

**EPISODE 1468**

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**FT:** So Money episode 1468, Scarlett Cochran, author of *It's Not About the Money*.

**“FT:** *What are some other old rules or the older ways of thinking that you want to get rid of?”*

**“SC:** *I would say the percentages, percentages of anything, this idea that you save 20% of your income or the 50-30-20 budget. Those percentages, those rules don't work for everyone.”*

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. Returning for her second time on So Money is Scarlett Cochran. She is the Founder of One Big Happy Life, a multimedia financial education platform. She previously went as Tasha. Now, she's Scarlett. We talk about that name change. But more importantly, her new book, which is called *It's Not About the Money: A Proven Path to Building Wealth Your Way While Creating the Rich Life That You Deserve*. The book comes out on Valentine's Day, and it is all about what becomes possible for you when you understand how to put your money to work to create the life that you want.

If you recall, when Scarlett was on the show before the pandemic, she talked about her own journey of being a teen mom, in the military, going to law school, and becoming an entrepreneur. No one gave her the path. No one told her how to do it. She figured it out, and she learned how to build her own financial roadmap. In our conversation, we talk about what a wealthy life looks like today, how to prioritize the things that are most important to you, how to navigate this uncertain economy. 2023 is throwing us a lot of curveballs. And what are some things that we just want to get rid of in the personal finance space? Some rules of thumb that is just tired. Here's Scarlett Cochran.

[INTERVIEW]

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**FT:** Scarlett Cochran, welcome back to So Money What a treat to have you back after all these years. We were joking like it's been a while. I'm like, "Yeah, it's been a pandemic."

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**SC:** I know. I'm like the pandemic years, they all blend together, right? 2000, 2001, 2002.

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**FT:** They certainly did. But I'm so delighted to have you back. You and I became fast friends in the before times when we met at my workshop, Book to Brand. You are just in the beginnings of thinking about writing a book, and here you are. Fast forward. You've been on the show previously. Back then, you went by Tasha and now Scarlett. So firstly, what inspired this new name?

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**SC:** Just, you know, I've always never really loved my first name. But I never really found a name that I liked better until I did. It just kind of hit me one night. I was having dinner with my son, and this name came just like floating into my ear on the wind, and I'm like, "Oh, my gosh. That's the name." I changed it after, of course, asking the publisher if that was okay.

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**FT:** I'm curious. As somebody who already has an established audience and a brand, was there a transition period? Was this difficult to be like, "Hi, I'm going by Scarlett now."?

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**SC:** Yeah. It's still a work in progress. Changing your last name is one thing. Changing your first name is a whole thing. I mean, I didn't go back and really try to have any of the media features. Or certainly, not any of my videos were changing my name in any of those. So there are still a lot of people who the first time they "meet me" virtually, they hear me say that my name is Tasha. Then later on, they may get an email from Scarlett, and they're like, "Who's this Scarlett person?"

Even still today, it's been, I guess, two years now, on YouTube, people will still say, "I thought your name was Tasha." Then someone else will respond, "She changed it and made a video about it." I'm like, "People are resourceful. They can figure it out."

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**FT:** Not to spend too much time on this, but I'm just so curious because, personally, I grew up always wanting to change my first name because it was not fun being raised a Farnoosh in America. You can read all about it in my tell-all book coming out October 3<sup>rd</sup>. But what does Scarlett – How does Scarlett make you feel, and how does it make you feel more like yourself?

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**SC:** I don't know. It's like every time I hear the word Tasha, it sounds so harsh. If I'm being honest, part of me kind of feels like I came from a very authoritative household where children are seen and not heard. I think part of why the name sounds so harsh in my own ears is because it was used so harshly throughout my childhood. That is my guess as to why I dislike being called it, even lovingly. Even when my husband, Joseph uses the word, like that name from a place of deep love, it's still – I always kind of recoiled a little bit. So that's my guess. But I don't really – Yeah.

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**FT:** I get it. Oh, my gosh. Do I get it? Well, not only has your name changed since we last spoke, but you have a new book out. Your offerings to the world have grown. For those of us

who are new to learning about you, you have a very popular YouTube channel, One Big Happy Life it's called, and you chronicle your day-to-day. You chronicle your life, how you've built it from the days of being a teen, single mom to now an entrepreneur. Your book is called *It's Not About the Money*.

So I just want to give you the time now to share a little bit about the genesis of this book, why you wanted to call it this. Titles are so important, as we know as authors. We think a lot about those titles. What did you want this book to really represent?

