

FT: Amanda Steinberg, my friend, welcome to So Money. I'm so pumped to have you on the show.

AS: I'm so happy to be here, Farnoosh. Thanks for having me.

FT: I want to just brag about you for a little bit if I may.

AS: Of course.

FT: DailyWorth.com, everybody, is the premier destination for women who want to get their finances, not only in good shape but in great shape, in a place where they're not just making money but they're building wealth and the community there is outstanding. The site, since launching in 2009 has now surpassed 1 million e-mail subscribers. Web traffic is about to hit 2 million this month. Amanda Steinberg, you came to this, to this idea, to this vision not so much from a financial background but from more of an engineer background. Tell us how you got the idea, the 'Aha' moment for Daily Worth.

AS: Absolutely. So, I was raised by a single mom, who always insisted that I make my own money a priority because she didn't. Even though she went to college and had a degree in mathematics, she thought she was going to be a stay-at-home mom. And so, a divorce left her really confused and wanted to make sure I wasn't as confused but the reality was is throughout my twenties as a computer programmer I made lots and lots of money. But, just because you make lots of money doesn't mean you actually have any at the end of

the day if you're spending all of it. So, I started Daily Worth because money has always been really important to me but there was so much about money management that I never learned and needed to, so I thought, "Hey, if I hold myself publicly accountable by publishing online, I will definitely have to figure this out."

FT: That's quite the accountability, partner.

AS: Don't you think? Some people could hire a coach. I like to start a business.

FT: And, have you just been overwhelmed by the reaction, the response or did you sort of anticipate this. I mean the reality is that we need, women need raw, honest and strategic resources for managing our finances in today's world, given all that's changing for women in the workplace and women in relationships, how do you feel to be the CEO and Founder of Daily Worth?

AS: It is, it is absolutely a dream come true because as a computer programmer I realized I had enormous power to not only build a big lucrative business for myself but also to have, you know, extraordinary social impact to really affect people's lives. And so, all I've ever wanted to do is build a social enterprise that was both successful financially but also successful in helping people and I can't believe the void that was there for women before Daily Worth came along in terms of an accessible, entertaining non-traditional financial advise property that changes the conversation and therefore

makes money, you know, something that women can engage with as opposed to just all the market jargon that fills most of other financial media, that women don't read.

FT: Right, women, we don't, we want to cut to the chase. What are some other characteristics that women possess when it comes to how they digest financial information, how they want to learn about money that's different than how men go about it?

AS: Sure and before I answer that question, I just want to say I don't believe any of this is in our genetics. I know there's a lot of theory out there about way women's brains work differently than men's. Whether that is true or is not true what I'm really focused on is the social conditioning women are raised with right now to believe that money is not only not their problem but to engage with money is even a challenge to their femininity. So, I think the particular fascination I have with how women engage with money today, in today's cultural climate is that, you know, most of us were raised to believe that our husbands or our fathers or our financial advisors would be the ones to handle the handle the "complicated stuff" and that our financial conversation kind of stopped at earning and being successful on our careers. So, even for our most affluent readers who are making a million dollars a year, they still, these women feel really shameful because they don't even necessarily know what an index fund is and there's this kind of like broad

taboo shame about how is it that I understand everything else that's going on in my life but money is still a really icky subject for me. So, the characteristics for most of the women we talk to are I've got so many other areas of my life handled but money is an area that I have yet to approach and I'm a little skittish about how I feel about doing so.

FT: And, one of the questions I get a lot particularly from women is that, "Farnoosh, I think I'm ready to work with a financial adviser. I'm not sure but I feel like I need some help." And, I love when people ask this question, especially women, because it's like, "Yes, yes, if you can identify the moment when you need help, that's a good place to be in and Daily Worth is actually making this a more accessible resource, right?"

