BONUS EPISODE

> *"**CSP:** We know that women aren't investing at the same levels as men. We just did a survey of 16 to 25-year-olds. Twice as many young men had investment accounts versus women."*

[INTRODUCTION]

[0:00:47.6]

FT: Welcome back to So Money, everybody. A special treat for us today, airing an interview with the great Carrie Schwab-Pomerantz. Last week, I had the honor of interviewing her at Stacks House, in front of a live audience. We are so grateful to have Schwab as one of our partners at Stacks House. As you may know, we developed the retirement rodeo that houses are famous mechanical piggy bank. With that, our goal was to bring to life the importance of saving for retirement through an unmatched, memorable experience.

Our bucking savings pic illustrates the ups and downs of the stock market and why it's important to hold on. It's not a bad video either for your Instagram. Anywho, we were excited for Carrie's visit, not just because she'd get a chance to experience Stacks House in real life, but because she is such a leading advocate for financial literacy. We opened doors to the public for this event and we sold out within days. No doubt. She is one of America's most trusted sources for financial advice and she's devoted her career to helping men and women from all walks of life achieve financial security.

The next 45 minutes, you're going to hear Carrie and I talk about her early days working for her dad, who is the great Charles Schwab. The challenges, many of the challenges women face when it comes to securing their futures and what we can do about it, as well as the biggest mistakes she's ever made with her money.

As many of you know, I'm also working with Charles Schwab to help spread financial literacy to the masses and it's been a really great collaboration so far. I'm a Charles Schwab customer and have been for many years. Before we get going, just want to thank Charles Schwab for helping get this financial education content to you.

Without further ado, here is Carrie Schwab.

[INTERVIEW]

[0:02:31.3]

FT: Welcome to Stacks House, everybody. How many of you are here for the first time? Almost everybody. All right, this going to be an exciting morning, money for breakfast. There's no better power breakfast than money for breakfast. Really excited for our event this morning. We have the great privilege of having one of the stars of personal finance with us today, Carrie Schwab-Pomerantz. I'm going to do a full introduction of her very soon, but I just want to share a little bit about what we can expect today.

We're going to do our best to have a really insightful, intimate, candid conversation about all the things that have to do with money, particularly investing, saving and of course, how women can further themselves along their financial path and achieve their greatest financial potential. Carrie has done incredible work, continues to do incredible work in this space for all people, but women especially, I think near and dear to both our hearts.

We want to also address your questions. As you noticed, as you were coming in, hopefully you had a chance to drop in a question or two in our box. We'll be selecting some of those and make sure to hear you as well for a part of the conversation. All right, so welcome again and really appreciate everybody for coming out this this morning on a – it's Wednesday, right? I'm from Brooklyn, I'm completely jet-lagged, but that's okay. Adrenaline is good when you're hosting a panel.

Without further ado, I want to introduce our wonderful guest. I'm so happy to finally meet you in person, Carrie. Carrie Schwab-Pomerantz is a certified financial professional, a leading advocate for financial literacy and one of America's most trusted sources for financial advice. She has devoted her career to helping men and women from all walks of life to achieve financial security. She oversees Schwab's corporate philanthropy and employee volunteer programs, which is all about strengthening the communities where Schwab operates. I just learned this morning that she has been appointed commissioner of the San Francisco Commission on the status of women. That's a huge honor. I want to learn about that and how that's going. Also, you're on the board of the Girls & Boys Club of America. You're a busy lady. Also mother and wife and all the things. Carrie, thank you for being here.

[0:04:56.5]

CSP: Thank you, Farnoosh.

[0:05:01.0]

FT: Did I make you speechless?

[0:05:03.7]

CSP: I just also wanted it to congratulate – The two of us are both personal finance folks and we've done podcasts and so forth together. We've admired each other from across the country. It is wonderful to be here in person, finally with you.

[0:05:17.6]

FT: Well, it's really surreal to have you in Stacks House as you know, and perhaps you don't know, but Charles Schwab is one of our founding partners of Stacks House. We were so grateful as we were – my co-founder Patience is here with us today and Kindra. My other co-founder, she's unfortunate couldn't make it, but we – this was our idea, our baby and we went out on the world and we pitched it.

It was not a proven concept, but Charles Schwab really believed in the vision and they believed in us and we're so grateful for your partnership. You have to check out the retirement rodeo, the mechanical piggy bank. I mean, I'm just saying – it's the only one in the country, maybe even the world.

