

FT: Laura Vanderkam, welcome to So Money. Congratulations on your brand new book, I Know How She Does It. Love the title. Welcome to the show.

[00:08]

LV: Thank you for having me.

[00:11]

FT: Now, you and I've been colleagues, friends for some time now. I've always been an admirer of your work. You do an excellent job of dissecting how people make it work, how we manage our time, how we can manage our time more efficiently. Your last book was called What the Most Successful People Do Before Breakfast and 168 Hours as well.

[00:33]

LV: Yes. Good job. Got all my books.

[00:36]

FT: Yeah, right. So, you're an expert when it comes to at least how others manage their time well and your latest book focuses on women specifically, professional women earning \$100,000 or more per year. You got them to give you their hourly logs, basically telling you what they do when they wake up all the way to what they do before they go to bed. A thousand and one days in the lives of women who make at least a hundred thousand dollars a year. The book is entitled, as I mentioned, I Know How She Does It. So, this expression of doing it all, having it all, what do you make of it?

[01:12]

LV: Well, it has a lot of baggage associated with it, which is one reason I didn't call the book, Having It All, but I thought, well, when we strip away some of the baggage and some of the emotional freight with that phrase and simply look at the lives of people who by at least one definition do have it all, they clearly have successful careers and in this case also had families too. What do their lives really look like? I mean people who do have it all, how do they make it all work and I think there's a lot we can all learn from their schedules and what works and what doesn't.

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FT: I have found that women who work for themselves, while it's perhaps more work and more hours, they're happier, they're better to manage their lives, they're able to manage their lives better. Is that what you found as well?

[02:06]

LV: I think that it comes down to control of one's time. And so, if you do work for yourself then you probably have that to some degree, which definitely makes life easier when there are a lot of moving parts. On the other hand, I was pretty happy to see just how much flexibility and control of their time many women in more conventional jobs have. I think it's one of these things that we assume people in highly paid jobs kind of have to sign their souls over to their employers and I found those

not actually true from a lot of logs. People had quite a bit of flexibility in choosing how they wanted to setup their working lives.

[02:47]

FT: Did you also find that women in particular were more, the ones who were vocal about their, about their commitments at home, at work were the ones who earned that flexibility, got more control of their time or is it still this issue that you don't want to bring up at work that, you know, you've got kids, you have all these responsibilities tugging at you at home, that if talking about that somehow makes you a target?

[03:13]

LV: I think over the long term it's pretty hard to hide the fact that you have a home life, you know, it's going to come up one way or the other. Probably it was about three quarters of the women in my study had something personal during work hours, it wasn't always kid related. It was other things too. But, it's kind of hard to completely separate the two. So, on some level being authentic about who you are is going to win friends and influence people in a way that not being authentic or at least trying to hide that component of your life will do. That said, I mean this is a case by case basis. People have to judge for themselves if it's the kind of thing that you want to bring up with your colleagues or not. In some cases, some offices, it's not really what people talk about and then you need to pay by those rules but in others, you know, you get to know each other as a family and so, of course, you get to know your personal lives as well.

[04:10]

FT: You discovered a lot of patterns in your research. What was the most surprising pattern that helped women achieve the most, helped them really maximize their time?

[04:23]

LV: Well, one thing I found was fascinating is how women manage to work relatively long hours and yet still spend a lot of time with their families. So, this is of course one concern people have that if I work more than 40 hours a week, where does the rest of my life fit in? And, certainly the women in my study did work longer hours than the average women. The average women with a full-time job if you look at time diary data works about, you know, 35 maybe a little bit more hours per week. The women in my study average more like 44 hours a week. So, that's longer. It's more than an hour day longer. Of course, it's not 80 hours a week either so that's important to keep in mind. But, in order to fit these longer hours in with their lives, one thing many did was work at night after the kids go to bed. So, that was a pretty common strategy, that people would leave work at a fairly reasonable time, spend the evenings with their family and then catch up on stuff at night after the kids go to bed. And, another way people did that is by doing a little bit of work on weekends. So, they would end at a relatively reasonable hour during the work week and then do a few hours on the weekend when there was some down time with the family in order to keep those hours high while still spending a lot of time on their personal lives as well.

