

ESPISODE 109

FT: Valerie Rind, welcome to So Money. I am really looking forward to talking to you.

[00:02:28]

VR: Thanks Farnoosh. It's great to be here. And I'm noting that it's tax day everywhere. [Both laugh]

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FT: Yes. We are recording this on tax day, it's gonna air in a couple of weeks. How did your taxes go? Mine are done. I already got my refund. How bout you?

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VR: Not so good. I had one piece of paper that I was still waiting for. It hasn't come in so there's a flurry of extensions being filed.

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FT: Thank gosh for extensions. And good luck to anyone listening if you're still dealing with taxes after the fact. After the date. So I have been wanting to speak with you one-on-one for some time. Ever since we crossed paths at FinCon '14, knowing that you had this really, really interesting book coming out. And now it is out, "Gold Diggers and Dead-beat Dads: True stories of friends, families, and financial ruin". I think every hearing that title, probably has a story, you know, of whether it was something like a friend ran off with a "loan", a spouse that still owes alimony, a business partner that cheated them out of - I mean, I've interviewed guests on this show that have been just shattered financially from a poor choice of business partners. So this book is very relevant and I'm so happy you wrote it. This was born out of your own kind of challenges when it came to money, and family, and friends. Tell us how it all began. What was your like 'ah-ha' moment that "I need to write this book and tell everybody about how to navigate this very real situation"?

[00:04:04]

VR: Okay. Well I had two 'ah-ha' moments I guess, but the same person who's now my ex-husband. And the first one was I caught him in an incredible fabrication that I couldn't have seen coming. And I don't think anybody else could've seen coming, where I found out the apartment that we'd been living in was not owned by him. He had led me to believe that it was his condo, he owned it, and when we moved out he was gonna keep it for investment purposes and eventually we would sell it and buy our own house. And time went on and I found out eventually, he didn't own it. Had never owned it. And obviously it wasn't part of our financial assets for the future. And I was just dumbfounded and I made the choice at that time that we were done, that I could never trust him again. And I sort of likened it to walking into your bedroom, you find your spouse with somebody else. Some people are able to work through that and get over it. But I felt like the trust was so fundamental - I mean this had been going on for 10 years.

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FT: Wow.

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VR: That I wasn't gonna be able to get past that.

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FT: Why did he lie about that do you think?

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VR: Well, I asked him, and I sort of guessed at what it was. I sorta guessed that he felt sorta insecure, that he didn't have a flashy place to live and a, you know, an expensive car and tons of things. And so he thought, you know, he needed to impress me or something. Which made me really angry, and I said to him, "Well then you really didn't, you know, know me as a person

when you met me and you don't know me now if you thought some stupid condo was gonna make the difference whether I would love you or not. Then if you really thought I was that shallow, then you really don't know me".

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FT: You say, it was nearly impossible to know this was going on at the time, but now in hindsight - cause we have such clear vision after the fact - were there any red flags that, perhaps for listeners in a relationship, hopefully not, were there maybe some financial, you know, dishonesty. Any red flags that you think now, "Oh my gosh. Yeah, I shoulda seen that coming"?

[00:06:41]

VR: No, that's the unfortunate thing, that there really weren't. I mean, he was one of those people that was just really good at having an answer to absolutely everything. I mean, some people are like that. They're sort of chameleon-like and they can sort of make the best of everything and sort of shape themselves to be how, what they think you want them to be. And at the time I was going through law school and I started working, so I was a bit distracted. But I would ask these questions, and sometimes I wouldn't follow up. We started running into some financial troubles of our own, and I proposed a number of options. And I said, "Well why don't we move back into the condo because the "mortgage" - there was not mortgage [Chuckles] - the supposed mortgage would be less than the rent we were paying in the bigger apartment we had moved to. I said, well why don't you ask the "property manager" - of which there wasn't one [Chuckles] - why don't you ask him if you can give the tenants and incentive to move out early or something? And he said, "Okay I'll do that". And me being sort of stuck in my own little world, I didn't follow up on it. And so, that's you know, that was my bad for just sort of not following up. But there was no reason to suggest that there wasn't a property manager and that there weren't tenants or any of the rest.

