

**EPISODE 1083**

*“**LG:** Prior to pandemic, unemployment rate for women was lower than men. Now it’s the opposite. Reports are showing that women are bearing much of the burden when it comes to child care and homeschooling.”*

[INTRODUCTION]

[00:00:48]

**FT:** Welcome to So Money, everybody. I’m your host, Farnoosh Torabi. One of the hottest issues right now coming out of the COVID-19 pandemic, one of the most sobering issues, I should say, is that women are being disproportionately impacted by the burdens that the pandemic has created. For example, women are bearing more of the brunt of child care. They’re the ones more likely to step away from their jobs to teach their children, to take care of their children.

As someone who’s been covering female breadwinners for the better part of a decade, I’m wondering now if we’re taking any steps backwards. My guest and I today tackle this and then some. Lacy Garcia is here. She is the daughter of a Cuban refugee, who says her money mindset was shaped very early on. Throughout her life as she pursued a career in education and financial services and personally providing for her family financially, she was able to connect with women in particular to help them understand and achieve their money goals. She is the Founder and CEO today of Willow, a company that is on a mission to financially empower women throughout their life journeys, whether you’re experiencing divorce, you’re approaching retirement, or you want general family planning advice, Willow is a virtual technology platform and community of financial experts that offer candid conversations and financial advice.

Lacy and I discuss the unique set of challenges when it comes to navigating life’s events as a woman, her thoughts on the pandemic and whether it’s really going to leave a lasting negative impact on women’s professional lives, financial lives. Here’s Lacy Garcia.

[INTERVIEW]

**[00:02:26]**

**FT:** Lacy Garcia, welcome to So Money.

**[00:02:29]**

**LG:** Farnoosh, thank you so much for having me. I'm delighted to be here. I really admire how beautifully you inspire people, especially women, to speak candidly about their relationship with money and the challenges they face, and to take control of their financial lives.

**[00:02:46]**

**FT:** Wow. That is really generous, especially coming from you. You have an entire company that is designed to help women with their money. It's called Willow and the website is [trustwillow.com](http://trustwillow.com). You're the Founder and the CEO. How you arrived at this venture, obviously a lot of personal narrative behind this, which I want to dive into. While I've got you on this podcast, I think it's really great to have you on the show right now with everything that's going on, COVID related, recession related, we're hearing and I'm sure you're very close to this story as well, about how women are being more affected by the troubles that are happening.

More women are taking time out of the workforce to care for their families. It seems like a lot of the progress that women are making on the career front, we're taking a few steps back as a result of this pandemic and what it has really meant for our country and how it's been impacting families. You're probably seeing this in real-time through your business and through your community. I just would love to hear from you about what your thoughts are on this. Do you really feel we're going backwards? Can we recover? Advice. Whatever your thoughts are.

**[00:03:57]**

**LG:** No. Farnoosh. Unfortunately, you are so right that women have been disproportionately impacted by the coronavirus pandemic; financial stress, anxiety, fear, depression. We know all the other suicide, divorce, everything is on the rise. A lot of the gains made prior, a lot of people

are questioning how much we've had to move back. Prior to the pandemic, unemployment rate for women was lower than men. Now it's the opposite. Reports are showing that women are bearing much more of the burden when it comes to child care and homeschooling, and to your point, more of women's longer term career prospects are at risk with the fact that either they've lost their job, their industry, or they're going to be forced to remain out of the workforce for longer, because they are going to be caring for their children who will not be returning to school in the fall.

Especially hit hard too is also the sandwich generation. I can speak to that with a mother with cancer and a young son. So many women who are already juggling careers now with homeschooling, the 15-hours a week on average and it's estimated. We've taken over of domestic labor, plus worrying about and caring for our parents who the anxiety of thinking about the fact that their lives are at stake. We're worried about our children's futures being at stake.