One thing I didn’t mention, which is perhaps obvious is that you're the daughter of Charles Schwab, Carrie. Charles Schwab is the largest publicly traded investment services firm in the United States. You had the incredible opportunity to see it from the ground up as a child, as a teenager. You started working there at the age of 16. What was that first day on the job like? What did your dad make you do?

[0:06:27.5]

CSP: Well, I hate to say it was so long ago, I can't remember the first day. I live in San Francisco and there's so much about technology companies and all these startups and the garage and so forth, and it just dawned on me. Wait a minute, I was there when we were just two rooms, a company of just two rooms, a total scrappy startup that my dad founded. I tell people a cute story, a couple cute stories. One is that it was two rooms basically. One room was just an open room, probably about the size of here, this area and there were floating desks. That was my and not nice desk by any means.

My dad and his founding members were around there. I had a desk that’s just against the wall. Then next door was a conference room with a big oval table. It had black rotary phones around it. That's how long ago, Farnoosh, probably way before your time. Then you had Henrietta with the bouffant in the corner switching in the calls. I mean, that's how long. Then there was Rome, is that what it is? That was a big technology and so forth moving forward.

I used to tell people that I started as the secretary-secretary. I did whatever. She was my boss. I was in an event like this with my father and telling the story. He was anxiously waiting with his microphone over here to get on the stage. I wasn't quite sure why, but I finally let him have his time. He said to the audience, “Wait a minute, wait a minute. Let me set the stage straight. Carrie was not a secretary. She was a file clerk.” Everyone – I did not remember that.

Anyway in those days, that's what you did. I mean, all our accounts were filed. Anyway, fast forward about a year after college, came back to Schwab for a recent college program. Most of my fellow interns went to headquarter types of jobs. My father said to me, “If you really want to understand the business, you need to go out and work with clients.” I took that to heart and did that for a good first half of my career and it was one the best decisions I ever made, because it really does get you connected to people and all the struggles and so forth that we go through in life.

I did start out in the branches, like my fellow financial consultants over here for many, many years. Just recently, my father just turned 80 last – about a year ago. We had a party for him with just the grand – with my generation, his kids and grandchildren. Usually, you toast the birthday person, right? He had pages of his toast to the grandkids and was all to them. It was so interesting, because the two pieces of advice, the gist of it were two things; one is live a humble life. Do not take things for granted. Have humility. Actually, that's something that my dad has always talked about.

Then he also talked about the importance of giving back to your community. He went on about that. The light bulb went on for me that this is something that he has always talked about within Schwab, and it's really created the culture that we have and who we are and my colleagues here believe in and always striving and doing, or trying to do our best.

[0:10:18.4]

FT: File clerk, noted.

[0:10:19.8]

CSP: File clerk. I did immediately changed my resume, went home, updated LinkedIn.

[0:10:24.9]

FT: You updated LinkedIn.

[0:10:25.3]

CSP: Oh, yeah. They didn't have LinkedIn then.

[0:10:26.9]

FT: Henrietta updated your LinkedIn.

[0:10:28.8]

CSP: Henrietta updated my LinkedIn.

[0:10:30.5]

FT: This is actually a live podcast, everybody. This is most live-ish. This is my first in front of an audience podcast. I host the So Money podcast. Congratulations, you're the first to experience that.

[0:10:43.5]

CSP: My podcast. You like that.

[0:10:44.5]

FT: If you want to keep listening to this, you can later next week go and download the episode. One of the questions I love asking my guests and you're no stranger to So Money. You've been on the show before, Carrie. I want to ask it again, your biggest money lesson, financial lesson learning growing up in the Schwab household. We know the lessons that your father bestowed on you, as far as running a business and these life principles. When it came to money, what were the lessons that you learned, perhaps just observing your family dynamic.

[0:11:15.9]

CSP: Well, I certainly observed a lot. I will tell you a cute story and I think it's going to be relevant just as we talk about money today. I was in my early 20s. I come back to Schwab as I mentioned as a financial consultant and IRAs, individual retirement accounts were just becoming popular. I put my $2,000 in. I called my dad thinking I would get the hot tip of the day to invest my money.