[05:41]

FT: So, they come home and while they make time, a break for their families, they're right back at it after supper, after the kids take a bath?

[05:50]

LV: That's often the way it would work. And, people didn't do that every night so I don't want to make it sound like there's some sort of, you know, non-stop grind here. I mean what people would often do is they'd do that maybe two nights a week or if they did it every night it would be more like half an hour and then do other more relaxing things after that. It was very few people who did say every night for two hours after the kids go to bed. Only a few people did that. And those who did usually had a reason like they were managing a team in Asia. And so, they had to be on the phone at 10PM with them. But then, those people were pretty good about taking comp time during the day to make up for that.

[06:26]

FT: Any discoveries about how these women manage their money? Were they logging that they were, you know, paying bills or having meetings with their financial advisors? I'm just curious like do they squeeze in money matters in their day on a regular or consistent basis?

[06:45]

LV: You know, I included that as one of the household chores that people did but I didn't come up with a separate number for something like that. What was interesting to me was the split in how people used their money. You know, so everyone in the study was obviously affluent, if they're earning over \$100,000 a year, many were also married to relatively higher earning people as well and some people use that to make their lives easier figuring that, you know, we're earning money as a tool to build a life that's sustainable for us. And, others we're not quite as into doing that. I found that interesting that people didn't necessarily take advantage of their affluence to change the way their lives were structured and that was, got it one of the questions I often received about this book, this project, you know, I'd say "Well, I'm studying high earning women with kids and how they make it all happen in their lives." And, people say, "Well, wouldn't it be easy to, you know, have it all if you earn a lot of money because you can outsource all the things you don't want to do?" And, I said, "Well, you think and yet a lot of people didn't." And so, I found that fascinating, that split in people who were actively using money as a tool to make life easier and people who weren't.

[08:02]

FT: It kind of reminds me of some of the data that I came across when I was doing my book about breadwinning women and top earning women and what's fascinating to me is that when she makes more, she actually does more house work than a woman who makes less. And, you know, there's a lot of ways you can look at it but some of the researchers believe that that is in some ways a way to kind of, I guess, I don't know what you say like make up for the fact that she is the breadwinner and so she wants to overcompensate in the housewifery department because making more is sort of a man's thing and if she feels like that is somewhat threatening to the relationship then she's like, "Well, I'm going to cook more and I'm going to do more domestic things and I'm going to be, you know, the best wife possible." It's totally psychological and sometimes it's very subconscious, unconscious but I find that interesting.

[09:02]

LV: I find it interesting too and I'm sure there was some of that involved in this. And then, there were other families where, you know, she earned more and so many of the women or some of the women at least had husbands who are home with their kids or working, you know, far fewer hours and in those cases, you know, those women weren't necessarily doing a whole lot of house work because that was negotiated as part of the man's job in that case but one thing with that is that men often don't value housework in the same way that having a spotless house is not necessarily as high priority. So, you can't entirely discount that too, which is that, you know, perhaps in some families the man is working less, he might be working fewer hours, he might be spending more time taking care of the children but he doesn't see having a spotless house as something that needs to be a top family priority. So, if the woman earns more and yet still values that, she's going to have to wind up doing that because he's never going to think of it as being something that, you know, it needs to be out of a page in a magazine.

[10:11]

FT: Right, right.

[10:12]

LV: Yeah. So, that may be part of it too.

[10:14]

FT: We could talk about this for a long time. We're talking to Laura Vanderkam. She's the author of *I Know How She Does It* which just came out today. Pick up a copy. Laura, I'm curious to now transition to learn more about you, your mindset when it comes to money, your money failures, successes, behaviors, starting with a philosophy though. What is perhaps your greatest financial philosophy and why is it important to you? How does it necessarily help you make better decisions about money?

[10:44]

LV: So, I am a naturally cheap person. And so, I have had to overcome some mindsets associated with that and I am really trying to teach myself that money is a tool. And so, if I have a problem and I'm feeling stressed about it and if I have the resources to deal with it then I try to think about how I could come up with a solution that money would enable. And so, that's not necessarily the way I would naturally think of things but it's something that I would like to continue to remind myself of.

