EPISODE 1097

[ASK FARNOOSH]

[00:00:30]

FT: Welcome to So Money, everybody. Ask Farnoosh Friday. I'm your host, Farnoosh Torabi. We have so many good questions this Friday. We've got a question from Dawn about how to retire. She's about three years away from retirement and a little worried. Got some advice for her. Hallie wants to know, "Should I pay down my student loans, or should I put some money in the stock market instead?" Sherry is worried about spending money. She feels bad about it.

First, I want to kick off with some money musings. I've been doing a lot of reflection this week. I've been walking around the neighborhood a little bit more in the mornings, just to stretch my legs out and get my steps in before my day kicks off. My days are super full, now with school back in session, my husband and I are tag-teaming facilitating our son with his first-grade online learning. My daughter just joined a very small outdoor pod with fellow three-year-olds, a few other three-year-olds we connected within the neighborhood. Turns out the mom is a preschool teacher and an entrepreneur, who's on a hiatus because of COVID.

She's completely taken upon herself to create this magical experience in her backyard for our three-year-olds. I just feel completely grateful for that. It is a lot of back and forth with driving her there and coming back here and somehow trying to do work and this podcast. You get me, right?

I've been finding, carving out some time in the mornings to go for these walks. Along the way, going on Instagram and sharing some of my thoughts, my thought bubbles. One is that we have been doing a lot of shuffling around over the last nine months. By we, I mean, the country, the world. This pandemic has completely upended our habits, our usual way of doing things. Right now of course, school, whether you're in college, you're in kindergarten and everyone in between, it's a change for you as you try to learn your basics and get through your grade and now you're home and your parents are trying to help you out and resources are limited.

I want us all to take a moment and thank the students. Thank your children. If you see a kid on the street, stop him, or stop her and say, “You're doing a great job. We appreciate you. Thank you for just hanging in there.” We sometimes forget how hard this is for the kids. I’m in a lot of Facebook parent groups within my community, our school, and there's a lot of griping for good reason. Parents are upset. Teachers are upset. Administrators are upset. The kids, God bless them.

Some of them are voicing, but some of them are not and they're just going with the flow and they're leaning on us and modeling us. We need to be positive, as much as we are feeling that there are problems and we aren't being efficient and we're not optimizing and we're letting people down, we're letting ourselves down, we're letting our kids down. Don't let your kids see your frustration.

My husband and I, there was a moment this week where we were like, the Zoom stuff is bonkers. These kids aren't learning anything. They spent a whole hour just going around the room discussing name tags. It's like, really? Tax dollars at work. I said, we can talk about this, but let's not let Evan know just how disappointed we are for him. We need to be the biggest cheerleaders. We need to encourage. We need to say, “Hey, I know this is a little strange. I know this is weird. I know this isn't normal what you're used to, but this is how we're going to make it fun. This is how we're going to make it a little bit easier for you. We're going to focus on the positive.” If he needs breaks, we're giving him breaks.

He has ADHD, so we're letting him do jumping jacks and going for sips of water. We're being patient, because it's the least we can do for them. We shouldn't get upset with them. We shouldn't get angry. I tend to have a temper sometimes with my kids. I got to control that, keep that buttoned up. I want them to feel like school is doable and can be fun, because they're not always feeling that way. My son is definitely saying things like, “I hate school. I don't like this.” I have to just be patient with that and say, “Evan, you're doing a great job and we are here for you. How can we help you? The important thing is that you attend school, that you appreciate your teachers, that you engage with your classmates. If that's what is expected of you, how can we support you to make that possible?”

He knows what's expected of him. I’m not letting him just run loose. It is the thing where it's easy to stay negative. I’m speaking for myself mostly here. It's a reminder really for me, but I thought I would share that with parents out there too. It's like, put on the happy face for your kids. Because if you start expressing how hard this is and how impossible this is and how frustrated you are, to them, they're going to model that and it's going to make it a lot harder for them to then engage and feel tapped in. Thank your kids.