My dad said to me, “Carrie, just go to our mutual fund list, market list and pick two equity funds. It doesn't matter. Just pick two.” I was so disappointed with that advice. It was not sexy, but I did just that. Really, now I'm a little more mature than I was then, and realizing, what he was trying to say to me and what I try to tell everybody, it's not about the hot stock, it's not about even the hot mutual fund, it's about participating in equities, in a diversified portfolio to get the growth that we need, and the proper growth, the calculated risk growth. That's really what I learned from him.

[0:12:30.2]

FT: I really like that message, because too often, we get sold this characterization of the stock market as fortune favors the bold, right? Take the risks. That to me, personally, I feel that's a very masculine packaging of what is really a genderless thing. The stock market doesn't care if you're a male or a female.

A lot of our audience at Stacks House, a lot of people here today are women. I want to talk a little bit about some of the barriers that you see women facing to get started to invest. We hear studies talk about well, women – I think this is great about us. We want to have all the answers. We want to feel certain before we do anything. Let's be honest, the stock market has an inherent uncertainty and risk. What are some of the ways that women can just step up to it a little bit more and feel more comfortable investing if they feel some of these emotions around managing their money in the market?

[0:13:31.1]

CSP: Okay. I'm going to take a step back. You did ask me about three questions in that one question, just so you know.

[0:13:37.5]

FT: We only have an hour, so I'm just trying to get it all in.

[0:13:40.7]

CSP: All right. Okay, just to take a step back and probably many of – I mean, I don't need to tell you all this. There are several things going on. As women, we do face unique circumstances relative to a man. We tend to earn less money, 80 cents on the dollar, we tend to live longer than men and we tend to go in and out of the workforce to care for children, or elderly parents. We lose a lot of time, wealth-building time.

What it means is because we live longer and we earn less, that we have less money to save for, for more years of retirement. It does mean that we do need to be more disciplined and more engaged in our finances than ever. Unfortunately, because of social and cultural issues of our country, we're set up, I don't want say to fail, but to be behind. I don't know where you want me to go with this, because I could go on and on.

We know that women aren't investing at the same levels as men. We just did a survey of 16 to 25-year-olds. Twice as many young men had investment accounts versus women. We know that investing is what creates the growth and the wealth that we need.

[0:15:10.4]

FT: It's interesting, so in action, men, young men in this particular survey are investing more. When they ask the question of how important is financial independence to you, the young women by and large, said that that was more of a priority to them. How they feel is not measuring up to how they're acting in the market. What is that gap all about and how can we close it? I mean, there's a lot of things. You had mentioned that there are systems, the system is set up to hold you back in some ways.

[0:15:42.6]

CSP: Yeah, yeah. What Farnoosh is talking about, this survey showed that women definitely were determined to be financially independent. They understand the importance of financial planning. They actually do some of the really important things. Well, I shouldn't say – they're more likely to have a second job, they're more likely – this is according to our survey. They are more likely to spend less than the young men that we asked. Then they had 40% less savings than the men in the survey.

[0:16:11.3]

FT: That's the earnings gap perhaps?

[0:16:13.3]

CSP: That's the earnings gap. Then I mentioned that half of the women were investors. That's creating this failure, or setup for a beginning of failure. There was this gender inequality that starts right out of the gate. Why is that happening – How many here are our parents? A good number of them, of you. Okay, so digging down and I've been studying this for many, many years; women versus men and all sorts of different populations and so forth. Where was I going to go on this?

[0:16:50.5]

FT: Families.

[0:16:51.8]

CSP: Oh, thank you. Our studies have shown that parents talk to their sons differently than their daughters. When you talk to your son, or your daughters, you talk about savings and budgeting. With your sons, we talk about investing and borrowing, A.K.A. wealth building. I mean, savings is – and budgeting. I mean, with people paying – living paycheck-to-paycheck in this country is so important. Getting out of poverty, you've got to think about investing.

I'm going to tell just a little thing and then I'm going to tell you another little stat. I was just in Hawaii and our chief investment officer was speaking about the trends. In the last 10 years or so, there's been big wealth creation happening, right? We keep hearing about the lack of middle class, there's people the haves and have-nots. It's those people who were investors who made out. We can talk a lot more about this. Investing is not about being rich. I mean, investors are in their 401K. People are just starting out. That's just something to think about.

The other thing I wanted to talk about families is that there was a third party study that showed that parents pay their daughters less than their sons for the same chores. It was some allowance app. You've got that we're paying them less at home, we're talking to them differently, then they go out in the workforce and they earn 80 cents on the dollar. Well, guess what? No wonder, more women than men in society as they get older are in poverty. We need to change the conversation at home.