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**SC:** I really wanted it to help people take back their power when it comes to money. So often, the way we are taught to make financial decisions is from the perspective of what's best for the money versus what's best for our lives. So that's why I decided to name the book *It's Not About the Money* because I want people to start making financial decisions from what they want out of their lives versus making financial decisions just for the sake of money.

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**FT:** My gosh. You say this, and, Scarlett, I immediately think of my dad, who he was visiting over Thanksgiving. My father is that guy who wants to make sure that he's – He's a scientist, and he's very rational. He's very equation-driven. He wants to make sure that his math is mathing, that his math is perfect. So that means that he's got to spend 20 hours to refinance his mortgage to save \$100 a month.

But by the way, he's 20-plus years into this mortgage, and I'm sitting looking at him like, “When do you want to be debt-free? Don't you want to just be done with it?” No, because in his world, it's smarter. The smarter money focuses on getting the math right, and it's not about valuing your time or valuing your energy. I think that's what you're getting at, right? That too often we focus on the bottom line, when really we should be taking a much bigger look, a vantage point of what we're actually trying to accomplish, what's meaningful to us.

It's something that we don't maybe grew up knowing inherently. We have to learn from our mistakes and come to these conclusions sometimes the hard ways. Were you ever the person who was really focused on numbers?

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**SC:** I think I've just been very lucky in that there really wasn't a specific time when I was so hyper focused on the numbers. I think I've always been pretty good at stopping myself from getting caught up in making a decision just for the money. So when I went to law school, I thought that after law school, I would go work at a big law firm. Back then, the big law firms were making – Your starting salary was \$160,000 a year. Yeah.

So I went to Yale to maximize my odds of getting one of those jobs because where you go to law school does matter. Don't let anyone tell you anything different. For me, the money was a big thing, like I wanted that money. I wanted that salary. That was more money than, obviously, that I had ever made. But I didn't enjoy the work. I didn't enjoy the long, crazy hours. I didn't enjoy the atmosphere in which the work was done. Too many people can't say no to the money. They can't say no to the salary because they fixate on this idea that, okay, this is the only way to make this kind of money.

But what I really started to ask myself was how else could I make that kind of salary because my ultimate goal was I'd work at the firm long enough to be able to go part time and still make around 200k a year. So my goal was to work for seven, eight years to be able to cut back on my hours, work a 40-hour week, and make 160 to 200k. So then I had to ask myself. Is there a way – My goal is to make this much money working this many hours. It doesn't have to be at the firm. I don't have to wait seven, eight years of proving myself at the firm to be able to get there. Is there another alternative?

I ended up choosing public interest. Did I start out making that much money? No, I started out making \$60,000 a year. But public interest work also came with public service loan forgiveness, and it also allowed me to qualify for the loan repayment program that Yale offered. So I creatively was able to grow my income, take care of my student loans without sacrificing my

quality of life. That's just an example of how easy it can be to fixate on the money part. Like, "Gosh. Well, if I'm just making that 160k, then my life is set."

I don't mind giving up years of spending time with my children in order to have that because you didn't allow yourself to say, to realize what you actually wanted was a certain quality of life. You did want to make a certain amount of income, and you wanted to be able to spend time with your family. That's actually what mattered. So then what's the best path to get there versus the one that is showing up in front of you but that you're not actually that excited about?

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**FT:** Yes, yes. You're encouraging people to think beyond the job search listings. Don't limit yourself to simply what is in front of you, what somebody else has already done, or what you think you're in. In your case, you have a law degree. So, okay, I'm going to go be a lawyer in a traditional law firm. But what's your puzzle look? What does your puzzle look like? Make your own puzzle board.

I don't think that's something that coming out of the gate as a 20-something year old, you often feel confident doing, Scarlett, because you're still learning. So is this something that people can do right away? Or does it have to come with a little bit of life learning?

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**SC:** Oh, no. It comes right away from – At least it did for me, right? Again, I talked about coming up, growing up in a very authoritarian household and being a very contrarian child. That created a lot of friction in my household growing up, but it was very valuable for me as an adult, just immediately because you mentioned I was a single teen mom, so I became pregnant with my daughter, Alexis, when I was in the Marine Corps. I was 18 years old when I got pregnant and I think 19, yep, by the time I had my daughter.

I was told a lot of stories about what was possible for me as a 19-year-old single mom, making less than \$25,000 a year, no college degree. I did have a full-time job, though, because I was a full-time Marine. But people had thoughts about what was possible for me, none of which were

expensive. They were all like, “Your only option here is to keep this good job that you have, do this for 20 years, and then you can retire. Then you'll be set for life.”