[11:29]

FT: You started out by saying that you are a kind of innately cheap person. How do you define cheap?

[11:35]

LV: So, we have a family story that when I was little, you know, we were talking about what cheap and expensive meant, you know, my mom had asked me, "What is expensive?" or it may not have

been my mom but some relative asked me, "What's expensive?" And, I said, "Cost a lot of money." They said, "What does cheap mean?" "We can but it." So, I think that that is kind of the vibes that I had that cheap means I could afford it. But, I am evolving in my definition of this. I have more money now than I ever thought I would have which is a wonderful place to be in life. It has also been interesting to find out that I don't actually want a lot of stuff that money can enable you to have. There's a lot of cheap stuff that you just don't need in your life and that's been interesting to discover that just because you can buy something, doesn't mean you necessarily want to buy something and that your criteria needs to be different at that point.

[12:44]

FT: Well, you brought up your childhood. I'd love to explore that a little further and maybe have you share with us a vivid money memory that has in some way shaped your views on money today.

[12:59]

LV: So, I still don't like to go shopping recreationally. It just sort of seems to me as not something I want to do. I, for a long time, was into looking at coupons and things like that and then I realized, you know, I'm buying stuff I don't necessarily want, just because it's on sale and that's not a good money mindset to have. You should buy things that you need or want in your life and hopefully the exact number on the price tag is less relevant than whether it's worth a certain amount to you in your life. So, I, you know, I remember, it's funny, I still write my grocery list on the back of junk mail because I remember my mom using envelopes from junk mail too. She would open the envelope. She'd put here coupons in it and she'd have a grocery list on the back. So, as far as I'm concerned that's the natural way one carries around a grocery list is on the back of an envelope that your coupons would go in. So, that's funny that I still have that. I always reach for junk mail to write my grocery list on.

[14:16]

FT: And, do you use coupons?

[14:18]

LV: Not anymore and I am even trying to be better about store sales that if it's something that I was going to buy anyway and it's on a store sale that I can be happy about that, that's great. If it's just because it's on sale thought doesn't mean I should get it. And so, the other day I did not buy 5 packages of this oatmeal that I thought my kids might like because they're having a 5 or \$9-sale or whatever, something along those lines it was like, "Well, you know, I'll get one but I don't know that I really want more than one right now." I'm not sure they'll keep liking it, you know how little kids are. They can like something one week and then not like it the next. So, I don't really want 5 boxes of this stuff in my pantry. So, don't be, you know, swayed by this deal that's going on if you weren't planning on stocking up on it anyway then don't stock up now.

[15:15]

FT: Right. Just because you can, doesn't mean you should.

[15:18]

LV: Doesn't mean you should.

[15:19]

FT: What about failure? I think that when you fail the right way, you fail to learn about how to succeed and eventually it plants the seed for success down the road. What's a financial failure that you experienced where you learned an immense amount about not just money but about yourself?

[15:38]

LV: I think that I have been slow to invest in growing my business in the way that I should and, you know, part of writing books is building a platform and part of having a platform is doing a lot of outreach, you know, having a better looking website, having more sort of ways of engaging readers in that and I hadn't really invested in that sort of stuff before my first time management book, 168 Hours, came out. And, I've been fortunate that over time people have talked about it with their friends and recommended it and so it kept selling. And, you know, eventually earned out its advance and I still hear from people about it and that's awesome. But, it did not have a fast start out of the gate. And so, in that sense I really got lucky that it's still around for people to buy because many books that don't get a fast start out of the gate don't get that. So, I think that knowing what I know now, I should have started building that up long before I did. I really started thinking about it only a few weeks maybe two months before the book came out, like "Oh yeah, I need to start investing in this sort of thing." So, I have a much better operation going on now and hopefully that will help me with these next book launches.