[0:18:42.3]

FT: It starts at home. Then you go to school and there's no financial literacy. I mean, there are movements to incorporate more financial literacy in high schools, which is great. It seems it's such a – it's such a struggle. It seems it should be a no-brainer. I mean, you should be able to graduate from high school, considering you're going into college now with all of the student loan debt, presumably. You don't even know how to write a check, or how a credit card works, or what is compound interest. I know you do a lot of work in the financial literacy space. Why is there such, what seems to be resistance in the school systems to bring financial literacy to curriculums?

[0:19:19.9]

CSP: Well, I was going to say, I learned how to sew a button in high school. You guys –

[0:19:23.4]

FT: I learned how to make a pie.

[0:19:24.6]

CSP: Come one. What did you make?

[0:19:25.7]

FT: I learned how to make pies. I order from Seamless now. I go to the grocery store and get my pies. I wish someone had told me what a credit score was.

[0:19:36.9]

CSP: Yeah. I did serve on the president's advisory council on financial capability under President Bush and President Obama, so it's not a political issue this lack of financial literacy. These two presidents very much wanted to create more visibility and change the way we think about it as a country. That was a really, really great opportunity. Enter the council, we definitely looked at how can we get more schools to adopt financial literacy. Unfortunately, there's only five states that require a standalone program for high school graduation.

Utah is the first state that required it, because it has the highest bankruptcy rate in the country, which is I mean, it's interesting that that's what drove them to do that. Then there's 17 states total that require it to be embedded some way or another, but I think it's probably so embedded, no one really quite can figure it out. We have a lot to do with that. In fact, California does not require financial literacy and it's something I've been trying to maneuver a little bit. I'm trying to San Francisco. I've talked with the superintendent there. I don't get a lot of interest.

[0:20:52.6]

FT: I think money is emotional too and who's going to teach it, right? Some of these teachers are like, “I didn't learn how to talk about money in my own life and I have to teach it to the kids.” I hear that from some of the teachers.

[0:21:03.3]

CSP: Right, right. Well, I mean, families don't talk about money. Teachers don't teach it. I mean, parents, or teachers don't have the knowledge. Farnoosh mentioned, I run the Charles Schwab Foundation and we have some national partnerships around financial literacy. With Boys & Girls Club, we chose them because they're an after-school program, so we could bypass the schools and go straight to the kids. We will have reached a million teens this year with financial education. It's pretty cool. Yeah, thank you.

Another one that I think would be relevant to all of you with school-aged children, we now have a national partnership with donorschoose.org, which is a crowdfunding organization that matches teacher requests with donors; local donors, people who care about education, parents and so forth. We pay for half of all the financial literacy requests and we double match for teacher training, just because as you mentioned, that teachers don't even understand it as well. We're trying to get them up and ramped up.

[0:22:10.7]

FT: That's excellent. Congratulations on that. Well, you talked earlier about generally the importance of starting to invest and anyone can really do this, especially if you have access to a 401K. You don't have to be wealthy to invest, but you have to invest to be wealthy. Let's talk about some of the concrete steps people can take to get started. Obviously, a 401K at work, or a 403 plan would be an obvious first step. A lot of us are freelancing, or we're self-employed, we don't have access to some of these resources. What's your advice?

[0:22:45.1]

CSP: Well, I mean, I can – let me see where I should go with this. I'll start and then if you want to dig down deeper –

[0:22:49.6]

FT: Like if your daughter came to you and was like, "Mom, I want to start investing." Beside telling her to go to Charles Schwab.

[0:22:57.2]

CSP: Yeah. How many of you here have a 401K? A good portion of you. Let me start with that.

[0:23:03.7]

FT: Okay, start there. Yeah.

[0:23:04.8]

CSP: Let me start with that. I'm going to tell people is first of all, you want to start with a plan. Again, not sexy. Studies show that those people who plan, and I'll explain that, are more likely to save 300% more than those who do not plan. Really what a plan is, it doesn't have to be a complicated program. It's just really about putting down on paper, how much money do I have? How much do I need and how do I get there? It's that intention, being intentional and mindful about your money that makes all the difference in the world.

Really thinking about – and the majority of Americans don't even think about their future and don't sit down and think, "Okay, what do I own and how do I get to where I need to go?" Planning. The next two are saving and investing.