Luckily, I had the audacity to say, “No, I want more. I don't care if none of you think that's possible. If all of you are telling me that I can't have anything better than this.” That is literally everyone. No one, including my parents, told me, “Oh, you could go to college. You could become a lawyer.” Not at all. I had to just decide for myself that that's what I wanted. Thankfully, Google was around back then and was, honestly, probably a little bit more useful than it is now, just because we have to wade through so much information now compared to back then. But I just Googled. How do I do this? How do I do that?

So the information is out there, even now. You just have to do a little bit more sifting. But even in your 20s, you can start to follow your desire to create the life you want.

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**FT:** Yes, yes. You have several principles in your book. We've talked about a few of them already, like this idea of redefining what wealth means to you. I think what I'm understanding is that it doesn't have to be what has already been defined. Eventually, you can invent this on your own. It's sort of like taking inventory of what your skills are, what your desires are, your end goals. Coming up with your own path is part of it.

Also, one of your principles in your book is to change your money story. This is important. We talk about this on the show a lot, this idea of recognizing what this narrative is that you've either been raised to believe or that you've inherited from the world around you. What's the journey that you want people to go on to change your money story that's not serving them?

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**SC:** Yeah. It's really stepping into this idea that you are the best person to manage your money and that you are capable of making the best financial decisions for yourself, provided that you take the time to educate yourself about how money works and that you build your skills of

making financial decisions. This is not something that just comes naturally to us. It's something that we have to work at, being really good at evaluating the options in front of us.

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**FT:** Since you were on the show last, tell me something that has really changed in your life, a really intentional move that you made that may have been as a result of the pandemic but that it has endured.

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**SC:** I really have stepped into savoring my time with my family members, with the people that I live with, so my children, my husband. I think before the pandemic, we were still very much caught in the like, "Go, go, go. Get it all done." Hyper productivity, fit in as much as possible kind of schedule. The pandemic really helped us slow down and savor having just blocks of do nothing time in our schedule, savor spending more time together as a family.

It's been especially so because our oldest was getting ready to leave for college before the pandemic. So that pandemic year, the 2020 year, was kind of a gift for us because we were expecting to not have that year with Alexis. We were expecting that she would be off living her own life. But we had one more year with her, and so it felt like just this blessing to be able to spend that much time with her.

I think there's some statistic that by the time you graduate from high school, and you move off to college, that you will have spent something like more than 90% of your time with your parents, which is also conversely true with your children, right? So to have a whole year of living together again really was – I just really enjoyed it. So by the time she did go away to college the following year, so 2021, I felt more prepared. I felt ready.

But now, we have all slowed down. So now, Joseph, my husband, he doesn't have to commute anymore. So we both work from home. We get to spend so much time together. We get to see Reeves off to school in the morning, our younger son who's about to turn seven. We're there for



him when he comes home in the afternoon. It's just such a more like laid back calm life than we had before the pandemic, and I'm just so glad that this is what our lives look like now.

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**FT:** I'm so glad that this is what has endured. It was a hard lesson to learn. Who wants to go through a pandemic to learn anything, I suppose? If there are lingerings that are positive, I think it's this. I do also wonder how your financial approach to things has changed since the pandemic, in terms of how you coach people. I think I've always known that you know, when you slow down, you're able to think more rationally, be more reflective, maybe make a more honest choice with your money.

I want to think that we learned that in the pandemic a little bit more, or it was reinforced. While it was a slow time, it was also fast. Many of us had to make split decisions like moving at the last minute. There's a lot of mayhem at the same time. But I do think there is something really special about slowing down and it being your choice and the gifts that can come with that. They show up in your financial life. You talked about the gifts in your family life and in the pace of running your house. But you know what? They're also gifts that come with slowing down in your financial life too.

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**SC:** Well, when it comes to slowing down, you actually get to enjoy the journey of your life more. We cause ourselves so much unnecessary frustration because we want to rush the goals. We want to hurry up and already have, like to use a common example, the debt paid off already, have the emergency fund already, have the nest egg already saved up, have the millions in the bank. Like we want to rush to have those things happen. But when we hyper focus on those things, we're not enjoying the time that is happening in between.

I like to say that life is the thing that's happening between your goals, and so it's really important that you don't lose sight of the fact that achieving, accomplishing those goals are not going to make you happy. It's not what you're going to look back on on your deathbed like, "Whoop, I paid off that debt in 5 years instead of 10." That's not what you're going to be celebrating. What

you're going to be celebrating and reflecting on and feeling good about are the things that you did, the meaningful experiences that you had during those five years.