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FT: Well, I mean it's your husband. And you know also, when we're talking about money, and friends, and family, there's sort of this code of honour that you just think is never gonna be

broken right? This like trust that's just implied. And when it's actually not always the case, and I think very few people know how to go about picking up the pieces when something like this happens. There's not a lot of literature around it, there's not a lot of direction. Thank goodness for your book. What's been the reaction to your book? Have people just been coming up to you and saying "Thank you," and "Yes," and, "You've been reading my mind". And any anecdotes that people actually, reading your book and using it as a vehicle to, you know, get them in a better place.

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VR: Sure. Well my philosophy is sort of that there's something for everyone in the book. That there's something everybody can relate to, you know, unfortunately. And if they haven't had such an experience they sure know somebody who has. And if they say, "Well, nothing like that has happened to me. And nothing like that has happened to anybody I know". It just means, it's happened to somebody they know, but that person is so embarrassed by it that they just haven't told them. So I think since it covers so many of the financial topics - it covers loans, it covers pre-marital issues, it covers wills and trusts, it covers co-signing, and it really runs the cradle to grave. So I think there's something that everyone can relate to. So that's why people have come to me and say, "Oh, yeah I had something like that similar happen to me," you know? It's amazing even though all our stories are very individual and different, there definitely are some common themes running through.

So I hope that I have helped people either feel like they, as I say, not the only idiot on the planet - you know, referring as myself as the idiot. Or it's kept other people from making similar choices. And I know a couple of people who were on the much younger end of the spectrum than what I thought of as my target audience. And a couple of those people, women who are in their late 20's said, "I'm absolutely petrified". And I said, "Good! You should be!" [Laughs] You know these things aren't happening to you now, except for, you know, they're in a place where they could be loaning a boyfriend money or co-signing something but looking at all the things that happened to you as an adult further down the track, I think that there are a lot of things they had never even thought about.

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FT: Yeah. I think especially for women, sometimes we have this false story that we tell ourselves. It's like on-going in our head that we're not good at managing money, that "I don't have time. My husband's better at it." And so what happens is, you know, we turn a blind eye and so naturally in every relationship there will be that one person who will kind of step up to take more kind of an overseeing role of the finances than the other person, cause that's just kind of what naturally happens. But that's not to say that the other person should stay in the dark. You should always demand, insist on transparency. So even if you're not the one that's paying the mortgage or even paying the, writing the cheque to the mortgage company, you know exactly what the mortgage amount is, where to find it online, and if you have to step into that role that you can do it seamlessly.

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VR: Oh I totally agree with that. And one [chuckles], one example going on from my personal horror story was I realized I needed to move out of the apartment that we were living in. And so I started looking for a new apartment for myself. I called my current landlord to say, "Look, I am moving out. Just, you know, letting you know because you'll be getting reference calls". And he sort of grumbled and said, "Your rent is several months behind". And my husband had been "supposedly" paying the rent. And so I had no idea we were behind on the rent because he was in charge of paying it and I just assume that he was doing so. Fortunately I was able to get the reference and get a new apartment. But it's exactly what you're saying about there having to be transparency.

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FT: Yeah. And if there's any resistance to being transparent, that's a red flag.

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VR: Sure.

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FT: What is your financial philosophy Valerie, now that you have kind of come out of the woods a bit and have been enlightened? What would you say is your guiding financial principle?

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VR: I would say that you have to be focused on saving for the future, but you still have to have room to have fun now. And you have to kind of find that balance and just kinda swing back and forth. You don't want to be totally focused on the future and you know, you might die tomorrow and the future will never come. And at the other end of the spectrum, you don't wanna be totally living it up so that later on in the natural course of retirement, or if there is some kind of problem you didn't anticipate, that you can't deal with it then.

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FT: Yeah. Striking a balance between affording your needs for today and also planning and affording what is ahead in the future ie. retirement or college for your kids. It's very easy to feel as though the stuff in the future is, you know, "It'll take care of itself," or, "It's so abstract I don't even know where to begin". But you have to commit to making that at the forefront of your financial planning, I agree. What was Valerie Rind like as a kid growing up, in the sense that, I'm curious to know, what was your money experience as a kid growing up? What were your financial influences? At the very least, what was your one biggest money memory that was influential that now as an adult you look back and you go, "You know what? I learned a lot from that experience".