AS: Absolutely, if you go to DailyWorth.com and you click on the button that says Connect in the top right hand corner, you'll see a whole array of now about 50 women financial advisers that have gone through very extensive background checks with us. We only accept about 10% of the financial advisers who apply to work with us and also coaches and other business experts who can help you with your finances and you'll see here amazing women like Emily Burt Boothroyd in Connecticut and Tina Chen and I'm looking for some others who are here, Brittney Castro out in California and just a whole array of financial advisers. Oh, here's another one I love, Elisabeth Cullington out in California.

Financial advisors who are not only joining Daily Worth in order to be able to communicate with women but also publishing articles on a monthly basis so that you can read about how their brains work and to see if you like them before you contact them.

FT: Aye, I just recommended Brittney to a friend in LA. So, if you're an LA-based professional woman looking to manage your money, shameless plug for Brittney Castro, she's a friend and fantastic and I'm happy to say that she's on the Connect platform. Amanda, let's talk about you, you know, we know the business, we've talked a little bit about Daily Worth but I want to get a better understanding of who Amanda Steinberg is when it comes to how your mind works with regards to money. So, my first question that I like to kick off the conversation with is what is your financial mantra? A money mantra, a belief a testament that you follow that necessarily helps keep your money where it needs to be.

AS: So, my money mantra is that money should be a source of freedom choices in our lives, not anxiety, and it's really kind of a reframe of how we look at money not as just something to do as far as paying bills and managing various debts and loans and such but 'what are the opportunities and choices that money afford you?' And, the way I continuously engage with my own money is a system I actually developed 2 years ago which we are bringing back soon. It's on the list. I can't give a specific date yet, which is called Money Clarity,

which is the idea that it's not just about budgeting. You know, so much financial advice centers around budgeting and I am a free spirited, bounce off the wall hyper-manic person where if you tell me to sit down every month and categorize all of my expenses, I'm going to be like, "No, not happening." And, even if I do categorize my expenses, I'm often times like, "Wait, I just spent 200 bucks at Target, is that household or food or entertainment? I really can't tell you." So, clarity for me is really about understanding the bigger picture of my finances and always staying engaged with the numbers of what I'm bringing in and what's going out and understanding how much my life costs relative to what I can afford and how much I'm saving from a big picture standpoint, not just thinking that I have to scrutinize every penny.

FT: Yes and especially for those who are freelance or not making a consistent paycheck. That could be a little challenging, not knowing what's coming in and what's coming out but you've found a system.

AS: I have and we are actually developing a version of this for entrepreneurs as well, where it's really important that you separate your business and your personal finances and that you set yourself up on a consistent draw so that you simulate a stability even if your business doesn't have it so that you're not just kind of moving everything your business makes into your checking account every month but looking at averages

to make sure that you have some form of consistency, that you create that for yourself even if your business doesn't lend to it.

FT: Well, let us know when that goes live because I think that's a tremendous resource.

AS: Yeah.

FT: Money memories, Amanda, share with us little Amanda, growing up we're you raised in Philadelphia?

AS: I was raised in Philly...

FT: You were, that's right. And, with your single mom, tell us, what was one significant money memory that helped shape the way that you think and approach money today? What happened? Where were you? What was around you? Tell us the story.

AS: Well, I, you know, I've never really told this story publicly but it's definitely very shaping for me. You know, I went to a very fancy all-girls private school, actually, Baldwin. You know it because you're from the neighborhood too.

FT: Yes, I am.

AS: But, I was the only girl who didn't, well not the, I was one of the very few girls whose parents didn't buy me a car, didn't afford me a lot of the stuff that the other girls had and it was really hard because I remember there were many nights after sports practice where I would have to walk

myself to the train because I lived an hour from the school in downtown Philadelphia and I remember I'd be like freezing cold with huge book bag and walking across the train tracks and as I would see kind of all the other girls drive their jeeps away and this isn't like "Oh, poor Amanda." I mean I went to freaking private school right, this is not like, you know, trauma central here but I always remember there would be so many nights when I would be like sleeting and I'd forgotten my gloves and I would see the train leave in front of me and it just felt so hard at times as a kid to not understand why I had to struggle so much, whereas it seemed like it was easier for other people. But, you know, I look back on that and it really made me able to handle any challenges where I didn't become, where I feel like I eat struggle for breakfast, if you know what I mean, these days.