[17:02]

FT: It's really nice to hear that your book, that 168 Hours, you know, like I've had, I've experienced that. You know, the book's not flying off shelves but it's still relevant, you know, and it's relevance to you sometimes doesn't really pick up until months later or a year later in momentum. As long as you just sort of keep at it. I think a lot of times the publisher gives up on you while the author's like "Wait a minute, I still have things to say and people are still interested." So, I'm happy that that is what happened in your case.

[17:35]

LV: Yes, I was lucky with that. I've heard other stories. And so, it's good to know that, you know, fortunately that mistake was not fatal to my book writing career but now that I know how important those things are, I'm being better about it.

[17:55]

FT: Yes. Well, let's flip it and talk success, a financial success, a So Money moment that you're really proud of. What happened? Take us there.

[18:04]

LV: So, this is kind of an interesting one to me but when I was an intern in like, when was it 19, no I don't know, 2001, I think and I was in Washington, DC, and I went and visited the torpedo factory which is this art installation and studio space in old town Alexandria and I saw this gorgeous painting

of a strawberry in an artist's studio and I loved it. Like, I wanted that painting. But, of course it was, original art is not really within an intern's budget so I walked away from that one. Obviously, I did not get it. But, a couple of years later, I had moved to New York. I had started my freelance writing career. It was actually going quite well. I was surprised that being entrepreneurial allows more money to come in than you can often make in conventional jobs. And, I got the idea, "Let me find that painting." And, I did and I bought it and it's on my wall now and I bought two other works later by the same artist and I am so happy to have those in my house.

[19:21]

FT: What's the artist? Who's the artist?

[19:22]

LV: Her name is Tanya Davis and she's done a lot of different types of things but it's sort of almost photographic realism but too perfect in a way like she does things that are idealized and they look like photographs only they're idealized in a way that a photograph would never be. So, I really enjoyed those paintings.

[19:45]

FT: I love that and it's something you can look at and constantly remind yourself of, you know, your hard work and your hard efforts and, you know, the pursuit of wanting something. That's really fantastic.

[19:55]

LV: It was great and I was lucky that I was able to get that, that painting, I mean that it wasn't locked away in someone else's house.

[20:03]

FT: For sure, I know I just started to collect a few pieces of art and it really does, they say, "Don't buy anything unless you absolutely love it." Don't look at it as like an investment when it's art. But, I think it might be worth something down the road. I don't know. Not betting on it but.

[20:19]

LV: Not betting on it but it gives you pleasure now and that's worth a lot as well.

[20:22]

FT: For sure. Well, Laura, I'd love to learn now about habits. You know, as someone who focuses on time management skills and has really done so much research examining how people perhaps take on habits to execute their, you know, their best lives, their most efficient lives to maximize happiness. In your life, how do you, what are some habits or one big habit that helps you maximize your finances?

[20:52]

LV: So, I've read a lot about how women tend to undersell themselves and as a free agent sort I am constantly negotiating things and I have, you know, some things that other people negotiate for me but some things I need to negotiate myself and I probably am as likely to undersell myself as anyone else and so what I do is I come up with a number and then I always add to it. I think it's rare that I have over thought what that number should be that I've made it higher than what it should be and if so then the person just goes, "I know, I mean that's fine, you know, we don't have to take every opportunity available to us." So, in order to guard against underselling myself I try to add a little bit to whatever first number I come up with.

[21:41]

FT: That is super smart and I preach that too. It's like, you know, it's a negotiation. Life's a negotiation. So, you know what you want but you got to leave room for that back and forth so go a little bit higher.

[21:54]

LV: Go a little bit higher. I mean they can always say 'no', in which case, you know, you didn't have it anyway or they could say 'yes' which is great then you got more money or they can say let's talk about it and then you could have room to go back and forth between what your original number was and the new number.

[22:09]

FT: Has it ever worked in your favor in terms of getting above and beyond what you were seeking?

[22:15]

LV: Well, you know, sometimes I name a number and the person just says "Yes." And, I'm like, "Oh, well, that's interesting." I could have named an even higher number.

[22:25]

FT: Right, right.

[22:26]

LV: And, I try to put a number that I'd be happy with, right, so that I don't ask myself that question but, you know, it has definitely helped me up my income several times.