Which is why one of the things that I tell people when they're thinking about doing something like when they're creating their debt payoff plan or when they're creating their wealth creation plan, really think about the experiences that you want to have along the way and don't shortchange those because maybe taking an extra two years to hit your financial independence number will be worth it so that you can actually have vacations with your children when they live at home with you. Or so that you can make sure that you have the funds to go to your friend's weddings when they have them.

Like the people in their 20s who are skipping out on their friend's weddings, I'm like, "Wedding season is going to end, and it's going to be over, and you will not be going to any more weddings," right? So I know it feels like an inconvenience, and it feels really expensive. But this is one of those experiences that you really only have during one specific time in your life, so don't discount the value of that.

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**SC:** I mean, I couldn't add any more to that. I've known you for a while. I know that your philosophy around money, Scarlett, one of them is that we should not deprive ourselves. I think you and I both roll our eyes when we hear skip the latte. I think, culturally, we're all over information like that. It's just not even the experts that are fatigued. It's everybody. Everybody is tired of this advice. What are some other old rules or the older ways of thinking that you want to get rid of?

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**SC:** I would say the percentages, percentages of anything, this idea that you save 20% of your income or the 50-30-20 budget percentage thing. Those percentages, those rules don't work for everyone. If you live in a high cost of living area, it's possible that you might spend. You're going to spend more on your housing expenses than if you lived out in the suburbs, like 30, 50 miles

out from the city. But you also may spend less on transportation because you use public transport. So it's really understanding what your needs are.

Similarly, 20% of your income may get you the lifestyle that you want in retirement, or it may not. We don't buy things in percentages of income, right? So if you want to guarantee a certain lifestyle, and let's be honest, something like 50% of retirees have to cut their lifestyle within the first five years of retirement. So we do have an under saving, under investing problem. If you want to, if you want to be part of the 50% that is able to have the kind of lifestyle you want in retirement, then you need hardcore numbers to make sure that you're on track.

I know rules of thumb can feel very comforting like, "Oh, I'm hitting 20%." But I would rather you feel uncomfortable now and fix it than to be devastated later at a time where you just don't have as many options when you're deep in your 60s or 70s and realizing that you don't have enough.

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**FT:** Yeah. It's like if I hear someone spends just 20 or 30 percent of their budget on rent in New York City, I'm like, "Where do you live? Because I need that deal. That sounds great." More likely, when I was living in New York City, if you had that sort of arrangement where your rent was just like a fraction of your take home pay, you had three roommates or you had a wall that was set up, a makeshift wall in your living room, and it was turned into another bedroom. Otherwise, you're spending easily 50% of your paycheck on rent.

That's not, obviously, the national average recommendation, but you have to make these exceptions. You have to be realistic in places like New York and other high cost living cities. But then, of course, to your point, in the city, you don't have a car. Maybe you're not spending money on gas. You're spending instead a little bit on the subways. You're walking to work. You're biking to work. So it kind of levels out.

But I liked this idea of not encouraging deprivation, holding people up to the same percentages in the city as those who are living in a rural area.

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**SC:** Yeah. But it's like not only that. When you are using percentages to say, “Well, everyone should be – This 50-30-20 thing is supposed to work,” what that does is make people think at every income, somehow 50-30-20 is going to work, every income in every place. So then people don't realize, “Hey, wait a minute. I'm actually not making enough money,” because they're just trying to live in the 50-30-20, instead of realizing that the whole pie is not big enough.

So that's also where those budget percentages become a little dangerous because, yeah, you live in New York, and New York is expensive, which means \$60,000 a year may not cut it for you. You might at minimum to be able to thrive in New York City and meet all of your lifestyle goals, your investment goals, your savings goals. You might need to make significantly more money. But you're shortchanging yourself because you're telling yourself, “Well, I should be able to thrive because the 50-30-20 budget says I should.”

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**FT:** Right. Of course, now, we've pulled back the curtain. We now know what's really going on in people's lives. Some people are still supporting their parents. It's not because maybe their parents are sick. But it's just cultural. There's an expectation that you're going to take care of your parents in their retirement. Or there are so many things that are not really within our control that is either a cultural expectation or a workplace restriction or just the career path that you choose.

In the olden days, and not really that, well, like 10 years ago, we limited the profile of who we were talking to when it came to money, and it was very exclusive. We were not thinking about all of these different lives and how they were being led. This used to bother me a lot.

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**SC:** Right, 100%. The reality is we're not all starting on the same plane when it comes to our financial lives. I think about my life versus my daughter's life and when I was 18 years old. I immigrated here to the United States when I was two years old with my parents, neither of which graduated from high school. So they I had no idea how to navigate the like college

applications. I didn't receive any college counseling. I had no idea how to get a college degree, so I joined the military.