At times where we should be really able to be focused on our careers, it's really very challenging. Not to mention, if you're married, the added stress and pressure that that's putting on marriages. Yes, we are seeing an increase in the need for the type of help that we're providing at Willow, which is really first, starting with what the woman is experiencing, what we call it her life journey. Is she now facing a divorce? Did she just become a recent widow? Did she start a business and it's become particularly challenging? Or is it just planning for retirement, wanting to get a financial plan in place in the midst of this?

Also, we are seeing a lot of wealth anticipated to transfer into the hands of women. A lot of wealth that is in the hands of baby boomers right now is set to transfer to women in the next decade. Two-thirds of the 70% of the wealth that baby boomers' control in this country is actually in partnerships. The women don't actually play an active role in the financial decisions, but we know that women on average are typically about two years younger than their husbands and that they live about five years longer.

The majority of that wealth is set to transfer to their hands, and we're seeing that too. On the flip side, people are concerned so much about having lost income, but then also inheriting wealth and all the complexities that go through the gamut of that. To answer your initial question, I am optimistic that we are resilient and we are strong and that we will – Women banding together as

you saw just recently with the challenge accepted. I think that we have such a strength and such a resiliency. If we're able to raise our hand and ask for help and get the guidance that we need, I think that we're going to make it through this. Once again, once again defy all odds.

**[00:07:34]**

**FT:** Yeah. I think what we'll definitely need more than ever is we can ask for the help, but the help needs to be there too. Corporations, men, fathers, the government, really recognizing and for the first time and perhaps ever, really for the – really putting their money where their mouths are and supporting women, supporting work-life balance and companies really not penalizing women. So often, we hear about the penalty of becoming a mother while trying to climb in your career. The further along – I've been reading, like the further along we get into this pandemic and maybe in the beginning, everybody was empathizing, "Oh, working from home." Everybody's trying to just make it work and kids are in the background screaming, but it's not going to be cute anymore going into 2021.

In other words, the empathy is diminishing a little bit and we're going back to that idea of penalizing people for not being able to compartmentalize and get focused and be productive, which is scary. I like that you're optimistic. As you have been running your company and as you've been working in financial planning and working with women, we talk a lot about the differences that women face, versus men. You mentioned some of them already, just like the fact that we're going to be living longer. For that reason alone, we need to save more. What are some other reasons that women need to focus more on their money and investing than men?

**[00:09:07]**

**LG:** Well, women are generally providing for not just themselves with their families in the next generation. That's one of the main drivers of really needing to take control. Understand their finances and have a plan in place for savings. Make sure that they have a cash cushion, recommended at minimum of three to six months. If possible, make that greater, that they've got savings and retirement plans, that they've got college savings plans in place, and that they have investments. Because to your point, they are going to be living longer and they're also really caregiving and then taking care of so many people.

What we find at Willow is that it is, and this is backed up with all the data, and I think so many individual experiences is that women have a much – when it comes to their finances, women are seeking advice and place a much higher value on human connection. That's because they're so focused on life goals, on caring for family members, on taking care of the people that mean something to them, of making a positive impact on their community. At the same time, they lack the self-confidence in their own financial decision-making, their own investment acumen.

That's why it is so important that we help to empower them, in a sense of giving them back their power and helping them to have the confidence that they understand their financial picture, they understand the necessary steps that they need to take, and that they're able to have a strong foundation. In the midst of all this uncertainty that we're facing, that to your point, when is the end in sight, at least there's a really good foundation there, so when they get knocked over, or something unexpected happens, they at least have that strong foundation to go back to, or know they've got a financial coach, or a good mentor and peer, or a trusted financial advisor, that they can turn to and get the guidance that they need.

**[00:11:21]**

**FT:** What is it about the financial services industry that has been falling short in terms of what women are looking for? This is a void that Willow is trying to fill and other companies, like Elevest have recognized this underserved market of women. What is lacking?

