

EPISODE 1144

[INTRODUCTION]

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FT: Do you think you can be friends with someone really who has just a very different financial life than you do or just – And I'm not talking from a values perspective, but let's say you make a million dollars and your friends makes \$50,000 a year. Can you guys hang out every weekend?

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EL: It's hard. Listen, it's not dissimilar from parents usually look up at a party and you're surrounded by other parents. Child-free people tend to navigate towards child-free. Married tend to be friends with other people in long-term committed relationships. You kind of tend to self-isolate to people with a similar lived experience to yourself.

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FT: You're listening to So Money everybody. Welcome back to show. I'm your host, Farnoosh Torabi. It is January 6th, 2020, and we're going to talk about really awkward money conversations today. Look, it's the New Year. Time for fresh starts. Time for those conversations, those talks that you've been putting off not just with yourself, but with your partner, with your boss, with your parents, with your friends about money and how it's perhaps getting in the way.

My guest today is Erin Lowry, who is out with her third book in the Broke Millennial series called *Broke Millennial Talks Money*. Erin is a friend of the show. She's a friend and a friend of the show. She's the creator of the Broke Millennial Blog, which then became the *Broke Millennial* book series. She's been on the show many times. She's a prolific writer and a prolific thought leader on all things money. And her latest book tackles the conversations we should

be having. Like we should be talking about prenups with our partners. We should be talking about our parents' retirement plan with our parents. And we should be talking about the fact that maybe our friends are running us broke.

Erin has personal experiences and I have a few stories to share too and some things that might surprise you. Hopefully you'll walk away from this episode more informed, more empowered and ready to have that conversation, you know what I'm talking about, this year in 2020 with that person. You know who that person is. Here's Erin Lowry.

[INTERVIEW]

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EL: Much empathy to every author, first-time author, who is launching a book in this scenario, just because it's an unknown for everyone. So like even your publisher can only provide so much insight and support because it's also just kind of a new landscape for them as well. And I don't have kids, but I keep joking that this is like my third child. I'm like, "Yeah, it'll be fine. Don't worry."

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FT: She'll raise herself. Erin Lowery, welcome to So Money. I have been recording, and whether you like it or not, that's going to air. All that good stuff though. It's always fun to like I think for listeners to hear like the behind the scenes and then be like, "Oh, we're recording?"

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EL: Oh, I saw that red light go on.

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FT: Oh, you did. Okay.

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EL: I was ready for you.

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FT: Congratulations on your third book, *Broke Millennial Talks Money*. It's been so fun to have you on the show through this journey of your book career first with *Broke Millennial*, then *Broke Millennial Takes on Investing* and now *Broke Millennial Talks Money*. Why did you want to focus this third book on these sticky conversations that we may or may not be having with our loved ones?

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EL: Well, I hope that we are. If we've learned nothing else from this pandemic, please talk to people about your financial situations. But mostly because that's the question I was getting asked the most and it wasn't one singular like relationship and money questions. It was all related to financial conversations. And you get it together, book one. We're figuring out the basics. Book two, we're figuring out how to grow wealth with investing. And then, truthfully, if you can't have open, healthy, honest communication about your money, it doesn't matter how well you handle it, it's still going to be a pain point. So just because you've gotten it together, if you're not able to set boundaries with your friends about your financial situation, talk to your parents about their ability to retire, have honest and frank conversations with your partner and learn how to fight fair when it comes to money, it will all continue to be a problem.

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FT: Reading your book on the back cover, it says, "Let's face it. Most people would rather have a root canal than engage in a much needed money conversation," although I did get a root

canal recently. And I would much rather talk about money with my parents, which I did over the thanksgiving. We can talk about that in a minute.

You say it's all uncomfortable and things not to say as icebreakers, "Hey, honey, I want a pre-nup." Or, "Mom and dad, can you afford to retire?" Or, "Joe, how much do you make?" Let's cover all this stuff, and I'll tell you some of the things going on in my life too with money conversations. And it'll be interesting to get your advice. But let's start with your partner, since we're now facing our partners more and more of these days all under one roof 24/7 and money's on everyone's mind. We're living in a recession. So what should couples, first of all be, talking about? And if you're not that couple that is actively engaged talking about money, where do you begin?