Speaking of thanks, next week is nanny appreciation week, which could also be caregiver appreciation week. If there's someone in your life, or people in your life who are helping you, supporting your family, helping the flow with your kids with whatever, appreciate them next week. I have to figure out what we're going to do for our nanny, but it's always for me a special time of the year and it's an opportunity to give back and show your thanks to our nation's caregivers. Just tell them how much you appreciate them. It goes a very long way.

Another thing that I talked about this week on my Instagram that I want to relay here as well, because people had follow-up questions and I thought, well, this is an opportunity to discuss this and explore this. I talked about why we moved. There's a lot of reasons why we moved and I’ve talked about them, but there's one reason I have not shared in its entirety. I think, because to me, it seemed intuitive and I probably thought it was an obvious reason, but I think it's worth bringing up.

Here's what it is. We were living in Brooklyn for nine years. We had bought in 2011. Over the years, our home appreciated tremendously, to the point where it was pretty exciting to see our net worth on paper. So much of our net worth was tied to the house. Living in New York City, you think, “Oh, prices won't ever fall, or they won't really tumble.” It's easy to get comfortable and it's easy to think that your net worth is your actual net worth. It's not. It's theoretical, especially if so much of it is tied to your property.
That was a huge moment for us to say okay, are we really being smart about how we're tackling our net worth and how we are leveraging this equity? Equity is not really anything, unless you pull it out and use it, whether it's through a HELOC, or a cash out refinance, or a full-on sale of your home, where you cash out and then you use that in other ways. We thought, we could cash out. Yes, so that would mean moving. It would be huge trade-off, different lifestyle. What

could that equity afford us? Could it afford us something more fulfilling than what we have today?

The answer was a resounding yes. We were able to cash out and not put all of that money into our next home, but take just some of that money, put it into our next home, which would be bigger and more fulfilling and giving us more of what we needed in our life right now. We need more space. We need a backyard. We need a washer and dryer. We were able to take some of that equity, use it for the next home purchase and then save the rest for buffering our rainy-day reserve.

As you know, I'm an entrepreneur. For me, I want to have at least a year's worth of savings. Pulling out of the house meant pulling out the equity and putting that equity to use, activating the equity to give us more savings. I also was able to invest some of that in the market and buy a house. I was able to do multiple things with that equity, as opposed to just looking at the equity and feeling good about it and yes, enjoying my apartment, but I felt there was something more for us out there.

I think, we all sometimes are afraid to pull the trigger on our cash, whether that's tied up in a home, or even in an emergency account. People right now are like, "I don't want to use my rainy-day savings." Guys, it's a hurricane out there. It's a monsoon. If you have rainy-day savings and you need it, use it. Don't feel weird about it. This is what it's here for.

Someone asked as a follow-up to this soliloquy that I had on Instagram. I do this while I'm walking, so if you want to join me, follow me on Instagram @FarnooshTorabi. Someone asked a really good follow-up question and said, "Look, I get what you're saying. I have equity in my home, but I like my home. I don't want to move. What are my options? How do I optimize and activate my equity? How do I not be house rich, but cash poor?" That's an interesting question.

There are other things you could do. I don't know if you can actually do them right now, because of the economy that we're in. Banks are no longer offering for example, HELOCs, home equity lines of credit. Some of them aren't and some of them are not doing cash out refinances, where we would allow you to get a new mortgage, pay off your old mortgage and take out some of that equity as cash, if you're assuming your home has appreciated.

Some banks are just not into that game right now, because of the economy. You might be able to find these sorts of deals and that is another way to cash out in a way, keeping your home and then maybe using that money not to invest in the stock market. That's a no-no. If you wanted to use that to upgrade your home, or just have as a less expensive way of borrowing for something that is important to you, whether that is a college education for your kid, rather than taking on an expensive student loan. Some families that have a lot of equity in their homes and it's enough where even if they pulled out some, it would still leave a nice 20% cushion. They would use that to more affordably finance substantial things, like education, a business, etc. Using their house as collateral.