FT: I know.

AS: So, just because you don't and sometimes it seems like everyone else has it easier than you. That's not always a good thing. You know, I'm actually really grateful that my parents were so rigid with me, and not giving me most of what I asked for. Even though I'm not so great at that with my own kids but, you know, I just think the lesson is that sometimes it's really good to go through really hard because it really does just makes you stronger and it means that you can handle anything that's thrown at you.

FT: And, you were a teenager, which I think is a very influential time in your life. You could have gone the other way, Amanda. You could have said, “You know what, life sucks. Life’s against me. I’ll never have it like these other people. They have a better life. I’m not happy.” I grew up a couple of blocks away from you probably. Oh, I went to school a few blocks away from you and I went to a public school, but, you know, Harriton High School, full of rich kids. So, but we were living in a condo, in an apartment.

AS: Yup. Funny that you and I both ended up in finance.

FT: I know right. Well, who knew but the truth of the matter was, you know, first day of school I walk in and there’s all these people with fancy book bags and the parking lot was filled with Land Rovers and BMWs and I was taking the bus. And, I certainly felt, you know, like a not privileged even though, let’s be honest, I was still going to a great school and I had clothes on my back. But, my younger brother, who was only in kindergarten at that time, a lot harder to make him understand that you can’t have the latest PS2 or whatever, whatever the kids are having. So, literally, my parents moved out of that neighborhood because for him it was insufferable and they couldn’t explain to a 5, 6, 7 year old why he couldn’t have everything when his classmates did. And so, no matter how much they try to explain to him, I mean he’s a baby. So, they literally moved back to our old neighborhood in Massachusetts that was a little bit more, I guess,

economically diverse and where they felt they had the support of the community to raise him in a way that they wanted to and I think that was a really smart move for them. But, for me, I think being 16, I was old enough and it sounds like you were old enough to really be mature about it and know that, you know what, everyone's life is different. Just because you drive a Land Rover to school doesn't mean that you have it better.

AS: Yes and there were moments when I was mature about it but there were definitely moments when I was freezing...

FT: Of course.

AS: And, missing the train and not getting home until 8 o'clock at night where it was practically insufferable. But, it turned me into this like hyper ambitious person, so there you have it.

FT: So, yeah, thanks Lower Merion!

AS: Yeah, exactly.

FT: Let's please now transition to a financial fail. I can't imagine Amanda Steinberg having financial fails but I'm sure there's one that you still recount and but more importantly it taught you something about the right way to manage your money. Tell us about a failure, what you learned and what happened.

AS: First of all, I just want to dispel any myths. I know I put out on the Internet a very esteemed powerful successful picture of myself...

FT: That's what the Internet is for.

AS: I know and I don't even try to do that. It's kind of like what the Internet does to you but I can't be anything. I am full of because I'm an entrepreneur and I'm like a bird flying into a window, I experience failure day in day out and I always try to be as transparent about those as possible even if it risks my "perfect persona" because, God, that's so boring. So, I'm psyched to talk about failures because they're just so many to pick from, where to begin. The one I talk about a lot lately is when I turned 30 I had a web programming company that went from making about \$250,000 a year to about \$750,000 a year over night because I changed the way we were doing business and it worked. And, what happened was is even though I was paying quarterly taxes, I didn't pay enough quarterly taxes and I got a \$90,000 tax bill in the mail, a \$90,000 tax bill. This was one of the reasons I started Daily Worth. There were a few things that happened to me in 2008, that being one of them that was like "Wow, there goes my savings. There goes everything I've worked towards." And now I have debt, even though I didn't have any and boom. It's like it cuts you off at the knees. So, I mean I think what that really tuned me into was, again, like finance, like entrepreneurship no one teaches you

this stuff. You really have to take a proactive interest in understanding how to allocate your income towards taxes because there's no one standing over your shoulder telling you this and all too often we have to learn the hard way and then we ended up spending years paying back the debt. It's pretty painful.