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EL: Whoo! It's always a heavy question. I would say first is the when should you even be having the conversation? Now, if you've been quarantined together for nine plus months in this pandemic, then you're probably in a fairly committed and serious relationship. At which point if you're not married, I think now is the time. The litmus test I usually tell people is when you look at that person and think, "Oh, I could spend the rest of my life with you." This is the time to have that full frontal financial nudity conversation and to just talk about all of it.

Now, if you are engaged or married and maybe haven't had these conversations, now is the time, because there's no time like the present. And I do think that one of the best ways to start it is not to get into the heavy stuff. Is not to do how much debt do you have, but to have a, "What are your goals? What do you want to achieve in the next five years financially?" And then follow up with, "And what's standing in your way?" Really sneaky way to ask about debt without saying the D word.

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FT: Yeah. Or how about what are our goals?

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EL: Well, absolutely, if you're a couple. But I do think too, it's important to also recognize you can have both individual goals and couple goals. And I think when you're trying to build goals as a couple, it's also important to like what do you want to achieve? What do I want to achieve and then how are we going to marry the potential difference if we're not totally on the same wavelength? Which, let's be honest, most of the time we have to have some level of compromise that happens.

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FT: What are your favorite tools? When couples come to you and they're like we really want to have this conversation, but we would also benefit from a piece of technology or a resource so that we can like kind of lean on that and have that almost guide the conversation..

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EL: You know, it's funny. I don't have a particular like app or website. I did write the book possibly because people are asking me that question. But also I like to think more about the inventory of questions of your psychological relationships to money that you should be asking each other first. And I know that that sounds kind of weird to folks, but if you are consistently coming up against kind of the same money fights or the same type of money fight over and over and over, a lot of that probably has to do with how you each as individuals emotionally relate to money. And if you're not having a clear understanding of how and why your partner relates that way to money, it's hard for you to have both compassion and empathy.

So I would definitely encourage you to kind of sit down and go through whether you kind of refer to Amanda Clayman, or Brad Klontz, or Lindsay Bryan-Podvin who are all financial therapists that are referenced in the book. They all have works out there and worksheets that you can go through. What's your first memory of money? How does money make you feel?

How did you get money growing up? And these kinds of things can kind of unearth our anxieties that we still carry as adults that can then unlock for you, "That's why my partner reacts this way when X, Y, Z situation arises." And hopefully that helps give you some level of both empathy and compassion for why they're reacting that way or helps you kind of better frame the situation if it's a persistent issue in your relationship.

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FT: The words we choose are really important. Have you have you learned anything about how we should frame things? I mean you kind of alluded to some of that already, but just in terms of like do's and don'ts in terms of icebreakers or words or trigger words, right?

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EL: Definitely trigger words. I would say never be accusatory with how you're talking especially about money, and don't judge their values. I get the question a lot. I'm sure you do. I think every money person does. I'm a saver, they're a spender. How do I fix them? How do I get them to be a saver? Well it's not about fixing. It's not about changing. Like, truly, it's about coming back to that goal and value alignment. And you're allowed to be a married couple and still be autonomous human beings who have your own opinions and feelings. And honestly, in some level, different goals on certain things. Of course you should have overarching ones you're trying to reach together. But you have to also acknowledge that you're not always just going to like morph into one blob and have the exact same feelings about everything. So you have to learn how to be okay with, "Well, you can be a really hardcore saver, but it's also okay if your partner wants to spend X, Y, Z amount on certain items." And even if you don't see a value in that item, it is okay if they do.

Now I think that that ties more into how do you as a couple manage your money. Like if that's a perpetual problem in your relationship but your banking totally joint, maybe the answer is you bank primarily jointly, but then each get an allowance into a separate checking account that

you can spend however you like. So you're not nitpicking at each other and seeing every little thing that the other person is spending their money on.

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FT: That's really brilliant. Your book has so many great anecdotes and like just examples scenarios. I want to touch on parents as well, our relationship with parents when it comes to money. Over Thanksgiving, my dad wanted my advice. He was like chasing me around the house. It was kind of awkward. He was like, "I really want to talk to you." I don't know why I was like trying to avoid it, but I think when it comes to like my own family, I don't want to be on the hook, okay? I don't want you to take my advice, and if it didn't work out like I cannot escape you. So that's going to be uncomfortable for me. But my father was like, "Can I retire basically?" Wanted to know like, "Do you think that I could comfortably retire in a year?"