It's a risk for sure, but it is a more affordable way of leveraging debt, you could argue. If your home is essentially your bank account, meaning that most of your “net worth” is tied into the home, could you downsize to a different home in the neighborhood? Yes, you're not giving up so much, but you are shifting that cash position, so that you have more of that cash in an actual bank, as opposed to your home.

Right now, it's an incredible time to sell. There are people selling right now in our neighborhood. They'll never get this price for their home I think in their lifetime. I see people who are thinking of moving in the next two years thinking, maybe we should accelerate that plan and do it now, because we will make more money than we will ever probably make again. I don't have silver bullet answers for people, but I think that this is an area worth exploring, an area of consideration. Are you house rich, but cash poor? Could you move and tap that equity for more purpose in your life, more immediate needs in your life, mobility in your life, more options in your life? Yeah? I mean, we had that thought and it definitely drove us to where we are now, which is the suburbs.

Before we get to our mailbag, I want to also give some updates on Monday. It's going to be a big day Monday. Two things are happening this Monday, so set your timers. I will be on live with Kelly and Ryan in studio. That's a 9 a.m. show eastern time. This is my first time in studio, I think since January, February. If you want to catch me live on television with all my grocery savings tips, how to save at the grocery store, because I’ve been shopping like a crazy person in pandemic, grocery shopping. My food shopping bills is definitely through the roof, but at the same time, I'm not spending much money on eating out, so it's evening out. I've become quite the pro at how to save at the grocery store. Tune in on Monday for my tips.

On Monday, come a knock on our door. We got Suzanne Somers, Chrissy Snow. Yes, yes, from way back when, my 80s queen, my 80s idol on the So Money Podcast. She's going to talk about her new book, which is in paperback. She's going to talk about why she got fired from the Three's Company set, because she asked for more money and didn't get it. Oh, boy. What a story. She's a storyteller. You will hear and you will realize just how much of a national treasure Suzanne Somers is. I'm really looking forward to releasing that on Monday. Stay tuned.

All right, let's go to the iTunes review section and pick our reviewer of the week. This person will receive a free 15-minute money session with me. Really love connecting with you one-on-one, voice-to-voice. I love reading about what you like about the show and maybe what you would like to see more of, improvements. I don't just pick five-star reviews. As it turns out, the most recent reviews are all positive. Thank you, thank you.

Jah303 wrote that, "So Money is a fantastic podcast that covers a variety of topics of interest to entrepreneurs and non-entrepreneurs alike. In this time of economic uncertainty, Farnoosh and her guests provide intelligent and actionable advice on strategies for prioritizing your financial future. It's become a must-listen and the time investment on catching up on the episodes I've missed is an investment in my financial security."

Well, I'd love to help you out with anything you've got on your money plate, Jah303. E-mail me, farnoosh@somoneypodcast.com. Or hit me up on Instagram @FarnooshTorabi, a direct message and let me know you left the review and I'll send you a link, where we can connect to chat for 15 minutes. Thank you.

Okay, let's answer money questions. We've got five questions today. Our first is an audio recording from Dawn, who left a voice-mail on the So Money website. Here's don's question about retirement.

[00:14:50]

DAWN: Hi, Farnoosh. My name is Dawn. I am 59-years-old, single, no children and I live in Portland, Oregon. I've been at the same job for 35 years and now I'm starting to think about retirement probably in three years. A quick breakdown of my assets; 401k, just under a million; Roth IRA, 120K; brokerage, 15K; savings, 50K. I've earned a pension which will be 95K a year, plus I have an investment property that generates income, but has a small mortgage. I have so many questions I'm not sure where to start. I'll just list them and you can pick and choose what you want to answer, if any.

How do I figure out my asset allocation for this stage in life? Two, should I put less money in my 401k and try to pay off one of my mortgages? Primary mortgage, 300K. Rental mortgage, a 185K. Do I need a financial advisor? I had bad experience a few years ago, so I'm gun-shy. I have talked about retirement for so long and now it's here. I'm really starting to freak out. It's a scary thought not to go to work every day, not to earn an income. I need someone to help me. Thank you. I love your show.