FT: Did you have a tax person helping you out at that time or, I would be furious.

AS: You know, between my taxes and my accountant and lawyers and, you know, my divorce and all these things I've gone through over the last 10 years, even if you have a great financial advisor, CFP, CPA, lawyer I've always found that they are never going to be able to give you the full-time. They didn't know my business, you know, it was up to me to schedule a quarterly appointment with my accountant to make sure I was on track. You always, you can't delegate all these stuff to your financial professionals unless you have someone full-time. I was just too small and too insignificant with my small business and you get whacked.

FT: Wow. Oh my gosh, how long did it take you to recover?

AS: I'm almost there, about 75% of the way there.

FT: Oh my goodness, Amanda. Wow.

AS: Almost there.

FT: Well, thanks for sharing that with us. I think that's a lesson and I do pay my taxes quarterly and I always say a lot of entrepreneurs and freelancers are like "How much do I pay?" And, I go, "Overestimate."

AS: Exactly.

FT: Overestimate your income. So, let's flip it. Let's talk happy. A So Money moment, Amanda, a moment in your life where you feel like you really accomplished a financial win and it was thanks to your hard work, thanks to your strategy.

AS: Well, last year, a large financial institution, and I couldn't say which one, invited me to speak to a very, very large audience and I was able to negotiate a single \$25,000 payment for this and I've never made so much money in one day in my life and it was, it almost seemed like too much even though it wasn't. I know that actually is what I can generate but it was interesting to have the experience of being paid a lot and having a significant sum, even when I wasn't proactively looking for it. It was kind of like you really do have to surrender to the possibilities, you know, in receiving. I'm always, it's like we become so addicted to the struggle and thinking things are going to be hard that, you know, I almost missed this e-mail. They had to e-mail me 3 times in order for me to respond because it like didn't even make sense to me when it came in. I'm like, "Sorry, what?" And, that was fascinating to me. It's like "How much are my eyes closed to opportunities that are everywhere?" And,

allowed me to pay down a significant amount of debt and I've a few other very lucrative opportunities happening right now that are like 'wow'. You know, earning is I think the easiest thing that affect in our lives and if you play the game right there's always a lot more to make.

FT: So, how did you ultimately negotiate that? What was the process?

AS: Well, actually, I did bring in an agent to help me. I went out because I was like "Whoa, this big and I need to not do this myself." So, I brought in an agent to help me.

FT: Great, great, great.

AS: Get outside help.

FT: Yes.

AS: Make sure you get the right outside help too because there's a lot of wrong outside help.

FT: Right, so they can figure out what you're worth based on their kind of preview of the market and experience...

AS: I would have undersold myself, ironically. Yeah, I know it's like so ironic to my brand but it's true. I mean it's like I think there's a whole world of money out there that we don't even know exist.

FT: Yes. Yes, yes, yes. Alright, Amanda, let's talk habits, a financial habit or So Money ritual as I'd like to say on the show that helps you stay on top of your money. It could be

something as simple as, you know, checking your Twitter feed for the latest money news or following a stock everyday or budgeting with an app. I know we don't like to budget but what would be...

AS: Well, I mean we like to budget. I just budget differently.

FT: Yes, yes. What's a habit that you'd like to share?

AS: So, my favorite habit is I have 3 numbers in my life: save, sustain and spend. Save is how much I save and invest on a monthly basis, which is about 20% of my net income. Sustain is how much my life costs on a monthly basis like fixed and then spend is how much I can afford to spend on everything from food to clothing, you name it, even stuff that I have to buy every week like food goes into that spend bucket. But, the thing that I love to do is I separate my sustain checking account, the one that my bills get paid out of from my spend checking account so that I can log in on my iPhone to my Capital One 360 account to check how much money I have to spend for that month until the next month rolls around and this really helps me be clear and whatever is left in my spend account is what I move into my emergency fund. So, just it really helps me clarify how much my life costs and when I do end up spending more, I put it, I do have a low interest credit card with rewards that I do use but that credit card gets paid out of my spending account as well which keeps a level of pain in my life, which just really keeps me accountable. I have

the whole flow figured out and it's fun for me to like move stuff around because I really get to see what's going on.

