

**EPISODE 1057**

***"TALAAT:*** *According to a study that just came out from Northwestern University, black families have one penny for every dollar that white families have as far as wealth goes, and so it's important for us to be examples not only of that freedom but wealth accumulation."*

[INTRODUCTION]

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**FT:** Welcome back to So Money, everybody. I'm your host, Farnoosh Torabi. How are you? It's Wednesday, June 17<sup>th</sup>. I just celebrated my eighth-year wedding anniversary yesterday. My husband and I got some dinner and ate it in our car, overlooking the Manhattan Skyline from our new neighborhood in New Jersey. That's how we do it in the pandemic. That's how we celebrate our love in the pandemic.

Black Wealth Matters continues on So Money. Today, honored to bring on Talaat and Tai McNeely. They are the founders of His and Her Money. They are financial educators on a mission to get individuals and couples on the same page financially and to experience the joys of financial freedom. Together, they are the authors of *Money Talks: The Ultimate Couple's Guide to Communicating About Money*. They're also hosts of the top-rated podcast, The His and Her Money Show, and creators of Power Couples University. Talaat and Tai had been featured in numerous publications, including Black Enterprise, Business Insider, MSN, and Fox News.

Now, you just heard Talaat sharing a recent study from Northwestern University, and he is right. Based on data from the Federal Reserve, on average, for every dollar of accumulated wealth that white families have, many black families have just one penny. How do statistics like these and their own personal stories encourage them to do the work that they do? The McNeelys paid off their mortgage in 25 years, everybody, so I had to ask how and why they made this a priority.

As parents, I was also curious to ask the couple what sorts of conversations they're having with their three kids about the intersection of money and race. I think you'll be surprised to hear what

they had to say. Should personal finance get political? What does that even mean? Here's my conversation with the lovely Talaat and Tai McNeely.

[INTERVIEW]

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**FT:** Talaat and Tai McNeely, welcome to So Money, my friends. How are you doing?

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**TAI:** We are great. Hello, hello, hello. Thank you so much for having us on.

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**TALAAAT:** Yeah, we're glad to be here.

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**FT:** His and Her Money. Good on you for trademarking that.

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**TAI:** Yes. Thank you.

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**FT:** That is like master class. To get that, that's huge, and you're kind of call it empire, your personal finance ecosystem that you've created. You've grown so quickly. I mean, last time we spoke was – I feel like it was like a few years ago at FinCon. You just started to kind of build momentum. Now, you've got hisandhermoney.com which is this incredible website, podcast, videos, private community programs. You're everywhere speaking, television.

First question, what was the light bulb moment for this? I know that you've had your personal successes with money but taking that and saying like, "Okay. Well, let's now be teachers," is a whole different project shift. When was that and whose idea was that? Who's going to take credit for that?

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**TAI:** I think we both will take credit. It actually was birthed from our own real life experience. His and Her Money, we're only, what, almost six years old but our personal experience was that of financial infidelity prior to getting married. Then when we got married, we had to try to figure out this whole thing, marriage and money. We would have people approach us and say, "Hey, Tai and Talaat, can you all sit down? Can you talk to us? Go over our finances." Then we thought about it like, "Hey! If we are helping people on our couches here at home, why not help the world as well and just take it online?"

We didn't imagine it to be this large and honestly we feel like we're only scratching the surface. So, yeah, we hit go and went online. We put our website first and then we put out our podcast in YouTube I want to say within the same month that we launched our platform.

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**TALAAAT:** Pretty close. So we've been rocking and rolling ever since. We just came on the scene just really trying to help people the best way that we can. We want to use the good parts, the painful parts of our story to help people kind of shorten their learning curves and get to the level of success that they had desires to get to from a financial standpoint but weren't sure how to get there.

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**FT:** What do you think is your special sauce? There's a lot of faces and voices in this space, and I think the more the merrier. We need as much diversity as possible within the persona finance space because at the end of the day, it's not about always the how but it's the who is telling me this and what is the story. Am I connecting with this person, this couple? When you arrived on

the scene you said six years ago, where was the world at and where was the audience at and where do you feel like you really just like plugged in beautifully?