[00:16:03]

FT: Don't worry, Dawn. I got you. Thank you so much for your question and congrats on arriving towards retirement with so much money in the bank. You're so money. All right, so what do we know about Dawn? She's 59, single, no children. I'd say, she's got a pretty snazzy retirement portfolio. She's got just under a million in her 401k, six figures in her Roth, substantial savings, a pension. Oh, my goodness. Dawn, this is so money. $95,000 per year pension. Can you just live off of that, Dawn? That's my first question, is could you figure out a way to basically reduce your living, your cost of living to about a $100,000 a year in retirement? Because if you can, everything else is gravy. Everything else is gravy.

Your 401k, your Roth, your savings, the income from your rental. Oh, my gosh. That's the first thing I would try to do is try to – okay, maybe a $150,000 a year. That's a good life, depending on where you live. Maybe not if you live in I don't know, Silicon Valley, or New York City. That's a really great annual retirement income. That's what we all live for. That's what we worked for. Dawn, congratulations.

Before I give you more advice on what to do with your asset allocation and should you sell the rental and do you have to get a financial advisor? I would say the following; figure out what is the lifestyle that you want in retirement. Do you want to just keep status quo for the next 30 years, for the next 40 years? I would say, the first fun exercise, because I think this is fun. Can you come up with a budget where you could live off of a $100,000 a year, which is basically your pension? Would that then mean paying down your mortgage right now, so that you wouldn't have that debt payment anymore? Would it mean moving, selling and then moving, like we just talked about? Leveraging the equity in your home. You didn't talk about how much equity you have in your house. Could you pull that out and that's another nest egg for you, that you can pull from to buy something else that's smaller in a more affordable location?

I got a lot of arrows pointing in a lot of different directions right now, as far as where I think Dawn could go, but that's not for me to answer, right? Where do you want to go, Dawn? What's your dream retirement? Because you can afford it. You have options. What do you want to do? Where do you want to live? What kind of a community do you want in retirement? Do you want to be close to a college? Do you want to be on the beach? Do you want to stay in your neighborhood? Do you want to be closer to relatives? Do you want to have a golden girl situation going on? Pick that lifestyle, then figure out how much it's going to cost you.

Then depending on that answer, it may mean that you want to downsize. Then yes, I would start with perhaps, the rental property. Because while that is cash flow positive, maybe you don't want the responsibility in retirement. Maybe you'd rather have that equity back in your bank account, that lump-sum back in your bank account as opposed to that monthly drip cash flow.

Then you might decide, “My house is too big. The upkeep is too much. I don't want to pay this mortgage anymore. I’m going to sell it. I’m going to move. I’m going to cash out, activate my equity and use that to design my ideal retirement, whatever that is.” I will say, Dawn, that you want to have a nice stash set aside. I would say a couple hundred grand set aside for the very final years of your life, when you may need assistance, when you may want to move into assisted living, you may need a full-time nurse. This is the thing that people don't often prepare for, or think about. In my personal experience, knowing friends and relatives that have since passed, those last, I would say, five to seven years usually require some assistance.

If you don't have a long-term policy, a long-term insurance policy, that's where having those extra, I'm talking hundreds of thousands of dollars, set aside can really allow you to pay for these necessities. Because even just having a full-time nurse, or even a part-time nurse can be thousands of dollars a month. Getting on cancer medication can be thousands of dollars a month out of pocket. That's the big wild card in retirement, cost of health care.

You've got just under a million in your 401k. Could you put aside as much as you need in cash in your portfolio for those reasons? I would set aside that Roth IRA and just label that as healthcare expenses in the future. That's a cool way to compartmentalize it. That's taken care of. Check that off your list.