And so I love that they felt comfortable coming to me and that they weren't willing to share their numbers. And we were able to discuss some options for them. And it wasn't so clear-cut, but we were able to – My mom was there too. My mom was basically like this, she was like, "Just tell me that I can continue my lifestyle." And I was like, "It's the only thing you care about," but that's so many women, right? That's so many women of her generation that are just like, "Just let me know everything's going to be okay. I don't want to get into the weeds."

All this to say, what were your findings first when it comes to whether or not even younger generations are having conversations with their parents and should they be? Why is this important?

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EL: Oh, we definitely should. I love that your parents came to you. I think that you are far and above the exception to the rule for the most part, in that most people that I have spoken with and heard from, it is pulling teeth for them to get their parents to engage in this conversation or their parents just totally stonewall them and don't want to engage. And it makes a lot of sense,

because in some ways you can be kind of upending the natural parent-child paradigm because now it almost feels like you might be trying to parent your parents and be like, “Hey, financially, what are we thinking in the next 10, 15 years? Am I going to need to be picking up the tab?”

By the way, none of this is language you should be using. I'm just saying what is going through a lot of people's heads, is are we going to get to a place where you, the child, are your parents retirement plan? And that can happen for so many reasons. And for some people, culturally, this is a given. Like they already know, “Of course, I'm taking care of my parents. Of course my parents are going to move in with me,” but that's not the case for everybody in every culture. So it is important to have an open and honest conversation with your parents and start very, very early.

And it's also about more than just their retirement. Estate planning needs to be a big part of this, and I don't just mean a will. I mean a power of attorney, an advanced healthcare directive or medical power of attorney where if they're unable to make decisions for themselves, you can make those decisions for them and you know the decision that they want made. And this just makes everybody's life so much easier. But getting it started is hard. And my favorite way to do it is the classic ask your parents for advice.

We all know parents love giving advice. So even something as simple as, “Hey, I just got a new retirement package at this job that I just took and I'm trying to figure out how to pick investments in my 401 (k). How did you guys handle setting up your retirement accounts?”

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FT: Oh, bait and switch.

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EL: Yeah! And maybe the answer is, “Oh, we didn't,” and then that gives you a lot of information. Or maybe it's like, “Oh, we really screwed that up. This is why.” Or maybe it's like, “Hey, ours has done great. This is what we did.”

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FT: I think a real breakthrough for my dad and I when we were talking was less about you know should I do a three percent withdrawal or a four percent withdrawal in my 401 (k) when I retire? It was like, “Dad, you need to work,” because work equals happiness for him. Like work equals your brain working and not bothering mom. And it's just better for everybody when my dad is occupied. And he doesn't have hobbies really. Like he wouldn't be the guy that's going to go play golf all day or nothing like that. So I said to him – I think in passing I was like, “Do you know how much tutors go for these days, dad? Tutors are so expensive.” I'm just thinking about getting my son a full-time tutor and like that was a quick no, because I realized just how much money it was going to be. And he's like, “Tell me more,” because my dad has a Ph.D. in physics. He's a super academic. He loves to learn. He loves to teach. He doesn't do this right now in his profession. He's an engineer. And I was like, “This is a perfect retirement gig for you, dad. You can work virtually. You can set your own hours you can work as much as you want, as little as you want. And with your Ph.D. and –” His great work experience. And he's taught before. He's taught at university level before. He just never thought that that could be a real potential job for him in retirement. And I think that he got so excited by that. He's not as worried now about leaving his full-time job because he feels more confident that he can continue to make some income and not have to just milk that 401 (k), squeeze it.

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EL: Oh yeah. And I do think that that's another great way to reposition the conversation that it's more about what does retirement look like to you? And using that to kind of segue into, “Okay, and if this is what you want to do in retirement, do you financially feel prepared to do that or do you think that retirement does include continuing to work in some capacity just so it's a different type of fulfillment?” My dad's very similar to yours. I don't think he'll ever fully retire. He's pivoted into more of consulting right now, and I don't see a day where he's not doing something that's active in that kind of manner, because it's a lot of what gives him fulfillment.

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FT: By the way, listeners, my dad is super cute. You can check out our interview. I talked to him a couple of years ago on So Money when he pivoted after a layoff, and just remarkable how he bounced back in his career in his 60s, which is most people get laid off in their 60s. They're like, "Okay, I guess I'm retiring now," but not Adam.

Okay. But going back to couples for a minute, I forgot to ask you about prenups. I really want to touch on this. And then I want to ask you about co-workers and how to talk to your co-worker about how much she makes without being rude. But how do you bring up the topic of a prenup? This is not just for the rich and famous.