Let me give you some rules of thumb. The rule, I call it the minus 10% rule. Basically, the gist of it is that the sooner you start saving, the younger you are that you start saving, the less money you have to put aside. That's because of the power of compound growth. If you're in your 20s and you just started saving, you want to save 10%. If you can afford 15%, great. This is for retirement, by the way. This is retirement as opposed to other finances.

10% to 15% for the rest of your life. You'll get raises hopefully and bonuses. That 10% goes into the retirement account. Then you should have a relatively comfortable retirement. However, if you wait until your 30s, you're going to have to save 20%. If you wait till your 40s, you're going to have to save 30%. You can see, the longer you wait, the harder it is. The person that comes to me, I highly recommend that they put in their budget 10% aside for their 401K and they invest in equities.

I'm going to give an example, because you asked me about – I'm going to give you an example of that. Then of course, get help if you need it. Saving and investing. Let me give an example about investing that I think is pretty powerful. Does anybody remember 2007-2008? The Great Recession?

[0:25:43.1]

FT: I blocked it out.

[0:25:44.9]

CSP: Yeah. It was pretty scary. It was even scary for those of us in the business. None of us had ever seen something like this. I'm going to explain the power of investing leaks in this context and I'm going to use my hands as opposed to numbers.

[0:25:58.4]

FT: It shadows too, so that's one. Pop-up shadows.

[0:26:01.5]

CSP: Okay. In 2007, we were at an all-time – the market was at an all-time high. When I mean the market, I mean, the S&P 500, the Standard & Poor's 500, which is a – it's a – what do you call –

[0:26:17.1]

FT: Composite index.

[0:26:18.1]

CSP: Yeah. Thank you, thank you. I'm losing my words. Of representation of the stock market. We can buy mutual funds. S&P ETF, or S&P index fund. The S&P 500 was up here. It was about 1,500. Again, I said I wouldn't say numbers. 1,500. In 2008, you remember the market crashed. It went down 50%. A lot of people sold. They panicked and they sold their stock portion of their portfolios and they locked in their losses. Well, guess what? I don't even know what the markets doing today, but yesterday I know is going crazy.

A week ago, it was up 80% from the high of 2007. Investing over the long term has the power of growing and providing that power to bring financial security in your life, but you just have to know how to do it smartly.

[0:27:15.9]

FT: Yeah. It sounds like what I'm hearing too is you can't be emotional about it, right? Those people who did that knee-jerk reaction of selling when the market tanked, that's actually a great time to buy. Everything's on sale. Mind your those bank stocks that hit $4.

[0:27:30.8]

CSP: I bought Citigroup, I think at $1. Yeah. I mean, I'm not going to push that.

[0:27:35.7]

FT: Not picking stocks, we're just saying, as an example.

[0:27:38.2]

CSP: No, no, no, no, no. Some people have a chunk of money and they're fearful that – In fact, I was just speaking in at a big event and somebody said to me, everybody thinks the market, we're going to go into a recession. What you can be sure of is we were going to have recessions and we're going to have bull markets, we're going to have recessions and we're going to have bull markets. We probably we will at some point.

Investing is over the long-term. It's about having that plan, investing according to your risk tolerance, your timeframe. You should not be in the stock market for anything that you know you're going to need the money before five years. Anyway, so for the long term is what you want your investment for.

Then going back to the 401K, which I didn't really mention, because everybody here had raised their hand, or majority of you. The great thing about a 401k for most companies is that they match your savings. We say is at least save up to the 401K match, because otherwise, you're walking away from free money. You can't get a rate of return like that from anywhere else. At least save up to the company match, and then if you can afford more, make sure you can do that as well.

[0:28:53.0]

FT: We're also live streaming this and we're going to be airing this on the podcast. For those who are listening who aren't here present, who may not have access to a 401K, or may not feel they have the income potential to put aside money for investing, because hey, I've got student loans, I've got credit card debt and paycheck-to-paycheck. We have a question from the audience here, the first step to saving with low-income, Carrie. I think you just start with what you can, right? Even if it's just $5 a day.

[0:29:20.1]

FT: Low-income, somebody's low comp? Yeah, so I mentioned Boys & Girls Club, I mentioned DonorsChoose. We actually had a program, it's out there with AARP, which we created this program for working poor 50 and over. You think oh, they're old and they have no chance.