I want to answer your questions specifically, how do I figure out my asset allocation? At this stage, at 59-years-old, the rule of thumb is to take a 100, subtract your age and that is the percentage that you want to be invested in the stock market, the rest in fixed income and cash. If you are approaching 60, I would say no more than 40%. Maybe more 30% in the stock market. You can still be invested in the market, but you don't want to be overexposed by any stretch, because you really need to start pulling from this soon, rather than later. You don't want to risk being overexposed, the market crashes in 2021 and you've lost a substantial portion of your retirement savings.

Should I put less in my 401k and pay off my mortgage? Mortgage is $300,000 left on it. You could, or you could just sell your home and that would give you some equity to work with. Maybe you could rent for a few years before you decide what you want to do next. This is really a good phase in your life to start downsizing. It's not just the mortgage that might be a lot right now. It could be also the upkeep, the overhead, the cost of maintenance. Do you need a financial planner? I don't think so, but I would think about getting a will and at least something in writing that states what you want to happen to your assets and your savings and your investments.

I know that in many cases, you can instate beneficiaries to your 401k and your Roth IRA, but what would happen to your homes? Do you have a will? For that, you don't need a financial advisor. I mentioned a bunch of sites in last week's episode, the last Friday episode a bunch of estate planning resources that are more affordable than hiring a lawyer for thousands of dollars.

Step number one, figure out what you want in retirement, what you want out of it and how much will that cost. Can your pension afford that? $95,000 a year. Then if you want to start downsizing, which is not a bad idea in retirement, you might want to start looking at retiring some of those properties. Selling with first the second home, which yes, is cash flow positive, but might be more of a burden, the maintenance, the landlording. Maybe you're better off pulling out that equity, then you don't have that much of a mortgage left on your primary home. Maybe you could pay that off, or maybe you decide my preference is to sell and downsize. These are your decisions, but I'm giving you the questions and hopefully, that will steer you in the better path in a more certain path. Thanks for your question. Thanks for your audio question.

Next, Hallie writes in on Instagram, "Hey, Farnoosh. I have savings, but I'm going to need to pay back my loans soon. Right now, the interest rate," I guess these are student loans, "Is zero percent. Should I put money in the stock market, or start paying back my loans?" Well Hallie, I'd say, first question is when does that zero percent rate go up and how much will it go up by? Is it going to be a situation where you're going to be owing 10%, 15% on these loans? Is it just 4% or 5%?

I think, if it is a very expensive student loan, a very high-interest, I would work to pay that down more aggressively once they come due. That said, why does this have to be an either or scenario? Could you find a way in your budget to start even at a very small amount, put money in the stock market? What I mean by that is in something like your 401k, your Roth IRA, a vehicle that is set up for specifically retirement savings and automatically contributing whatever you can. I don't know, is $50 a week too much? If it's not, that's a great place to start.

The thing about investing is that you've got many years, but the earlier you start, the more opportunity you have to compound – to benefit from compound growth. My advice is if the interest on those loans is quite high and they're going to turn back on soon, then maybe you make an extra payment a year towards the principal on those student loans.

In the meantime, you save a little bit every month towards retirement, so you're doing what I call the hybrid method. Right now, the interest rate on your debts is zero percent. If you don't have to pay them back, because you have a deferment, I would not put money towards the debt right

now. I would actually get a head start on investing, okay. Then once the student loans are back in action, try to do both at the same time.
Next up is Rebecca. She writes in also on Instagram. “I would love to hear your thoughts on target retirement funds. I’m 28 and between my Roth IRA and my retirement plan at work, I have about $20,000 saved for retirement, which is not enough I know. Since I opened my Roth six years ago, it's been invested in a target retirement 2060 fund, but I’ve recently been learning more about investing and I’m wondering if it would be better to take a more hands-on approach and choose the allocations myself.”

We've talked about target date funds in the past. The way that they work is they basically run on with the assumption of a certain retirement target date. In your case, Hallie, 2060. The target date fund is super-passive. It's ideal for those of us who are busy and we want to do the right thing, but we don't want to necessarily take the time out of our day to figure this out. We don't have the acumen, perhaps, even to think about where to put our money. It's highly recommended.