I was working active duty as a Marine full time during 9/11, making \$25,000 a year and managing a household. I had a child. So I'm working full time as a Marine. I don't know how much harder I could have worked, but I was not getting paid that much. So it really isn't about how hard you work. It's really about access to knowledge and skills and resources so that you can aspire to move beyond where you are.

It's also recognizing that there are still racism. Racial bias is still a thing. Also, discrimination and the gender gap in pay. All of those things are still a thing, which means that for some of us, the uphill climb is a little bit steeper. It's possible to recognize those things, want to change those things, but also not let those things stop you from going after the life that you want. I believe that you can do both.

So that in my lifetime, I've been able to go from having to buy myself my own first car, put myself through college, figure out how to become a lawyer all on my own, to now having a child who I'm able to counsel her on how to get into college, to pay for college for her, to buy her her first car. So her experience starting out in life is very different than mine, and so much can change in a single generation, despite all of the disparities that we're still working to correct as a society.

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**FT:** I'll never forget your story, Scarlett, and I want to encourage anybody who is new to this show, if you haven't heard Scarlett before on the show back when she was Tasha. That was December 2019. My gosh, that gives me goose bumps because anything that happened in like December, January, or February before the pandemic, I'm like, "Oh, my gosh. We were so naive. We had no idea what was about to hit."

But you're absolutely right. Your story of how you picked yourself up by your bootstraps. I know that's cliché, but you really did it. So now, as parting thoughts for us, before we wrap here, Scarlett, and you know this year, your book is coming out on Valentine's Day. So we're a little ahead of it. But I think that with the top of the year and 2023 being so tumultuous, can I say,

people are nervous or anxious. I just had lunch with a friend who got laid off. This is sort of the drumbeat of the first quarter of this year, I guess. I think layoffs are going to continue. What's your advice as we head into this year with so many unknowns?

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**SC:** I would say maybe take comfort in the fact that, well, we never really know what's going to happen, right? Like this idea that somehow we could have predicted the future at any point is false, right? So we can't predict the future. We don't know what's going to happen. But there is so much that we can do right now to help put ourselves in the best possible position, no matter what the future holds.

The prospect of losing a job, it's always there for so many of us. So the question that we ask ourselves is given the fact that chances are I could lose my job at some point in my life, what are some things that I can put in place to position myself to weather that job loss, weather any financial upheaval, weather an economic downturn so that I can come out on the other end and continue to thrive in my life?

So we're going to be looking at things like what does your safety net look like? What's the size of your emergency fund? Could you have multiple income streams coming into your household so that if you lose one, you still have these other ones that you can rely on to help keep your household afloat? How can you continue to make yourself marketable? That means not getting complacent in any job, whether you are an entrepreneur or an employer. Not getting complacent in the running of your business, not getting complacent in your job skills, keeping your resume brushed up at least once a year so that you know where those safe landing spots are for you, where your next possible job and income source can come from should the current income sources dry up.

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**FT:** Yeah. I mean, we've been talking about the R word for a long time when – When has that ever happened? I feel like recession is just pop up and like put you on the shoulder or tap you on the shoulder like, “Hi, here. Sorry.”

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**SC:** Right. It's like Game of Thrones, where winter is coming. A recession is always coming, right? We're either in a recession or one is coming. It's an inevitable part of life, and the wonderful thing about that is that it's just normal. We jump up. We drop back down. It's just like gravity. So if we recognize that recessions are just a natural part of every financial cycle, then we also recognize that despite recessions, we can continue to thrive. We can build wealth. We can create extraordinary lives.

But the best time to plan for a recession is during the good times, right? That you are setting yourself up so that when the inevitable recession comes, you're prepared. So we're already here, but that doesn't mean that you just give up and say, "Oh. Well, it's too late. We're already in a recession." There is still so much that you can do right now to make it to best position yourself to weather this recession as best as you can.

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**FT:** Scarlett, thank you so much. You know what else people can do? They can buy your book to help them, and the book is called *It's Not About the Money: A Proven Path to Building Wealth and Living the Rich Life You Deserve*. Scarlett Cochran, always a joy to have you on this show. It's great to see you, to hear you, to see that you're doing well. Thanks for coming on.

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**SC:** Thanks for having me, Farnoosh.

[END OF INTERVIEW]

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**FT:** Thanks so much to Scarlett for joining us. You can preorder your copy of *It's Not About the Money* using the link in our show notes. I'll see you back here on Wednesday, and I hope your day is So Money.

[END]