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**TAI:** Yeah. I will say our secret sauce has been getting couples on the same page financially, as well as with their life and their goals. A lot of times in marriage, unfortunately, I mean, even though you're married, sometimes you're on two separate islands and kind of like just doing your own thing. So when we came on the scene and even now to this very day, we're teaching couples how to become one in everything; their money, their goals, their life, parenting. That's really probably one of the most popular questions that we receive is how do I get my spouse on board.

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**TALAAT:** I think that for a lot of people, what we hear consistently is, "I feel like I know you all. I feel like I can relate to you all." So we work really hard to remain relatable. We don't try to preach down to you. We try to walk right next to you on the journey and point things out along the way that maybe spark some inspiration in you to create a legacy for your family. So I think we are really good at making what others make complicated simplified, what others make seem unattainable attainable, and we do it in a way that we're just the couple next door.

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**FT:** You're the masters of real estate. I think people also love to learn about building wealth through real estate, and the two of you have done such exceptional work in that space, how you paid off a 30-year mortgage in five years.

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**TAI:** The way that we actually have built our wealth and we continue to build our wealth is that through debt freedom, and we're also paying off our mortgage. We paid off \$330,000 in five years, and this was done on one income at the time. We just used our platform to show pretty

much how various couples and individuals are building wealth in their own way. Is that of real estate, that of investing, and that of also debt freedom?

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**TALAAAT:** Yes. For us, it's been a journey. We doubled in investment in real estate. We didn't have the best time with it. We'll be going back at it soon, but what it taught us to do was to really focus on our four walls, and so we really got serious about really controlling the elements of our financial journey that we could control. So we looked at our spending. We looked at our investment strategy. We looked at our credit. We looked at our principal mortgage. It wasn't a whole lot of people back then talking about, "Hey, let's pay off our house." What we did was we took everybody on a journey with us, so a five-year journey. We did this whole thing in five years and we took our audience with us along the way to include that day where we paid off the house.

We walked into the bank five years to the date from the day that we closed on the house. We got dressed up. We got our kids dressed up. We walked in the bank. We went live for everybody to watch.

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**FT:** Debt-free house. I see that. I'm seeing the image on your website. We crushed our mortgage in five years. Your kids are beautiful.

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**TAI:** Thank you, yes.

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**FT:** Why have the goal to pay off your mortgage in five years/

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**TALAAT:** I think for us, we didn't want to owe anybody anything. We had spent a number of years in our – We got consumer debt-free within the first year of our marriage and we kind of just stayed right there with it, because quite frankly it was normalized to 30 year or 5 years to pay off a house was the norm. That's kind of – You just kind of went with the flow. One day, we just decided that's – We don't want to be normal. We want to do something that a lot of people aren't doing and we want to do it publicly so that others can know.

If you have ownership of everything – I think like for everybody that's listening, just take a moment and just think about it, because this is what we used to do. Even before we got to the house, when we were just doing the consumer debt, we took the time to just – The brain space to say, "What would my life look like if I wasn't sending out these monthly debt payments every month? What would that feel like?" We used that same type of mental strategy when it comes to the house like, "Wait a minute. What if we didn't have a mortgage? What if we didn't have to send this check to the lender every single month? What would life look like?"

We decided to find out for ourselves. We told ourselves that we – Because we made this decision, Farnoosh, when we bought the home. When we bought the home, we said that we are never going to make not one minimum monthly payment on this house. We said we're going to pay this house off in five years. Now, mind you. When we said it, if you just looked at our circumstances, it didn't make sense. We have –

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**FT:** Right. One income stream.

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**TALAAT:** No. We have one income stream. We didn't have a big income stream at that and we were just really – We were walking by faith and we said, "I don't know how we're going to do this but we're going to do this." The only thing, the only move that we could make for those who are looking at their circumstances like, "Ah, I can't do that right now." After we looked at our numbers, the only thing that we can muster up was an additional \$20 principal payment on top

of our minimum payment. That's the only thing we could commit to in that moment, but that small commitment was in alignment with the goal that we set. We said that we are never going to make one monthly minimum payment and we never did. Five years later, we walked into the bank and we closed and we became actual owners of our home, not just homeowners.