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VR: I think it would be around cars, strangely enough. My parents were not the slightest bit interested in flashy cars. I mean, they would've had the means to buy something nice, but it just was not, that was just not in their values. And they paid cash for cars. They didn't have car loans. They also didn't give me a car, which of course I was very upset about. [Both laugh] I would've loved to have a car. And I would've loved to drive something other than, you know, the 'station wagon'. [Chuckles]

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FT: That's so retro though. Now if you had a station wagon you'd be like the coolest kid at school!

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VR: I know, [laughs] I know! And so I don't know if that's why it's carried over that, I'm still not overly interested in cars. Like, I have one and I'm not, given my living situation, I'm not in the "oh I can get by with just a bicycle" camp. And I thought to myself the other day, if I could have any car in the world, what would it be? And I still didn't come up with an answer. Yeah I guess it would be nice to have, you know X-brand, or Y-brand, but I think what would really appeal to me would be to have a driver. [Laughs]

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FT: Yes! I concur. I think that is So Money.

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VR: [Chuckles] Yeah.

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FT: What about, well we already talked about the chapter in your life dealing with the financial dishonesty in your marriage. What would you say though is your greatest financial failure? It doesn't have to be this cataclysmic event. But you know, a period or an event that was not your proudest financially.

[00:16:16]

VR: Right, well as I said at the start, there were two 'ah-ha' moments. And the other one, also the experience with my now ex-husband, was I lent him an amount of money which he used for his startup business. And it wasn't like he said, "Oh I am starting this business and here's my business plan, and could you please contribute X thousand dollars to it". He started this business, I didn't ask anything about it. Like, "Where's your business plan? And how much are you putting into this? And what are you gonna do if that money runs out?" And so on and so forth.

How it came about is that he called me at work and said, "I'm having a cash flow problem, the bank says I need \$5,000. Can, you know, can you loan it to me?" And you know, he was my husband, and I trusted him, and he'd done so much for me. He's supported me when I was in law school, which was the only period in my entire life that I hadn't worked. And so I was like, "Of course. If you need," \$5,000 or \$10,000, or whatever it was. "Of course. Tell me where to transfer it to". And it just, it snowballed and became another loan, and another loan, to the point where I pretty much lost everything. So that's a pretty big fail to lose your life savings and not get paid back. And it led into that whole, again, the whole trust thing of, "Well, he's my husband. I should trust him" to "Hey this isn't working out with him following up on the original promises". So that was pretty bad.

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FT: What would you say, now, is your biggest success? Your So Money moment? Did you ever feel vindicated from that episode in your relationship that you feel like you came out on top? Besides of course writing a tell-all book about it! [Both laugh]

[00:18:14]

VR: Yeah, well the book wasn't any kind of getting back at him or vindication or anything like that. It goes back to what I was saying before, I just wanted to show people they weren't the only ones who made any kind of mistake and to keep other people from making it. But I think going from losing everything and then moving and getting a new job and sort of building it all back up to the point where I was able to buy a house and a car! [Chuckles]

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FT: Ah-ha!

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VR: Yeah. I did have an auto-loan on the car and I did love that car. [Chuckles]

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FT: What kind of car was it?

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VR: It was a Volkswagen Beetle.

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FT: Nice!

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VR: Yeah. I loved it!

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FT: My mother-in-law has one. It's a yellow - it just makes me happy! It's yellow and it just, I feel like it's smiling at me all the time. What's a personal financial habit, Valerie, that you practice that helps you keep your money in a safe place?

[00:19:14]

VR: Well, when I was more sort of anal about these things. I would balance that cheque book to the penny. You know, it all had to click. And over the years I've gone to more electronic payments, I hardly use the cheque book, I don't write anything down, and I don't balance it. You know, which is probably all bad habits. But as I said, since everything's pretty much electronic, I check my credit card transactions every couple of days. It's partly a check on how much I'm spending, but it's also a check to make sure there isn't any kind of identify theft going on. I mean, I would recognize instantly if there was something that wasn't a charge of mine, you know, whether it was \$2 or \$2,000. So having a look at that every couple of days keeps those things in check.

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FT: For sure. Okay, Valerie we are almost wrapped here, but before we go we gotta do our So Money Fill in the Blanks.

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VR: Oh. Like a game show!

[00:20:16]

FT: Like a - exactly. Tell her what she's won! Okay, so if I won the lottery tomorrow, you know, \$100 million, half a million dollars, you know, just basically an immeasurable amount of money - the first thing I would do is _____.