The fees tend to be a little bit higher, a little bit higher than say, an index fund, because it really does so much of the work for you. It adjusts as you approach retirement, the fund allocation within the fund, the riskiness of that fund will adjust appropriately, so that when you get to let's say, year 2050 with just 10 years left, or 2055 with five years left, it does adjust as you get close to retirement.

It's a very popular way to invest. I’d say, that there's no evidence that a hands-on approach, that going in and picking all your stocks and your bonds and everything yourself is going to produce a better rate of return. It may actually underperform. Here's an assignment for you, call your 401k plan and talk to them about it and say, “Look, I’m in this target date fund. Here are my retirement goals. What do you think?” Get someone's professional opinion on that end, who's more entrenched in your 401k and your particular 401k who might be able to offer some more ideas for you.

Next up is Sherry. She says, “Hey, Farnoosh. I love your podcast. Your guests are so insightful and relatable. I’ve learned a lot from you.” Thank you, Sherry. Her question is this. “Growing up, my family did not have a lot of money, so we always have had this scarcity mindset when it comes to money, which actually created a lot of tension between my parents, but that's for another day."

Sherry says, "I still carry that mindset with me today in my late 20s, even with a very well-paying job that should allow me to live quite comfortably. I consider myself quite frugal and I feel a lot of anxiety and guilt whenever I spend money on things that many of my peers have no problem spending money on. I feel like this has led me to miss out on a lot of experiences in life. Your show has actually helped me navigate my money mindset better. It's probably something that I should speak to a therapist about, but this exact problem is preventing me to spend the money needed to get one. Do you have any advice for someone like me? How do I not feel bad about spending the money that I need to spend?"

You know Sherry, sometimes spending money on yourself is the appropriate self-care that you need to live a happy, healthy life. Let me ask you this question, do you want to live a happy, healthy life? I think the answer is yes. Sometimes you have to spend money, invest money in certain things, people, experiences to get there. This is why we encourage people to save and to manage their money wisely. It's not so that they can just look at their money in the bank account. It's so that they can use it in a way that is fulfilling to them. Live your "rich life," whatever that version is for you.

I don't think this is about the money, right? This isn't about money. This is about your emotions, about your trauma. I know that's a really loaded word, but we talk about this a lot on the show and maybe you've listened to those episodes about how negative experiences growing up. They show up in our adulthood and it's really hard to detach from that. It's really hard to ignore that. You're conscious of it, which is step one. Okay, that is the acknowledgement of what happened to you growing up, what you experienced and how it's showing up in your adult life. That's very mature of you and that's definitely step one in the therapy process.

I think, you would benefit from more therapy, to work with a professional who can unpack some of these experiences that you've had and rewire you. That's really what it is. All of our experiences growing up, they condition us to behave in certain ways as adults. How we react to certain situations, how we think about things, how we interpret things. A lot of that has to do with our childhood, our upbringing, our experiences, good and bad. If you want to reframe your thinking, if you want to have your impulses not be the ones that you're currently having, which is a rejection to spending, that's worth the money. I will tell you that.

If you want my approval, I don't think you're looking for my approval on this. I think you know, but there's something there that is holding you back. It's not something that I can really solve in this episode, but I would really encourage you to just have one session with a therapist, see how it goes. Maybe it's not even a therapist that you need, but it's maybe a life coach. The difference I've learned between therapy and life coaching is that therapy sometimes focuses on the past. There's benefits to that. In your case, maybe you do need to revisit your past.

On the other hand, a life coach is somebody who you come there and they're really about looking forward. How can we create solutions? Where do you want to go? Maybe you start with therapy, but then you transition to life coaching, because the life coaching if you find a good life coach, really what they're there for is to help you navigate your goals and your future and to do that with more mission and purpose and drive, so when you encounter a spending situation in your life, you look at that for what it's really worth, which is how can this help me get to where I want to go?

