

EPISODE 1703**[0:00:00]**

FT: So Money episode 1703. Fintech Executive Alyssa Schaefer on career, family and financial innovation.

***AS:** Now, I probably have balanced the way that most people think about balance anyway, probably for the first time in my life.*

***FT:** What does that look like? I don't think we know what that looks like –*

***AS:** Yeah, I mean.”*

[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.

[INTERVIEW]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. I know that the song of the summer is about finding a man in finance, but I wanted to find a woman in finance and ask about her role in the industry, her rise to the top and how she's balancing the demands of work and raising her family. Yeah, that's not a sexist question, I would ask a man these very same things, but I'm more interested in Alyssa Schaefer's story today.

She's the general manager and chief experience officer at Laurel Road, a digital banking platform where Alyssa oversees all aspects of the business, including marketing, operations, risk, P&L management. Before Laurel Road, Alyssa had several leadership positions in the financial service industry, and she's also the mom to twins. I was curious about what her best career advice is, which might surprise us. Why being a generalist in her industry has been a very intentional way of climbing the ladder, and what her foray into motherhood in her 40s has actually afforded her in her career?

We begin though with a discussion about Laurel Road, which might be of interest to our doctors, and nurses, and health care providers in the audience. Those of us who might have a lot of student loan debt and need to refinance, but how is the company evolving, meeting its customers where they're at and using AI to better protect their customers? Here's Alyssa Schaefer.

Alyssa Schaefer, welcome to So Money. It's great to have you. We were on a panel together for Women's History Month, and I thought I want to listen on So Money, because you have figured some things out. Then I think you can help a lot of women in the audience. Welcome to So Money.

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AS: Thanks so much. It's great to be here. I'm excited to talk with you more, Farnoosh.

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FT: You're the General Manager and Chief Experience Officer at Laurel Road, which is this really exciting Fintech that's helping Americans, young adults, and older adults with their student loans, but you've expanded to so many other financial offerings. I want to learn more about the experience that is Laurel Road, but also your own personal career trajectory as somebody who's worked in finance for a long time. You're a mom of two. You have a lot going on, and I think your experience it resonates with me.

I think a lot of women and men in the audience would love to hear some more about your own decision making, moving up in your career, moving up in your personal life. But first, I think Laurel Road is really exciting. I first learned about it a few years ago, and it has really grown in terms of the diversification of offerings for everyday people and you being at the helm of a lot of those decisions. Take us behind the scenes to Laurel Road and just share a little bit more about what you have cooking there.

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AS: Great. I'd love to. I've been at Laurel Road it's been about seven years now. I can't believe it, because it seems like a lifetime, but it also seems like I just got here yesterday, but I joined Laurel Road about seven years ago, and at the time it was called Darien Rowayton Bank. It was a small bank, and I used to joke when I first came to the company that I didn't even really know how to pronounce Darien, which is a town in Connecticut, or Rowayton, which is another town in Connecticut, but it was birth out of this community bank, and I joined when it was still very much this community bank brand, but they had built up the digital platform, and the student loan refinance offer was the main product, and that was sold digitally, so obviously nationally as well.

My job was to come in when I first started and be the company's first Chief Marketing Officer, and that was exciting for me, because I spent most of my career in marketing, and there was just a ton of opportunity there. One of my very first tasks was to rebrand the business. We rebranded the business, including the few branches in Connecticut to Laurel Road. The name was – I always get the question of why Laurel Road, and how did that come to be?

That name was actually selected before I got there, and there was a whole branding exercise around it, and it was supposed to meant to be about the journey that we're all on, right, especially those of us who pursued education and have debt as a result of education. There's a whole story that went along with that, but really a brand is what you make it, right? We can do a lot of creative stuff and have a great story, but it's really what you make it.

Over the years, we've really evolved Laurel Road, as you said, from a student loan refinancing company to now a full-service digital bank. We are not healthcare exclusive, but we do have a particular focus on healthcare, so a lot of our products are specific to that audience. Again,

we're not exclusive, so anybody can really apply for what we do, but we're a mission-based company. Our mission is to provide our members with financial peace of mind, there's lots of ways that we do that, but yeah, we've evolved the brand over time to be mission-based, to stand for differentiation, particularly in the healthcare space, and certainly beyond student loan as well. It's been an exciting seven years, that's for sure.

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FT: So when you say healthcare, is that, I'm thinking you're focusing on healthcare professionals and their financial needs? I know we have a lot of physicians, doctors, people who've gone to medical school and other kinds of expensive programs to get their degrees to do the important work that they do. Is that your focus?

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AS: That's right. Most, really broad healthcare, but you'll find that a lot of our concentration of our members are doctors, dentists, nurses. Some of those professions, as you mentioned, that are quite costly to become doctors, dentists, nurses, etc. so our concentration is really in those types of areas, exactly.

