: It brings up a lot. So, what we really need to understand is that stress is a physiological response. Stress is happening in our bodies, not our minds. Our minds are part of us, but our bodies are actually what are feeling the stress. Yet, we try to fix the stress from thought, from cognition. But we can't fix something physiological from the cognitive. It doesn't work that way. So, if we're feeling stressed and panicked about money, anxious. I mean, money anxiety is so real. I barely know anybody who doesn't experience that sometimes. I don't think I know anybody. So, if we're feeling anxious about money, what we will – what is not the right thing to do is to like sit down and try to solve the problem immediately from your cognitive. Because what we know is when our body is in a stress response, in a sympathetic nervous system, stress response.

So, we get the email from Bob in accounting, and we're in a full-on panic, like we're being chased by a lion. Irrational, but this is what's happening. Our survival mechanisms have taken

over. We are feeling a deep threat of financial lack, essentially. It feels like from a physiological level that you are being chased by a tiger, or that you need to fight a predator, or an adversary. Neither of these things are true at all. You're just like getting an email from your CPA. It's actually, or like a letter from the IRS.

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FT: I mean, you can figure it out.

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KN: Right. We can figure it out, but we cannot figure it out from the stress response. Because when we solve a problem from stress, we create more stress. What we know is that our brain's full capacity for elevated cognition is not available when we're in a sympathetic nervous system response. Our blood is getting all diverted into our external extremities to run or fight. So, we're not actually getting proper oxygenation to our brain, we're not getting proper connection between our left and right hemispheres. We're not getting enough cerebrospinal fluid running up and down our neck to even feed our brain what it needs to make smart decisions.

What I recommend when we feel money stress, when we feel money panic, is to do something that regulates our nervous system first, which brings on board our best problem-solving skills. So first, we have to signal safety in our bodies. Let our bodies know, "Hey, sweetie. You are not being chased by a tiger. You do not need to fight anyone. This is simply math." Then, we can really make great decisions from a place of safety and wholeness as opposed to from a place of like, "I'm going to die." Because you're not, you're not going to die from a letter from the IRS.

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FT: No. Yes, I mean, the IRS is very slow, they're very dialogue. By the time they really get upset with you, takes action, you have come up with some solutions for that. In my book, *A Healthy State of Panic*, I don't talk about that so much I, although, perhaps I should have prefaced that in the money chapter. But I like when people sort of get to the root of that fear, like if you're afraid of Bob from accounting.

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KN: Why? Who does Bob remind you of? Have you felt this way before?

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FT: Exactly, exactly. You have a new podcast, not new, but excitingly different. You've taken the new – talk a little bit about your new podcast for us.

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KN: It's called Plenty. It is a series of conversations, sometimes solo. So, I guess I'm not having a conversation with myself. So, sometimes I'm just talking, but a lot of it is interviews with incredible people. Where we are talking about how to experience more than enough time and energy. It really is a place to tap into that spot where abundance is always available. Sometimes the conversations are really practical. Sometimes they're energetic. I always bring in neuroscience, and physiology, and biology because I can't help myself. If you like data, and you also like the mystical, and you also like money, you'll love *Plenty*.

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FT: Yes, I love you for that. I love that you bring in the mystical, the woo-woo, but with a lot of facts, and science, and data.

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KN: Well, because I believe all of the magic. However, we need to give our left brain stuff to chew on to make us available to all the wonder that's in the world. Then, it helps us feel safe, it helps to calm the nervous system, so that we can really be available again to our intuition, to being fully connected to the spiritual realms.

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FT: How's the family? How's everyone today?

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KN: So good.

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FT: Tell me about good Mike and the kids. Did you sell the house in Maine?

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KN: I'm so grateful. We sold our house in Maine. We did really well on that transaction. It was somewhat spontaneous. It was very weird. We sold the house before going back. We left for a month, and thought we were going back in a month. We did end up getting to spend the summer in our house one last time, because the market was such – sellers could get anything they wanted in 2021. So, sold the house and living in Miami.

My husband is quite well and like back in full, oh my God, full energy, full capacity, fully able to walk. Just a freaking miracle. That was a really hard time. My kids are great, six and eight. We found a really sweet school. They're on summer vacation. We set our – one of my ways, one of my philosophies in terms of do less is, setting our lives up as simply as we can. For me, that's what works. So, we got a condo that is two blocks away from school, and then we got to work apartment two blocks away from that. Most days, I don't have to get in a car, and it really is a dream.

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FT: You have that separation,

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KN: I have the separation, but I also get to walk, and if the girls need anything, I can literally see their school from my work apartment window. So, just saves a lot of time and energy.

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FT: Well, glad we got to hang out, and I will get myself to Miami, and I will be on your podcast, and we will have a dinner, and we will do a book event. Folks, we were supposed to do all of this in December. But as it turns out, I was just burned out. I was like, "I can't, Kate." Actually, it's supposed to be early January, and then the New Year. I mean, January, February, March, they were tough months for me.

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KN: Yes. I saw some of what you were posting and I am always the friend giving a standing ovation to somebody saying no, even when they're saying no to me. I'm like celebrating the hell out of it. Because we really need that in order to have our peace of mind. We have to be willing to just say like, enough.

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FT: Yes. But thanks to my pause. Also, I know you've written about this in *Do Less*, just like your cycle. Well, maybe this is TMI for my audience, but I am –

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KN: It wouldn't be a podcast –

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FT: We're on the tail end of a cycle. I'm on a tail end of a cycle, and I feel like I can take over the freaking world, and that's not a coincidence. Just quick tip on that.

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KN: Yes, quick tip. Our menstrual cycles if for those of us who have them are our super power. We will have four distinct hormonal experiences throughout the month, and we can use them to our advantage. So, there's many places to learn about that if you just send me a DM that says, "Melt" on Instagram, I'll give you a guide for how to use your menstrual cycle to activate your productivity.

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FT: I need a refresher, so I'm DMing you right now

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KN: Okay. Perfect. Only put in the word melt though, because if you put other words in it, my bot doesn't know what to do.

[0:30:27]

FT: I know maybe this isn't what you intended, but every time I have my period, I think of Kate Northrup.

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KN: Oh my God. It's so funny, I get that a lot. People are like, every time I have my period –

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FT: What would Kate do? What would Kate say? Is it normal Kate?

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KN: That was not part of my brand intention, but I'll take it.

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FT: I always do it in a way to sort of like give myself permission. That's the context.

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KN: It's like to give yourself permission to slow down and listen inside.

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FT: Kate Northrup, thank you so much.

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KN: This is so fun.

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FT: I know, you're the best. I can't wait to see you in person. Thank you so much for hanging out with us and teaching us so much on So Money.

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KN: Thanks for having me.

[END OF INTERVIEW]

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FT: Thank you to Kate Northrup for joining us. Check out katenorthrup.com to learn more about Kate's books, including *Money: A Love Story* and *Do Less*, as well as her program Relaxed Money. And, you got to check out her podcast. It's called *Plenty*, with over one million

downloads to date. I'll see you back here on Friday for Ask Farnoosh, and I hope your day is so money.

[END]