[0:29:41.9]

FT: 50 is the new 20. I don't know what I'm talking about.

[0:29:44.8]

CSP: Exactly. That's what I think. With a little bit of coaching, we provided some basic financial education about budgeting and managing debt. Then we provided a money coach. These were not people who were financial experts. They were just people who cared about helping others. With just that, they found that people were able to find ways to save. Like I said, even $25, $50 a month and it can make all the difference in the world. What I didn't talk about today is some of the statistics of here in the United States, but almost 50% of Americans could not come up with a $400 emergency without selling something, or borrowing.

Just even getting that $400. I'm going to just say one other thing about financial literacy, or the power of it. With the Boys & Girls Club, and most of these kids are inner-city, rural areas, military bases and so forth. They don't come from a lot of means. When these kids go through the program, what we found versus those who do not go through the program, they're more likely to seek out college and more likely to seek out funding for college. It's really a powerful vehicle. I think financial literacy to me is powerful in terms of creating more social and economic mobility in our country. Again, it's not about how much money you have.
[0:31:16.6]

FT: Well, that's part of why we started Stacks House. We felt money is a taboo topic. In particular, when women don't have the money, they can't leave bad situations, right? They can't create good situations. They cannot be in control of their lives. I think that in the last couple of years as founders, we just felt time is of the essence. We feel it's almost 2020 and we still feel very marginalized in some ways, and then the Me Too Movement and the Time’s Up Movement. It was like, okay. We know the transference of wealth is happening in the next decade, trillions of dollars will now be passed down to the current generation. Two-thirds of those people are women. We need to be ready for that. Glad you're here.

We have a few more questions from our audience. Thank you for all of you who filled out our cards. This is a good one. Ready? What are some mistakes you made earlier in life that you wish you could course-correct? You can call a friend.

[0:32:20.6]

CSP: I just want to say I was very lucky. I did you grew up being a saver, even I whatever, opened up the savings account at 9-years-old. I've always worked, always since I was 13-years-old, had the paper out and so forth. I don't know, maybe apples don't fall from far from the tree. I don't know. Okay, I'm going off on a tangent. What was the question again?

[0:32:46.3]

FT: What is a mistake that you made earlier in life, a financial mistake that you want to course-correct.

[0:32:50.4]

CSP: I want to say early and like, I was always a saver and I was always an investor. I would say that I didn't – I wasn't as disciplined about my portfolio, if that makes sense. I love to try all sorts of different things. Schwab was a growing company. We're providing, starting to build new products and services. As my dad said he was the chef tasting the food and that's what I did. It wasn't till I was about 40 that I realized, retirement actually was closer than I realized.
I was never going to grow old for one, right?

Of course not. I got help. Finally, a colleague of mine said, not that I – a colleague talked me into trying some of our financial advisory program. I got into it a little bit gun-shy, but loved it so much that I actually hired an IRA, a registered investment advisor to manage my portfolio. I have to say, even those of us in the business, is like a doctor doing operation, you're not going to do operation on yourself. It's the same with financial advice. I equate it to having a personal trainer.

I show up, right? You got the appointment, you show up. You have a partner in crime, take some of the emotional aspects out of it, and you get better results. I was finally getting a little bit of muscles. You do ultimately get better results. Getting help and getting help, you do not have to be rich to get help. That would be my biggest advice.

[0:34:35.2]

FT: Mine was failing to pay my Banana Republic card one month when I was 23-years-old. The course correction there is just automate the bills, okay? It was a while ago. We weren't really hip to automating back then, maybe. What are the barriers – well, you've answered this. Barriers to investing for women. Unfortunately, it's an exhaustive list, but we are working on it.

[0:34:59.7]

CSP: Can I just say something about that?

[0:35:01.4]

FT: No. Of course.

[0:35:05.2]

CSP: I've already expressed why women, why we're behind. By the way, we're not all behind. I mean, I have a lot of friends who their fathers or mothers drilled it into them about saving and investing. I mean, it is a generalization. Studies have showed that women, far more women than men lack confidence, were far less engaged, or more likely disengaged. I mean, the numbers just bear out unfortunately.

With my own three kids, I have two boys and a girl, it's about getting them exposed to the process. I made them all come into a Schwab office when they were about – I can't remember, 12, 13-years-old. They had their savings account and I brought them in, had them fill out the paperwork. I was not going to do it for them. I had them work with a financial consultant. I was trying to take the mystery out of it, because I do know, and thanks to Stacks House and so forth.