FT: I like the word pain in this context only. What do you think of all these mobile apps that help us to pay, that allow us to spend I think a lot less painfully.

AS: You know, at the end of the day we ought to remember that we are in-charge, not the computers and I don't really pay them much regard even beyond, you know, cash or credit cards. I think that the moment we think we're losing control to anything but ourselves is dangerous on to itself. So, I'm not, it doesn't bother me. What's more interesting is how women see themselves as stewards of their own financial future as opposed to victims of which way the wind is blowing.

FT: Yes, yes. Well, Amanda, this is almost where we wrap up but before we do some So Money fill-in the blanks. Are you game?

AS: Oh God, I don't know what I'm going to say yet.

FT: That's the best part.

AS: Explain this to me.

FT: Well, I just start off a sentence and then you finish it.

AS: Uh-oh. Okay.

FT: I promise no hard ball.

AS: Okay.

FT: If I won the lottery tomorrow, say a hundred million dollars, the first thing I would do is _____.

AS: Fully populate my children's college and my retirement accounts. I know it's so boring but like, God, it's like have that done and then you're free to do so many other things.

FT: I know. Your sustain account doesn't have to be so big.

AS: Yup.

FT: The one thing that I spend on that makes my life easier or better is _____.

AS: I'm getting an apartment. I'm renting an apartment in New York City because I already, I live in Philadelphia and run the business from New York and I've been staying in hotels for 6 years and I'm actually not saving any money doing so. So, I am so excited to get my own tiny little studio.

FT: Nice.

AS: And, I'll have to like run around with bags all over myself.

FT: Did you buy or are you renting?

AS: No, I'm going to, you know, that's a good question and I am evaluating that right now.

FT: Well, if you can afford to get into the New York market as a purchaser, as a buyer I would recommend it if you're planning to hold it for the long haul. I just sold my little studio

apartment that I purchased ten years ago in Manhattan and I made a 70% return.

AS: Unbelievable.

FT: Okay. So now, I don't believe in buying a home as an investment but this was just a, maybe call it dumb luck, but I do think that with, you know, relatively speaking the New York City Real Estate Market in the long run can be a good investment.

AS: Yup. I'm all over it. Cool.

FT: Now, my biggest guilty pleasure that I spend a lot of money on, maybe a little too much but I love it is _____.

AS: Going out to eat with my boyfriend once a week, sometimes twice a week.

FT: Well, that's pretty modest. I'd say I hear people on the show who are like eating out everyday.

AS: Yeah, I know. It's, I'm a pretty modest, I live in a tiny house. I drive a very affordable car. I'm a really modest. I did the high flying life in my twenties and it cost me to go into a giant panic attack so I keep it really, I don't source my happiness from things I spend money on. But, we are a little, you know, we're probably running upwards of 1500 a month on eating out so that's too much. I can definitely stand to pull that back.

FT: One thing I wish I had known about money growing up is _____.

AS: That it's not how much you earn but how much you save, damn it. God, I wish I'd learned that young.

FT: Although, earning money as you said is sometimes easier than saving.

AS: But, it doesn't matter if you don't save any.

FT: That's right. That's right.

AS: Who cares?

FT: Yes, yes. Alright, Amanda, and last but not least, I'm Amanda Steinberg and I'm So Money because _____.

AS: Because people told me I was nuts to start Daily Worth because women don't actually care about money, they just like to spend it and I've proven them all wrong.

FT: Who the heck told you that?

AS: More venture capitalists than I cared to, you know, recount for you.

FT: Amanda Steinberg, thank you so much. Thank you for the amazing work that you do. DailyWorth.com, everybody, if you're not a subscriber yet, trust me, if you're looking for a habit, a financial habit to improve your life, subscribe to DailyWorth.com. Thank you, thank you, thank you, Amanda. Have a phenomenal new year.

AS: My pleasure. Talk soon, Farnoosh. Bye.