**[00:11:42]**

**LG:** A lot of it comes down to the emphasis on the woman and her priorities, her goals and a trusted personal relationship, personalized guidance. So many women report who are working with financial advisors that they are dissatisfied, or they don't really feel like they're heard. They feel like oftentimes, if they're working with an advisor with their spouse that they're sidelined, or ignored in a conversation. Or women who are CEOs of companies and very knowledgeable, feel like they're talked down to in meetings.

That is really troubling and I think that that's at the core, because we are – most women really are focused on our long-term objectives, our priorities, our goals, but it's also, what is going on on a daily basis in our lives. The need for someone to actually hear us and understand us and to be able to meet us where we are, but also help us to get to where we need to be is so critical.

If there's just a focus, not that women can't understand complicated investment, financial aspects and investment decisions, but it's also a matter of just understanding what her daily needs are, and that there's an open and a safe space for asking any question that she wants to, and getting the support while she's thinking about the complexities of taking care of family dynamics and saving for the future. That's something that we are trying to address and obviously, other companies are doing the same thing, which is great, but there's just not enough of it and there needs to be more of it.

**[00:13:30]**

**FT:** Public service announcement, women are better investors than men.

**[00:13:34]**

**LG:** Yes.

**[00:13:35]**

**FT:** If there's any doubt in the room that you don't have the acumen to be a “good investor,” you're wrong. I think, well really, that's what that's saying is that women generally, to your point, we have a long-term view. We're not in it for the game. We're in it to be extremely thoughtful and stick to the plan and we ask a lot of questions. I think that that pays off for us, because we let the market do its thing, as opposed to getting our hands in there and trying to outpace the market, which no one can really do. We have a lot of the inherent strengths that align well with investing smartly in the market.

Now Lacy, you come from a background where you're the daughter of a Cuban refugee and you say that your money mindset was shaped early on. Tell us about that. What were the experiences that created this mindset?

**[00:14:29]**

**LG:** Yes. I am really fortunate to have incredible parents, both parents. My father came to the United States from Cuba in 1960. I was raised by a man who overnight had lost everything. Then through the power of education and hard work, really embodied the American dream and was able to graduate from Miami High School as a valedictorian and get a full scholarship to Harvard and go on to achieve significant success from a career perspective, and really give a lot to his family.

I was given a lot of opportunities early in life. I also was raised to understand the value of a dollar. I remember the first time that I accidentally left the lights on overnight, I've never seen – it's the first time I got a touch of my father's Cuban temper, and understanding that money is – we cannot waste money and money can disappear overnight. We need to be prepared for worst-case scenario, that we need to have that emergency fund, that strong cash cushion, because things can change dramatically.

As I think so many of us have experienced across the board just with how COVID in this global pandemic has taken over our lives and for many people, the loss of businesses that they spent years building, whole industries. Although I believe in being optimistic and hopeful, it's always good to be prepared for worst-case scenario. That certainly was shaped from my upbringing.

**[00:16:07]**

**FT:** The light. I think that's a true marker of any financially responsible kid growing up in a house, because that was our generation, right? That was before programmable thermostats. Tell me about your adulthood, your adult relationship with money. Was it pretty early on in your career that you wanted – that you recognized you had this talent for helping women with their money?

**[00:16:30]**

**LG:** No. Farnoosh, I've always been mission-driven in terms of how I view my career. I actually started in education, because of the experience of firsthand seeing the positive impact that education had on my father's trajectory and then our families. I went into the education sector to help to make a difference and increase access to quality education for all Americans. Then as I progressed and got into my 20s and wanted to be able to buy a home and start a family and provide for my family, I was motivated more so financially. It was at the same time then around the financial crisis that there was such an increased need for better communication and empathy and help with people who are struggling post-financial crisis.

I got in on the marketing and the communication side to help people through that period. Then I had the opportunity to become a relationship manager. I didn't take a very linear path, but I viewed that as not an opportunity to continue to help people, but also to further the financial security of my own family. I was fortunate that I was able to succeed. A lot of it based upon the fact that I genuinely cared and had strong relationship skills and was able to build trust and help my clients to identify their goals and to work towards them.