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VR: I would run to my accountants and my financial planner and say, "What do I do?"

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FT: [Chuckles] That's good. Yeah.

[00:20:44]

VR: I wouldn't run out and spend it. I wouldn't walk into work and say, "I quit!" At some point, you know, relatively soon, I would have to say I'm leaving. I would wanna finish things out so I wasn't leaving them in a bad place. But I wouldn't be one of those people who just like walks in and says, "I won the lottery," you know, "I'm done!" You still don't wanna burn bridges, even if you win \$100 million.

[00:21:08]

FT: Oh no for sure, for sure. Okay, the one thing that I spend on that makes my life easier or better is _____.

[00:21:16]

VR: House-cleaning!

[00:21:17]

FT: Yes! You know how often I get that, especially from women, obviously. I love it! I'm a big fan of that. I've just upped my own house cleaner to once a week from twice a month.

[00:21:27]

VR: There you go. I'm once every three weeks and at first I felt guilty about it cause I live, I just moved to a really, really small house and I thought, "I should be able to do this," and then I thought, "I should be able to do something better with my Saturday mornings!" [Chuckles]

[00:21:42]

FT: Yes! Yeah like what is your time worth really, you know?

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VR: Yeah.

[00:21:47]

FT: You mentioned that that was a bit of a guilty pleasure, but you've gotten over it. What is a guilty pleasure currently that you spend a lot of money on?

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VR: Well I have a guilty pleasure, but I don't spend a lot of money on it. You know, I just love Twizzlers red licorice. [Chuckles]. It's not really -

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FT: Awh! It's the simple things.

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VR: Right. And I was living overseas and couldn't get it over there, so I begged my family to send it. And they would say, "You do realize the postage costs like, you know, 50 times" -

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FT: But it's comforting. You know, it's wow. You know, it's funny when you're overseas the things that you miss. You know like when I was studying abroad in France in college, I missed soft pretzels. I missed bagels. Cause you can't really get those in Paris. You know, I love croissants, but sometimes you just want the taste of you know, being back at home. So I completely, I completely relate to that story. One thing I wish I had known about money growing up is ____.

[00:22:45]

VR: I wish I'd known that it was actually unusual to have no debt. It was unusual not to have a mortgage and car loans and how important that was for your finances. I just kinda thought that the way my family was was the way the rest of the world was. And it wasn't until much later I could see that the rest of the world didn't work that way. That most people did have mortgages. I remember when I paid off the Volkswagen Beetle, a boyfriend at the time said, "Wow, I've never known anybody who paid off their auto-loan. And that was just stunning to me that people considered that an auto-loan was just something that you always had.

[00:23:33]

FT: Right. You know, debt is fine as long as you can manage it and that there is an end to it at some point. You know, that you don't look at it as part of like a way of life, absolutely.

[00:23:42]

VR: And I wasn't in a position where I could buy the car outright. So you know, I don't think that that was a bad thing that I had that debt for a couple of years, 3 years or whatever it was.

[00:23:54]

FT: Mhm. Helped you, probably, increase your credit score.

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VR: Right.

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FT: When I donate money, I like to give to ____ because ____.

[00:24:02]

VR: I give to a local favourite here because I just, I love their productions and because they're small, they seem to really appreciate it. When I give to my university, my [inaudible] they're kind of like, "Oh um, next year can you give twice as much?" [Chuckles] Where as the theatre is really appreciative and I can see the results. I mean I don't look at the money that I gave and I see, you know, a costume or a set design and say, "I bought that!" But it's more tangible, and I like that.

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FT: And finally, I'm Valerie Rind and I'm So Money because _____.

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VR: Because I talk the talk, and walk the walk.

[00:24:48]

FT: Absolutely. Valerie, thank you. Thank you so much. We're gonna share all of your links to the book and your website at somoneypodcast.com. It's been a pleasure talking to you. Thank you for writing your book, and we wish you the best rest of the year.

[00:25:02]

VR: Thanks. Same to you! And hope everybody out there got their taxes done.

[00:25:05]

FT: No I know right. By the time we're listening to this, we really hope you've got your taxes done! [Both laugh] Thanks again.

[00:25:11]

VR: Thank you Farnoosh.

[END]