Unfortunately, our industry has not done a great job in being as inclusive as we should be with all different populations. It has definitely been a man's world. Just do it, the Nike thing, just do it. Also, there's a lot of primers out there, educational primers. You've got your book and some other books back there. We've got schwabmoneywise.com is a public service website with calculators and tools. It's really about getting some basics.

I call think the savings and learning about money sort of an endorphin. Once you get a little bit, you want more and you keep going back for more. It's not rocket science, it's just about getting in and you'll do fine.

[0:36:46.4]

FT: Committing to it and having friends that have a similar – that are aligned with your goals. We had an event last night, we were talking about, especially in your young adult life. There's a lot of peer pressure to a live your life a certain way and you have friends who have different financial capacities and that gets imposed on you and how do you navigate all of that and how do you keep these friendships?

I think we all just came to the conclusion that I don't know if it's just the timing of where we are in our world. I think it's a great time to just come out and be really just transparent about your goals. You better believe there are other friends in your circle that have similar desires to be financially free. How great now that we can connect on this, right? We can do things together that can help us save money. We can keep each other accountable. That's something that I – think maybe if I was to course-correct a little bit too in my younger years, I wish I had been more just communicative about money with my girlfriends and guy friends, because I always say we're all financial experts, even though we don't have maybe certifications, but we live life, therefore, we have financial expertise, right? Good, bad, all of it. Leaning on the experiences of your peers who've been there and done is invaluable.

[0:37:56.8]

CSP: We're definitely in a much more transparent, open world if you think about all the – Yeah. I mean, our whole lives are on Facebook, or –

[0:38:04.2]

FT: For better or worse.

[0:38:05.0]

CSP: Companies now are in Glassdoor. We know what your worth is by looking at salaries and so forth. I do love to open up more conversations. I was telling Farnoosh, and this is not about equal – it's not about equal pay or negotiation, but a fellow commissioner said to me that when she was a lawyer – she is a lawyer, but years ago you were not asked to ask your colleague how much they made. Otherwise, it was a fireable offense. She says, “Then I left and I found out my male colleague was making $20,000 more than I was.” They're both lawyers.

[0:38:39.4]

FT: #ShoutYourSalary.

[0:38:41.4]

CSP: Yeah, yeah.

[0:38:42.7]

FT: If you learned nothing else, go do that.

[0:38:45.2]

CSP: Yeah. I think if you're uncomfortable, I think a great way, like I always talk to people about in a marriage, right? We don't marry because we have compatible investing strategies, right? Talking about your experience, or your money experiences with one another is a great opener, also your values around money. What is it that you want to achieve in your life? Values, whether it's education, or philanthropy, or taking care of your family, whatever it is, those can guide you on how you save, spend for your future.

[0:39:17.9]

FT: One of the questions we did get, we touched on this as well organically, but how do we get more women to talk openly about money? All of the tips you just provide I think are relevant. I would add one more thing is like, I feel as though and we have some amazing financial content makers in the audience, authors and bloggers, I mean, podcasters. I think we've reached this amazing point in our financial literacy content phase of life, where there are so many books and podcasts and articles and business uses is getting on the front page of news.

Using that as an icebreaker, you consume this and then all the while, you want to talk about it with someone else. Using that it's an icebreaker to say, “Hey, did you read this article in New York Times Finance section?” Or, “I read this book by Erin Lowry, I read this book by Carrie Schwab-Pomerantz.” I think that sometimes, you just need that in, because it's so personal. Sometimes having that external whatever it is, a podcast episode can be a great icebreaker, and get the financial juices flowing.

One last question, what financial advice would you give teenagers in this case of someone asked of a teenager entering her final year of high school and about to go to college. Oh, don't take the loan, or take the loan, but make sure you have the income potential to pay it back quickly. That's one thing. Also, I don't know. There's so much. Don't go to college yet. That might take a gap year.

[0:40:53.6]

CSP: Well, obviously depends on –

[0:40:54.8]

FT: Save money?

[0:40:55.5]

CSP: Yeah, it depends on the situation. I'm going to go back a little bit just as parents and young people. I think when you're 16, you want to practice the credit card and paying it off on a monthly basis.

[0:41:09.4]

FT: If you can. You can't do that anymore, right? Your parents have to co-sign for you.