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**TAI:** Yeah. Now, some of you guys, you all can't see us because this is actually recorded via audio not a video, but we are two African American. We're African-American couple. When we made the decision to do this, unfortunately, there was not a lot of representation out there. Although African-American families were paying off their homes and mortgages, it was not necessarily a lot of representation visibly. So not only did we know that we want to do this for our children also changed our legacy but we also want to do this for our culture. That was important to us that we set the example for others to see that, hey, there is somebody that looks just like me or my husband, and we can do this as well. We can't tell you the numerous amounts of emails and comments that we received. Thank you all for representing us and thank you for showing me that I can do this as well.

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**FT:** Well, I'm glad you brought that up. Representation is so important when you grow up. Not just being told you can do it but actually seeing someone who looks like you who is doing it. That's a lot more realistic and motivational. Along those lines, what are some other examples and other types of modeling that you think are imperative for your community to witness, because maybe they didn't get that growing up. Because of that, they feel like they either can't do it or the system is set up for failure.

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**TAI:** Well, one of the glaring unfortunately stats is that the wealth gap between African-American households and Caucasian households. What you just read something today was that one penny –

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**TALAAT:** Yes. According to a study that just came out from Northwestern University, black families have one penny for every dollar that white families have as far as wealth goes, and so it's important for us to be examples not only of debt freedom but wealth accumulation. I think that the narrative that's been destroyed by shows like this one and shows like ours is that wealth is absolutely obtainable. There are some things that you can do that are in your level of acumen that you can do to build wealth not only for yourself but that you can be an example to your kids to do the same for us.

One of the big tenants of the work that we do is we don't just want to create a strong legacy for the McNeely household but we want to create strong legacies in every household that follows, subscribes to His and Her Money and the various platforms. Our goal is to bring about generational change one household at a time. When we talk about the ways that we invest in the stock market, when we talk about the ways that we are going to invest in entrepreneurship and invest in real estate, we're doing it in a way so that you can understand. Find yourself and then find your place in that narrative and create. Remix it to fit your family and your family's goals so that now not just the McNeely household is changing but the Johnson household, the Torabi household, the black household, the Martin house –

Whoever, whatever household is listening, they're being inspired to do something different because you kind of alluded to earlier. You said about systems being set up to fail unfortunately, and the truth is that the system is set up for a lot of us to fail. But fortunately, there are some really good conversations happening as we speak to try to change that narrative, but the systems have been there for a very long time. One of the big things and you mentioned the power of real estate is that that was one of the biggest drivers in this study that I just mentioned as to the disparity in the gap between races. You got to understand. You got to go way back to World War II. When those soldiers came home from fighting, they were promised certain things. One of which was the Montgomery GI Bill that would be a tool for them to become homeowners.

Historically and factually speaking, the white soldiers that came home received those grants, received those homes. The African Americans, the black soldiers that came back were denied. Not only that, but there was rhetoric created by insurance companies back then that made it



seem like the African-American race from a physiological standpoint was inferior and undeserving of being insured, and so a lot of African Americans could not get life insurance. If they did, they were charged astronomical premiums for very menial outputs.

You have two of the biggest drivers of wealth of that generation, equity in homes and life insurance policies that African Americans were blocked out of having. If you listen to us, we talk a lot about homeownership and we talk a lot about the importance of life insurance, because those are things that are attainable and those are things that were withheld from us for so many generations and is something that is a big part of what you can do at your level to build wealth. So those are the types of conversations and examples that we're trying to leave.

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**FT:** You both are so transparent about how you've built wealth and how you've paid down debt. What are some systemic roadblocks that you jumped over or had to struggle against as you were establishing wealth?