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FT: Even more specifically, what are some of like the student loan refi products that you have? I mean, help us out, like if someone is overly overwhelmed with their debt, how would working with Laurel Road work out, help them?

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AS: Yeah. Just taking a step back when I first joined the company, our singular product focus was student loan refinance. That was at a time where interest rates were fairly low, and then they got even lower. So, so many people started refinancing their loans, because basically the government gives you your student loans if you have federal loans, which most people do, right? The federal student loan debt is \$1.6 trillion. It's actually the second largest debt category

across the entire country. The first largest debt category is mortgage, right, and home lending, but student loans actually overtook the credit card debt, market cap, if you will. That happened a couple years ago where student loans actually surpassed the national debt of everybody in the country and what they carry from credit cards, so huge amount of debt.

The government basically will give you loans to help finance or education, right? Many of us have gone through that process, but they always give the same rates. The rate is based on the treasury yields and it is the same across the board. It's not based on risk that many banks will lend to you if you have a lower rate, if you're a great credit worthy person, right, and your FICO score is really high. The government doesn't do that. They give you the same rate.

Our company started against student loan refinance. It's a win-win where you could refinance your maybe seven and a half percent loan to 5%. Your monthly payments are lower. You could pay down faster in many ways. It was a win-win, but as interest rates rose, that differentiation is not quite as big for some people. So, we still do that business, but the really exciting piece that we've added to our portfolio is we purchased, the bank purchased a company called GradFin two years ago.

Now, what we can do is we can really look at all your options for student loans. We can look at whether or not refinance still makes sense, or a forgiveness program, or income-driven repayment programs. There's just been a tremendous amount of legislation that's happened over the last couple of years that have expanded the eligibility of those programs. Even doctors, and dentists, and all these people that you wouldn't necessarily think would qualify for some of those programs do now qualify. We could really help you no matter what type of student loan debt you have, we can help you, because we have all the options under our portfolio, which is really exciting.

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FT: To be at the forefront of all this technology at Laurel Road, what are some of the emerging trends that you're seeing that like when you're having conversations with your team about the future and how Laurel Road's going to show up with AI and all these other, well, really, it's AI. I

mean, what else is there? That is like really what's driving a lot of the innovation right now? What will Laurel Road look five years from now, you think?

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AS: I think we're going to continue to expand and evolve. We've really mapped out what's the journey that our members are on? If you're a doctor, for example, right, you go to undergrad, you go to medical school, then you're a resident, then you're attending. What are those needs throughout that entire journey? I would say, we've captured the first several years of that journey. Now, we're starting to focus on more things like wealth, and business insurance, and practice financing and those kinds of things.

I think we'll evolve as our member base matures and continues to evolve themselves. I think when it comes to technology and AI. I mean, we've looked into a lot of things. It's an infinite number of things that code or probably will happen with the new technologies out there. But one of the ways that we are, specific ways that we are exploring it right now is in fraud, actually, right? As a digital bank, fraud is always a huge concern. So, applying some of those technologies and that intelligence to fraud to make sure that we're accepting the people that we want to accept and not accepting the people as members that are just either not real or that we don't, you know, there's this fraud risk.

It's a balance of like cool and innovative things, and product development, and bundling, and all of these kinds of great things you can do with some of the things that you might not think are so exciting, but actually are pretty exciting when you think about fraud, right? I mean, every bank in the nation has to deal with fraud. There's a lot that could be learned and applied there.

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FT: Yeah. When people come up to me and they are like nervous to give their information to a company, like a bank, specifically your financial services company. I always say to them like, "You're concerned about fraud, they're concerned about fraud." Because if they do not invest in protecting your identity, they have nothing. This is this is actually the most important thing. It's protecting your money, right? If they can't win on that front, then they've lost. So, to banks, I

think, should be more vocal about the investments they're making in this area, not to scare people, but just to more reinforce that this is the most important thing.

Before you got to Laurel Road, Alyssa, you've worked in financial services for a long time. You were at American Express, where you were head of marketing for division there for their global business travel. What have been some of the hard lessons learned working in financial services, a male dominated industry? Hard lessons or just things you went in, you wish you had known earlier that you learned a little bit, maybe the hard way, but have really served you in your navigation of this career, this industry.

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AS: Well, I would say I got some advice early on, because I think I'd been working for a couple of years and I'd started to get noticed by some of the leaders of like, "Oh, she gets it. She knows what she's doing. She works hard." I started to get approached by a couple people for new opportunities, which was great. I got some advice early on, because I was really excited by getting this attention and getting people interested in me, and my work, and wanted to promote me. Somebody said to me, you're the one that cares as much as anyone about your career, and you are the only one that can manage your career.