[0:41:15.8]

CSP: Yeah, yeah, yeah, yeah. Still it's the practicing of it at home, not spending anything more than you can pay off for that month. Even teenagers can, by the way, save for their retirement. All my kids when they were 16, we opened up their Roth IRA. It's not too young to start saving for your retirement.

In terms of going off to college, obviously the loans are the biggest issue. There's a lot of conversation. I'm certainly not an expert on all this, but it's really like you said, it's all about can you pay it off or not? It's being house poor. Who wants to be student loan poor and never have – It's just the worst feeling ever.

Do you have to go to that private four-year school? Could you go to Community College for a year? Could you live at home for a year? You’re still going to get that degree from that fancy school, but you could – no one's going to ever know if you went to Community College for two years. There’s ways to cut back there.

Working during school, I remember when I took my son to college, they said some of the kids who work on campus were the most engaged and connected best students, because they are connected to the adults, to the campus life and so forth. You get a twofer; you earn money and you get connected.

[0:42:50.7]

FT: Yeah, I have to agree with that. I mean, when often the question comes up about college planning and I mean, I'll just use myself as an example. My parents didn't involve me in any college planning conversations, because there wasn't a plan, right? I guess, in my in the back of my parents’ head it was like, “You're just going to go to state school or get a scholarship, because there's no money,” which is a rude awakening to me, because why was I trying to get all the straight As in high school and do all the clubs and do all the essays and do all the things? Now I'm arriving at college applications and my dad's telling me that there's no money.

It was a huge blow up in our family. They weren't wrong in their philosophy, right? That education should be an investment. If you don't have the money, you shouldn't bet the farm on it, that there are resources out there. I ended up trying to find scholarships, applying to schools that had programs that would be more affordable. I ended up going to Penn State, to the Honors Program, which was a way to bridge that liberal arts experience I was looking for that was way too expensive in a big campus that was very resourceful. I ended up coming out of there debt-free.

Kicking and screaming on the way to Penn State, but exiting so grateful. I think that's the challenge. When you're 18, 19, you can't be rational. You're not going to be rational about sorry, you can't go to your dream college. It's too expensive. “No.” My teachers at school were telling me, just take out the student loans. The communication has to start at home, but also I feel the administrators at school needs to do a better job of really laying out the reality to students and saying, “Look, I know you want to go to Stanford. Perhaps, even if you take out a $100,000, it’s Stanford, so maybe you'll get that job, but only if you major in these things,” right? You can't major in basket weaving. Take out a student for a $100,000 and expect to pay that off before you die. It's just not going to happen.

[0:44:57.3]

CSP: I'm just going to comment, just a little side thing, going back to savings, priorities and so forth. When you do get out of college and you do have that college, that monthly payment, you definitely want to incorporate that into your budget. I don't think you should feel pressure to pay it off, as long as you can pay the monthly payment. Because the first priority is your retirement saving in your 401K, or IRA, whatever you have, or your SEP, if you're a self-employed. For the 401K, up to the company match, you want to pay off then your non-deductible high interest debt, A.K.A. credit card. That comes first.

Then third would be your emergency fund. Get cash from three to six months of necessary expenditures in the bank, so you'll always have access to it for just in case. Those are the first three places to put your money. Then fourth is back to your retirement. Then continue to pay off your student loan debt on a monthly basis. It will hurt your credit if you don't make the payments.

[0:46:03.6]

FT: Carrie Schwab-Pomerantz, thank you so much. I really appreciate you coming all the way here. Thank you to everyone who joined us this morning. We want to welcome you to experience Stacks House. We'll be in the house. You can chat with us. Our Schwab financial consultants are here as well. This will also re-air on the So Money podcast. We've been streaming it on social media, so we encourage you to revisit this conversation.

This was just a beginning. I mean, I feel we didn't – it was the tip of the iceberg. Mastering your money is a life's journey and we just feel that more is more, right? More conversations like this, really important to the why of Stacks House. I mean, I'm sitting here, I've been working in personal finance for 15 years. I'm learning still, right? I'm learning every day. Very grateful to have you. Thank you.

[0:46:57.7]

CSP: I just want to say, it's a lifelong pursuit. It never ends. Like you said, I'm learning everyday too. I encourage everybody to make it their life's learning as well. I also just want to congratulate you and Patience and Kindra on a great museum for women.

[0:47:15.2]

FT: Thank you. Now get on that pig, y'all.

[END]