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**TALAAAT:** Well, number one was literacy. I just didn't know. I didn't have the access to just knowledge around it. In the African-American context, we are – For better or for worse, when you're a child, you – There are phrases out there like a child needs to stay in a child's place, and so parents don't necessarily have "adult conversations" with their children for better or for worse. A lot of times, we showed up into adulthood and we were kind of expected to figure this money thing out, because like you mentioned, the school system is not teaching us anything about money. For most of us, our parents weren't sitting us down and saying, "This is how you invest. This is why you should stay out of debt. This is how you keep your credit clean. This is how you become a homeowner." We didn't have those conversations, so we just became 22-year-old college graduates with jobs and incomes, and we were just told go.

For us, one of the biggest ones was to figure out how does money work. What is investing? What are the different ways because there's lots of different ways to invest? But if you don't find the best style that fits you and your goals, then you could really, really mess it up. Why is it

important to stay away from debt? What's a payday loan? Why is that a bad thing? Why do people go and take student loans at higher rates than others? Why not just pay my way through school? These are things that weren't taught to us directly. These were things that we had to figure out.

My wife figured it out pretty quickly. It took me a little longer and it kind of held us back a little bit. But that was the first obstacle was to figure out exactly how the money game works, because it's rules to this, Farnoosh. As you know very well, there are rules to this game. If you don't know the rules, you're going to end up losing and you don't even know that you're in the game.

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**FT:** Talaat, I was watching your YouTube conversation with Sam Shanes and just having a really candid conversation. This was on June 4<sup>th</sup>, so earlier in the month about just all of the things and how you were feeling in the aftermath of George Floyd's death. You said you had to take a 36-hour break and unplug. You had reached a personal tipping point. What made it different this time because this wasn't obviously the first episode incident of a African-American individual being killed by a police officer?

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**TALAAAT:** Yeah. I think it was all the things. Not only is this not the first time. I'm like a real avid student historically of police brutality, racism in education, racism in economics, racism in housing. I consume that type of content. I read the books. I study the studies about all of it. But this time, it was just a culmination of the world just seemed one big question mark with everything that's going on with COVID-19. To be quite frank, when George Floyd – It was two people on the same day. It was George Floyd and Mr. Cooper out there where you're at in New York who it could've went bad for him but fortunately it didn't. But he had the police caught on him [inaudible 0:19:26] false accusation on the same day.

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**FT:** Oh, my gosh! Yeah, that was –

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**TALAAAT:** 30 days before these situations, we were just mourning Ahmaud Arbery in Georgia where he was killed. 30 days before that, we were mourning Breonna Taylor in Ohio who was killed by the police. It was a culmination of back-to-back situations. We had everything going on. Big question marks in the world around the coronavirus like, "What's happening with this?" It took on. It grabbed our whole world and put a pause button on it. Then this was happening on the same day. It was just my timeline was flooded with this information. The news on TV was flooded with this information.

Just for me, I just needed a break. I said, "Okay, I want to process this, all this." Here's what people that – I know you have a very diverse audience. So for people that are listening that are not African American, one of the things that I shared on that video that you referred to was when we see these incidents, we live them. We feel them. We're not just viewing from a distance. We see ourselves in these situations. All of us have a story. I have been face down on the pavement with guns drawn by the police because I fit the description. Not because I did anything but because my friends and I were in a car in a neighborhood, and we fit the description. So they pulled us over and searched the car and searched us, had us face down like we did something but we didn't. I was a kid. I was a teenager, Farnoosh. I'm far from a teenager now but I still remember it vividly.

When I see George with the face down on the pavement, I'm back to that 16-year-old version of me that was face down in the pavement, and so we live it when we see it. We really feel it. That was the point that I just said I need to take a timeout. I knew I couldn't stay out of it because we are leaders in various spaces, and so our voice means something. But for about 36 hours, I just had to for mental health to get my emotions regulated to not spew from a place of emotional outrage to be able to speak intelligently, collectively. We just had to take a break, and I was far from the only one. I had several people that I know felt the same way.

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**TAI:** Yeah. I just want to correct that. Ahmaud was actually killed prior to Breonna Taylor.