Some of the homework also that you can do, Sherry, is just think about what do I want out of my life? This doesn't require spending lots of money on therapy. This is a basic question we all need to answer in life. It helps us better plan for our spending and saving and investing, but what's important to me? I would suggest, go back and listen to my episode with George Kinder. He's the grandfather of financial planning. He's got three questions that everybody needs to answer to get closer to how they should spend and save and invest and ultimately, manage their money.

I think that for you, that spending variable is where you get stuck. His method may help you iron that out a little bit for yourself. You've got my blessing to go work with a therapist and/or life coach, but maybe start with these questions from George Kinder are valuable and priceless, and maybe everybody could go through that exercise. Even if you've gone through it once, when life changes, when there are new life circumstances, hello. It's worth always revisiting your financial goals and the way you've been addressing your money. Good luck to you, Sherry.

Last but not least, Courtney, she says, “Hey, Farnoosh. Your podcast has been life-changing for me. I’m a 27-year-old in Denver who started listening about a year and a half ago and I’m looking for some guidance on what to do with my savings. Your podcast has given me the confidence to go from being a big saver and a 401k contributor, to now having very specific life and financial goals, which have led me to be very intentional with my money. I’ve started following and reading the work of many guests on your show, primarily Danielle and Phil Towne, Tony Robbins’ story about giving his last few dollars to a little boy really hit home with me. Thank you for what you do.”

“My question is regarding writing a will. I invest very aggressively and I’ll have a net worth of about a quarter of a million dollars by the end of 2020, pending market activity. This net worth is 45% 401k, 45% brokerage account and the other 10% is in a Roth IRA and savings. I currently have my dad set as my beneficiary for every one of my accounts, both investments and savings. I’ve heard stories though about legal issues in the beneficiaries getting these assets. Is setting a beneficiary on my accounts enough to make sure that my dad would get everything that I want him to get, without needing to hire a lawyer? Or do I need to pay for a service? Thanks again for all you do. I binge on your podcast, while traveling for work. I’ve become my friend's go-to for financial advice, even though I’m not really that qualified, but I always send them links to your podcast.”

Courtney, thank you so much. My goodness. I’m so impressed with your savings and all that you've done as a result of listening to this show. This is basically, all I can hope for, right? When a listener takes the advice and applies it and it's incredible what you've accomplished. I have not heard of beneficiaries getting into legal issues with things like a 401k, or an IRA. I mean, it's supposed to be pretty direct when you identify a beneficiary for a 401k in the event of your death, it's supposed to be a very easy transaction. It should not have to go through probate. The money automatically gets distributed to the person designated.

Good reminder for everybody to check your beneficiary on your 401k, because sometimes we open these 401ks before we get married, before we have kids. We start them on our first job in our 20s. I mean, I think my beneficiary on my 401k, my first 401k was my brother, because I didn't have a significant other.

Anyway, worth revisiting beneficiaries if you haven't in the past decade. I've not heard of issues. If it helps you just feel more assured that your dad will get everything that you want him to, it doesn't hurt to accompany this with a simple will, which is where you were going in the beginning of this question. Last Friday, we talked all about wills and estate planning and I would recommend you go back and listen to that episode for those resources. There's some free resources online if it's a very simple, simple will where you just want to express where again, you want your investments to go and your savings to go, as well as any other assets that you have, what you want your funeral arrangements to look like and how that money – how that's going to get paid for, what bank accounts to pull from, that's where a will can really come in handy, and you can do that for free or for very low cost, if it's as simple as that online.

If you've got more complex assets and estate planning, I would consult with a professional, an estate planning attorney. Doesn't sound like that's your case. If it helps and I think it could be very helpful to just put it in writing somewhere else, do that. Courtney, thank you so much. So great to hear from you, and you as well Sherry, Rebecca, Hallie and Dawn, thanks so much for your audio recording.

Hey, everybody. Thanks for tuning in. Remember, Monday big day. Live with Kelly and Ryan and also Suzanne Somers. I hope your weekend is so money.

[END]