[22:39]

FT: And, at first it was probably a little unnerving. I mean I can only imagine. I mean going back to my own pursuits of making, trying to make more, I mean at first you feel a little uncomfortable perhaps, asking for more but then it's just like any other muscle, right, you have to flex it and then eventually it becomes second nature.

[23:00]

LV: It's very true and there're ways to make it less awkward too like have a phone call with someone, get them excited and then say, "Let me send you a proposal." Because then, it's written and you don't have to say the numbers and go back and forth right there live. So, that's always an idea too.

[23:17]

FT: Great. Thanks for sharing that. Okay, we are almost wrapped here, Laura. I would love to now engage with you in some rapid fire fill in the blanks. This is my So Money Fill in the Blank section where I start a sentence, you finish it first thing that comes to your mind. Don't over think it, alright?

[23:35]

LV: Alright.

[23:36]

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

[23:43]

LV: I don't think I'd change that much about what I'm personally doing but I might encourage my husband to retire.

[23:50]

FT: Do you think he would?

[23:53]

LV: He might.

[23:54]

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

[24:00]

LV: Babysitting.

[24:01]

FT: Yes. Yes. What's the going rate these days?

[24:04]

LV: It can be, you know, 15 to 20 bucks for a grown up sitter.

[24:09]

FT: Yeah, plus dinner, plus, you know, when I was babysitting in New York it was 13 plus dinner plus my cab ride which was the best job.

[24:16]

LV: I know. That's good.

[24:18]

FT: My biggest guilty pleasure that I spend a lot of money on, maybe too much but I love it and I can't get rid of it _____.

[24:25]

LV: Books.

[24:26]

FT: Yes. What...

[24:28]

LV: I have a pretty bad Amazon habit.

[24:31]

FT: That's dangerous, right, because they've already got your credit card number...

[24:34]

LV: They got it and all I have to do is, you know, buy now with one click and it shows up in two days.

[24:38]

FT: I know and pretty soon there'll be drones coming through our windows, giving us whatever we want. It'll be even more difficult to say 'no'.

[24:45]

LV: Exactly.

[24:47]

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

[24:51]

LV: I certainly think that being entrepreneurial is definitely the way to increase your income fast. I've sort of seen from studying this issue with people. You know, you have a regular job and that's great for stability but you're only going to earn a certain percentage more every year without, you know, unless you switch jobs between companies relatively frequently. Whereas, if you work for yourself you can make that number change quite a bit if you decide to really throw yourself into it.

[25:29]

FT: Right. And, I think our parents' generation that like entrepreneurship was such a, it was not a foreign concept obviously but it was not something that was safe. So, being parents that just kind of want to protect their kids, we were taught the safer track which was to, you know, go to school, get a job, stay in that job for as long as you can, it was security but, you know, the world's changing and I'm with you on entrepreneurship. When I donate money I like to give to _____ because _____.

[26:01]

LV: So, I give to this organization called the Young New Yorkers Chorus, which I'm on the board for and I sang with them for years and they commission a lot of new music from young composers so I really like the idea of giving opportunities to young composers to see their work premiered and we've gotten a lot fascinating pieces coming out of that. So, that's an organization I support.

[26:27]

FT: Any big breakout hits?

[26:30]

LV: Only if you are in the world, the very niche world of chorale music would anyone have heard of it.

[26:37]

FT: That's cool.

[26:38]

LV: We've had some great stuff. I enjoy listening to it.

[26:42]

FT: Well, and finally, I'm Laura Vanderkam and I'm So Money because _____.

[26:47]

LV: Because, I, oh boy, I had an answer and then now I'm like, "Hmnn, what have I not said in this interview?" We've been so thorough, I think, but I'm So Money because I'm happy with how I'm earning and spending my money these days and that's a great place to be.

[27:10]

FT: It absolutely is. Thank you so much, Laura. Everyone, let's congratulate Laura. Her book is out today. It's called I Know How She Does It, How Successful Women Make the Most of Their Time. And, thank you for spending your time with us and helping us become more successful in the process.

[27:29]

LV: Thank you for having me.

[END]