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**FT:** As parents, what are any conversations you may be having with your children, specifically conversations around race and money? This is actually a question I wanted to start asking everybody who comes on the show now who is a parent. I don't think this is only the responsibility of black people to have this conversation with their kids. I think we all need to – If we're going to take the stance that we are antiracist and not just inclusive, we can't just say to our kids, "Oh, everybody's equal." Or everybody has a – Should have their fair share of fair chance. But that, no, there are unfortunately some harsh realities about being a black person in this country as it pertains to trying to achieve wealth and we need to talk about that. For you and your family, what are some conversations if you've probably already had them that you're having with your kids?

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**TAI:** Yeah. We have raw and open and honest conversations with our children as of the recent events that have been going around in regards to George Floyd's death. We actually sat down at our dinner table and had a very in-depth conversation with our kids. So much to the point where we actually had to reenact what happened, and we did this for various reasons. Our oldest is 10. Our youngest is 6. We have one boy and two girls, and we actually had our son put his hands behind his back. We actually had him lay on the ground. Of course, I did not put my knee in his neck but I asked him. Could he – By him laying there with his arms back, can you try to get up? Can you get up? Can you defend yourself? He said, "No. Mom, I can't." I said, "Imagine if someone was on your neck, two other people. One was on your torso. One was towards the legs. Could you get up even then?" "No, I can't." I said, "What else do you think may happen?" "I can't breathe."

Then we had our two little girls actually stand on the opposite side of the table and we actually had them verbally say what would you say if you were to see somebody like that on the ground, a black male on the ground, anybody for that matter. But in this case, we were explaining to them what happened with George Floyd who was an African-American male. They started screaming and yelling and saying, "Get off of him. He can't breathe. He can't breathe." To see

your children's eyes, to see that type of real life story, like this is not something that they read in a book that was [inaudible 0:24:03] a real life enactment. To see your children, to see this through their eyes was very heartbreaking to even have this conversation with them.

But we did that for numerous reasons to show them the reality of what's really happening and to also explain you're African American. Your dad is African American. Your mom is African American. The truth of the matter is there will be some times where you may be treated differently, right? We also use that same conversation to teach them and to show them how to still love others even when they treat you wrong. We're not telling our kids to be mean to others. We're not teaching them to be racist towards others. We're teaching them to love others and to pray for them.

Then we also talk about the power of your dollar. We explained to our children, even when we paid off the mortgage. As my husband said, they went to the bank with us. They got to experience that with us, and we did that on purpose to show them, "Hey, if mom and dad can do it, they look at me, I can do it too if not better." So we're having these conversations with them about how they need to be forward thinking and how we need to be talking about more investing. Even now, we're having conversations with them of building their own businesses, so we're asking them questions. What are some things or some interest that you have? We're trying to teach them the power of wealth and even the more importance of it by being in a black household.

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**FT:** Watch out, world. What are you kids' names?

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**TAI:** Our son, he's 10. He is Emmanuel. Then we have a eight-year-old daughter. Her name is Brinkley. Then a six-year-old daughter, her name is Grace.

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**FT:** Emmanuel, Brinkley, and Grace. Watch out, world. They'll be taking over the business.

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**TAI:** Yeah.

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**TALAAT:** Absolutely.

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**FT:** Next year.

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**TAI:** That's right. We're telling that all the time.

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**FT:** There's a lot of conversations happening right now within the personal finance space. I know that we are all members of the FinCon community, and there's been a lot of like soul searching and reckoning within that community in the last several weeks. What is the sort of intersection of money and politics and money and race? I'll just say, for example, I mentioned that I was contributing to the NAACP and the Brooklyn Bailout Fund, and one person found that to be too political like, "Stay in your lane, Farnoosh. Don't tell us these things because it sort of clouds the advice that should be just straightforward and not political." I was like, "How is that political?" What is your take on all of that and the role of politics within the personal finance expert advice community? What should it be?

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**TALAAT:** Well, the uncomfortable truth is that our personal finance structures and systems have been extremely racist and quite a few times and even in present times. You got to understand that the people that you elect into these offices decide what schools get funded to what degree. That's personal finance, because if your school system doesn't get the funds your home values go down. If your home values go down, your net worth goes down. It's all intertwined. We have to elect the right people to affect the right policies, because all these tough conversations that are happening in our world right now are policy-related.