That's when I saw really firsthand, from a professional standpoint, what so many women were facing in their frustrations with not feeling that level of real care and trust coming from their advisors. Then I went through a personal journey, challenges of becoming divorced and being a single mom. Having been in the financial services industry at that point, you'd think that I would have all the answers and that I should have no problems of my own personally. The truth is I was struggling and I had a really hard time getting the guidance, finding the right advisors. I felt very alone.

The reason and the catalyst for starting Willow is that I don't want other women to have to go through what I did, because there are these amazing financial coaches, there are these great advisors. There's so many resources. We need to create more of them. We need to get better at it. I've had this personal experience that I want to make sure that other women don't have to go through the same thing, that they can get the right personalized guidance that they need, and they can navigate these different challenges in their life and not feel they are alone.



**[00:19:21]**

**FT:** What would be your advice for someone who, let's say, a woman who's in a relationship now and COVID is bringing a lot of truths to surface. If you had been debating your marriage pre-COVID, now you might be like, "I need out." There's a lot of fear right to do that, a lot of that fear-driven by financial circumstances. Too often, women stay in bad relationships, even though they'll risk their happiness. If they can feel like, "This is economic security for me. I'll stick with it." Any advice for women who may be in that predicament to give them some hope that it is better to leave, even if you think you're not financially capable?

**[00:20:03]**

**LG:** It's such a great question and such a hard question, because when you're in that place, you think you have no options. That's one of the reasons why I advocate so strongly for all women, regardless of their relationship status, their age, their employment status, to have control over their own financial lives. Because that gives them the freedom, to your point, like the freedom to not stay or feel stuck in a marriage for financial reasons.

If you are a woman who's in that place, the truth is you first want to take stock and understand what your options are and get a good sense of what the whole financial picture looks like and start to put together a plan. The truth is you can get through this. There are resources out there. A lot of what we're doing at Willow is working with women through these difficult transitions who are starting the divorce process.

There are resources and guidelines out there. You can put together a plan to become economically self-sufficient and financially independent. I would say that there is in that sense, I go back to, that there is hope, because there are road maps and you can start to take the necessary steps to get yourself into a place where you can be on your own and you can be financially independent.

**[00:21:25]**

**FT:** Before we go, Lacy, I'd love to hear going back to current events, what's happening in the world. I'd love to hear your thoughts on your predictions, your financial predictions. I know no

one has a crystal ball, but if not predictions, do you have – has it really shaken your belief system at all in terms of how to go about managing your money, given that there's so much uncertainty, the world is changing? Should we be looking at our money any differently now?

**[00:21:57]**

**LG:** That's such a great question and it's a tricky one. I do think the longer that this uncertainty remains, the more that I think it's taking its toll on everybody's belief system at some level. Therefore, I think it is really wise to ensure, like I said, that you've got your cash cushion in place, that you've got your savings in place, that you have your financial plan in place, and that you are diversified and you are knowledgeable and on top of it, because I think it's very hard to predict what the future looks like and I'm certainly not – that's not my job these days to do that.

I do know how to help people get the right foundation in place and take the right, the necessary actions and the steps to be prepared for whatever may come. I think that that's really important right now. The other part of that too is that our relationship with money is not just about financial. It's very emotional. This uncertainty and the stress adds extra pressure. I think, making sure that you have a strong foundation, regardless of what might happen, and that you've got a plan in place, and know that that plan is going to change. Maybe for better, but often for worse, is going to help you to be able to stand strong, regardless of what comes in the future.

**[00:23:32]**

**FT:** Thank you so much, Lacy Garcia. Hey, everybody. If you'd like to learn more about Lacy and Willow, they have a free consult. They're offering free 30 minutes of complimentary financial coaching. Such a value right now, especially given all the uncertainty. Check out [trustwillow.com](http://trustwillow.com). Lacy, wishing you and your family continued health and well-being.

**[00:23:55]**

**LG:** Farnoosh, same to you. Thank you so, so very much.

[END]