I thought about that and I ended up not taking or pursuing the opportunity that was put in front of me, because it wasn't a great job for me. It was a promotion, but that doesn't always mean that it's a great fit. It was just an area that wasn't actually interested in. I was just interested in the promotion. So, it always stuck with me. The way that I've tried to manage my career is just getting a lot of different types of experiences.

I've worked at a few companies. I don't have 10 companies on my resume, but the types of experiences that I've had at these companies is very diverse. I have decided not to actually go extremely deep in any one area in marketing, for example. I did a little bit of everything. I did partnerships. I did digital. I did strategy. I did product. I did a bunch of different things in American Express at least was considered in marketing, so it made me eventually a great generalist to become a CMO.

That wasn't necessarily my goal at 22. I wanted to be a marketing leader, but I really liked the diversity of experiences within the disciplines of marketing and chose to bounce around a little bit and do different things. It really did put me in a great position to be a CMO. I guess my point there is, you're the only one that can manage your career. Think about also, if you want to go deep in something. I mean, I have a fantastic head of digital marketing who's just this amazing deep, deep expertise in digital marketing. That's not me. I'm more of a generalist.

Think about it if you want to go deep or be more of a generalist. I would say that's definitely one thing. Then I would say, I've had so many leaders. I think I counted them at one point. I think I've had over 30 leaders in my career. You learn from all of them. The good ones. The not so good ones. Take pieces of what you want to do and what you don't want to do from them.

The ones that you have great relationships with, stay in touch with them. It is amazing how people will continue to invest in you if you've given them your best and that you've created that relationship and that rapport. I mean, I have leaders that I still keep in touch with that I'll call on for advice or in different things. Keep in touch with people if you leave companies, or leave jobs, wherever you go. It's just so important and really can take you very far.

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FT: That's really good advice. I can't say I've taken that last piece of advice and I should. I think that's a missed opportunity. I really liked what you said about, you know, it was honest. I loved the idea of the job, like who doesn't want to get promoted, but when you really look at what is this going to require of you or what are you actually learning, is it really what you want to learn? You need to make a personal decision at that point. There's no failure for maybe working the job that you have for a little bit longer, and then jumping ship going someplace else.

I once remembered Barbara Corcoran. I was on a panel with her and she was talking about, well, she was giving her opinion about why there aren't more women in, let's say, hedge fund roles or CEOs of Fortune 500 companies. She was like, "Well, the job stinks." I mean, if you are someone, and this isn't even about gender. If you're somebody who doesn't want to be away from home all the time, doesn't want to have a suitcase packed by the door that you're going to have to go and do business trips and you're not going to be working 300 hours a week.

Are there even 300 hours in a week? But you get the picture, it requires 24/7 presence. Not everybody wants that.

Does that mean, they're not ambitious? Does that mean that it's a gender thing? Well, I actually want to get your thoughts on that last piece, like as a woman, those positions, I mean, look, you're Chief Marketing Officer, so you have done it. You are doing the top-level position as a mother, as a wife, as somebody with a big life outside of work. For those listening who are like, "I really, really want to climb in my career. I really want to achieve the highest." I don't want to neglect my personal ambitions. What are some of the decisions that you've made, if there are some calculations that you've made throughout your career to be able to harmonize both of these sides of you?

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AS: That's a good question. Something we talk about a lot, right, as women. I would say, I've tried to be very flexible in terms of the different types of roles that I take and business travel and all of these things, but I've also been, I've had some must haves. I'll give you an example. I used to travel a lot when I was in the head of marketing role for Amex Business Travel, and 30 to 40% of my time was international travel. But one of my must haves at the time was I wasn't going to spend any more than four nights away from my husband. That was tough, because I didn't always want to like come home on a weekend to go, have to go right back to Europe the following Monday.

It would have been much easier if I would have just stayed through the weekend and stayed in Europe through the weekend if the job required to back-to-back weeks in Europe, which it did sometimes. I had some of these must haves, so I tried to be flexible, but have a basic baseline of these must haves. Then in my personal life, it was time to move on when, I actually had one of the most terrifying experiences that I think you can have. I was in Europe and I think we were – I can't remember why, but I was in four different countries in four days. I think it was in like four different hotels.

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FT: Wow.

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AS: I remember waking up, super jet lag, I think it was day two or day three of this trip, for four or five terrifying seconds, I didn't know where I was, like I did not know what country I was in and I did not know what hotel I was in. It was terrifying. I said, "This is not how I want to live." Then on the family front, I have a very interesting journey. We don't have all the time in the world to go through that, but it took us a very long time to have a family. My twins were born when I was 42 and they're three now. So, it took us a very long time over a decade to actually have our family. I really, my work was just a saving grace for me during that time.