Every day, there's 10 companies coming out with new policies around the way that they have been handling their business, and so it becomes political to the degree that these decisions are affecting our well-being financially. We're not here to tell you who to vote for or what candidate to support. But I think it is important to have conversations about systems that are outdated that are systemically holding back a group of people, because if you are just a human – This is a human rights issue. If you do any type of research around the term redlining, you will see that black ghettos and white suburbs were not created by accident. They were government-sanctioned structures that were created and to some degree still happen.

Now, they can't literally have redlines on maps like they literally used to, but there are still some systems in place to make sure that certain groups of people are kept apart, and that affects education. That affects my ability to build wealth for myself and my children. That affects me. That affects my ability to give my children good quality food, because there's a such thing as food deserts in these black ghettos that were intentionally created. So it's all related to the degree that politics affects policies and these policies that are still outdated and still in place.

Think about it, Farnoosh. There was just a story that 35 of our 50 states still have laws and policies in place that allow police officers to have a sexual relation with the detainee in 2020, 35 out of 50 states. So we can't ignore politics when policies like that and others are still being used to whole groups of people back. We have to talk about it because we should all want a better world. We should all want a level playing field because that's a human rights issue. It's not a Republican or a Democrat issue.

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**FT:** What drives politics? What drives policies? One, voting. But, two, money. I love the work that you're doing, going back to what you said earlier, as representatives of the black and African-American community to show that we're doing this. Here's how we get it. Here's our open book, and along the way blazing the trail for everybody else to make their own financial narrative, a successful narrative and get richer.

I was talking to a guest the other day about how privatization of prisons. He said that a lot of these prisons are dismantling. Why? Because, well, one, they're horribly run. But, two, they're becoming expensive. I said, "Well, thank God," because if they were just horribly run, I don't know if that would have been enough to move the needle. They need to also – It also needs to be too expensive and so that this country, for all its capitalist benefits, also we've been unfortunately becoming rich. Not at the expense of money but at the expense of people too often. But putting more money in the right people's hands, hopefully that will change policies and change politics. It's a big part of the equation. Talaat, I couldn't have said it better myself what you just articulated about the role of politics in personal finance.

Before we go, I want to give a big spotlight onto your YouTube channel. This is – As someone who is new to the space, I'm so impressed with the community that you've built there. First, I just want to get everyone on there, subscribing at His and Her Money on YouTube. But can you give me some tricks?

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**TAI:** First of all, thank you so much. What we're doing today is the very same thing that we did almost six years ago was that every time we put out a video, we just want it – If we could help one person, ten we've done our job. So we give information freely on there because we know that not everyone can probably pay for the courses and different resources and things like that. So we give. We consider it a ministry. So, yeah, there are some people that love to learn via video, and so we're just there sharing our wealth of knowledge.

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**TALAAAT:** Yeah. I mean, the key to it is just, one, being consistent. Two, giving the content that people are looking for. People have questions. If you are the solution or the answer to the questions that they're asking, you will be able to have growth there. You want your titles to be to the degree that because YouTube is a search engine. But above anything else, it is a search engine. It's where people go to find answers, and so you either make sure your titles and your thumbnails and your description is speaking to the questions that they're asking and be consistent. Don't get so caught up in the numbers out the gate. Take the first year to completely ignore the numbers and just keep your foot on the gas. I'm going to provide value every single week to my audience because I know that I can help people with the things I've learned along the way. If you maintain that hard posture, and we know you do have that hard posture, Farnoosh, you're going to be just fine.

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**FT:** All right. I like that. Giving myself a year, I think that's important. Just tweak and learn along the way. Thank you so much for joining me. This has been a real education for me and a very optimistic conversation. What you're doing is so important and vital, and we look forward to following you. Thank you.

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**TAI:** Thank you so much. Thank you for having us.

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**TALAAAT:** Thank you for having us. This has been great.

[END]