It was a very difficult time. I was always trying to prioritize having a family and never doing everything I could to prioritize that in my life. It was a huge part of me and my journey at the time, but work was just such a great distraction for me. So, I was able to climb when a lot of women were probably, were having children or felt more of the demands of, kind of that pull away from their kids and time away from the kids. I didn't have that at the time. I have that now, but at the time, work was a really great distraction for me.

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FT: Yeah.

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AS: Now, I definitely feel that pull. I remember when my twins were about to be born, my boss at the time, who's still my boss, Jamie. He said, "You're going to need to, your twins are coming." He's like, "You're going to need to find some balance in your life, Alyssa." I thought, I did have balance. I thought I did. But I can say now, I probably have balanced the way that most people think about balance anyway, probably for the first time in my life.

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FT: What does that look like? I don't think we know what that looks like –

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AS: Yeah. I mean, it's working not 60 hours a week. It's working somewhere between 40 and 50 hours a week. It is having the discipline to say, I am leaving at 5:15 and if I need to jump online later, I will, but I am leaving at 5:15 and it does take discipline to do that. It is, for me, and everybody's different, the time that I have with my kids at home, like I don't have extra help on weekends. I just try to be present with them. Again, like we all have our own things that work for us. If people have help on the weekends, I'm not judging at all. I mean, that's –

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FT: I used to judge those people before I had kids. I would walk around Brooklyn and I would see babysitters. I mean, there's, of course, you go on, there's the one weekend, but I was like, “No, this person works.” But like maybe their family is like, they work during the weekends or they just need an hour or two. I have a friend –

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AS: Yeah. An hour or two or whatever. I agree.

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FT: Yes. Just be on the weekend, because like she runs a business and needs a few hours on the weekends. Whatever you need is whatever you need. No judgment now, of course, now.

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AS: Exactly. Whatever you need is what you need. For me, I just try to be present as much as possible. One of the things that – a senior woman I work with has said is, “Just because I'm now GM of this business and lead to have a big job. It doesn't mean that we've better all figured out.” Right? This woman that I was talking to once, she's a CIO, very big job, very male-dominated

world in technology. She said, "Sometimes my daughter is on the iPad more than I'd like her to be, because I need to finish a presentation for work."

She's like, "We are making day-to-day, minute-by-minute decision sometimes. We're just gutting it out and doing our best. It doesn't mean just because we're in these senior roles that we've got it all figured out and everything is we don't feel that pull, that push and pull all the time, because we do." Which I loved that point of what that she made, that we're all just gutting it out every day, like doing the best that we can to have that balance.

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FT: But I think what you said about your male boss saying to you, you need to find more balance in your life. That is the thing. That is the thing. How you have designed your life, I'm not saying it couldn't have been exactly like this, but it had been somewhere else where there wasn't an understanding culture around the fact that people have lives outside of work and to direct you to do that and to give you that permission and that grace.

I think is not to be expected everywhere, unfortunately. If you're somebody who wants that and you don't feel like you're in an environment at work that sports that you feel afraid to have these boundaries, like you said, "I was at American Express and I would come home on the weekends and go back the next day." Some companies wouldn't have been down for that, because that's more money for them, right? That's business travel, that's like, okay, they're trying to save money. How can women advocate for themselves and really not just women, like men want this too? How can families advocate for themselves more at work? It can be scary if you're like the first to do this, in your job.

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AS: Yeah. I would just say, I don't think people are too shy these days. My advice would have been, don't be shy about vocalizing what you need. I think people are less and less shy now and much more much bolder now than ever. But I would just say, like who you work for is just so important and find those advocates, right? We don't always get to choose our leaders or our bosses, but sometimes we do, right? Ask those questions when you go on an interview. What is

the typical they look like? What's important to you as a person? You'll get to know like who you're actually going to be working for.

Then I'm a pretty open person. I talk a lot about my personal life at work. I think that that is completely okay. I think that that has helped me build relationships with my leaders. That has helped humanize me, and then me for them, I should say. So, if you are okay with it, if you're open with it, don't be afraid to show who you really are and talk about some of your personal stuff a little bit, so that your leaders know what's going on in your life. I mean, we're all people. We all have stuff going on, right?

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FT: Yeah. We do. I so appreciate you coming on the show. Your evidence to other companies and other employers that when you invest in your women leaders and your leaders who have lives outside of work to provide them with the capacity, and the resources, and the okay to be attentive in their personal lives. Guess what? They become some of your best leaders. Thank you for coming on the show. I knew this was going to be super insightful and I'll let you get back to life.

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AS: Thanks for having me, Farnoosh. I appreciate it.

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FT: Thanks, Alyssa.

[OUTRO]

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FT: Thanks so much to Alyssa Shaefer from Laurel Road. As a reminder, if you like our show, please subscribe. Leave a review every Friday. I pick a new reviewer to get a free 15-minute

phone call with me. I'll see you back here on Friday for Ask Farnoosh. I hope your day is so money.

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