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EL: It is not. And I do think that's one of the big misconceptions about prenups. The other – And I wrote this in the book, that, "Man! They need to hire a brand consultant," because there is such a bad reputation when it comes to prenups. And everybody thinks about it as a divorce contract, which I get, because you're using it if you go through a divorce. But I really would challenge there to be a bit of a reframe and a different understanding of what a prenup is, and frankly it's marriage insurance. You don't get in your car thinking you're going to get into an accident, but you have auto insurance. You don't have a homeowner's policy because you think your house is going to burn down. You have it for a potential outside chance that those things could happen.

But more importantly, and what my attorney said to me when I was going through the prenup process, was everyone has a prenup. It's just the default laws of your state. So then really the question becomes, "Are you comfortable with your state's laws on how marital assets would be divided in the case of a divorce?" And if you're not comfortable with them, then it's time to get a prenup. And a lot of people don't know what they are either, which that to me is really the more mind-boggling part of all of this is how many millions of us sign the dotted line on a

marriage license without really knowing the terms and conditions of what would happen if things went sideways.

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FT: You can also get a post-nup, for anyone listening who's married and they're like, "Oh, darn! I didn't get a prenup." It's not too late.

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EL: It's not. And I actually love the advice that one of the attorneys I spoke to for the book has about post-nups and she thinks even if you have a prenup you should engage in having a post-nup anytime there's any time there's a major life transition. So a very classic example is if you got married as two working parties and then you have a child and somebody steps out of the workforce, you should have a post-nup to account for what would happen if you were to get divorced and continue to have been a stay-at-home parent or a primary caregiver. If you weren't contributing to a retirement plan, if you weren't being cared for in that kind of a manner, making sure that if you don't feel that the state's laws are fair, that you and the child are provided for correctly.

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FT: That's brilliant. Really, it's a PR crisis.

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EL: It is. And I know that so many people, and I guarantee at least one person listening to this is having an emotional reaction to a conversation about pren-ups, because we kind of were trained that these are things that means you don't love and you don't trust your partner. And I just really dislike that kind of a branding and that kind of a notion because, yes, of course marriage should be about love and trust, but also you are citing a legally binding document that

requires you to go to court to get it dissolved. And if you were to sign a business contract, no one would expect that you would sign that on-blind faith. You would do what it took to protect yourself. So the same truly needs to go for a marriage as well. Plus, my favorite part about prenups, you have to talk about everything. Everything when it comes to your financial lives. What better way to go into a marriage than to have put literally everything on the table and have to have a few kind of painful hypothetical conversations?

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FT: Yeah. In a previous episode on So Money, I was talking with Ramit Sethi, who's the author of *I Will Teach You To be Rich*, and many of you who follow him know and we know he got married recently to a lovely lady named Cass. And he talks about this openly and so I can share it with everybody on this podcast. He also engaged in a prenup before he got married and he said that it was quite the wake-up call. Like they realized so much that they hadn't even realized about themselves when it came to money, and now they're getting married. So they actually went to see a therapist over this. The prenup prompted them to go to a therapist. They are so much happier that they did that and they just feel like, "Okay, we like check that off the list. Great. We can move on." But I think it takes a really committed couple to do that.

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EL: It does, and you are confronted with certain questions that I don't think many people would ever ask themselves if it weren't for going through a prenup process. And some of them might not even necessarily extend to your direct situation, but just engaging in the conversation can make you realize things about yourself and your partner. I know for us, one of the big questions that kind of turned into, I would say the most dramatic argument we had out of the prenup process, was let's say one of us was to inherit something from a family member. First of all, is the other person entitled to that inherited money just because we received it when we were married? Second of all, what if we purchased an asset with that inheritance like a home and then got divorced? Is the other person still entitled to that asset since it was purchased with inherited money? Like those kind of questions – Oh! You end up having some feelings through

that process. And I do think that it is just really important to have these kind of conversations. And the last thing I love about a prenup is you are also figuring out how you would handle and split your assets at a time where you are in love and happy and you're going to be generous and kind with one another as opposed to just like a brawl at the end times and also potentially just dragging it out to be spiteful and costing yourselves a lot of money on the backend because, divorce can be really expensive.

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FT: Yeah, I think the assumption, the false assumption we often make in not getting a prenup is like, "Well, we're reasonable and we love each other. So we're not going to fight each other over like that weird inheritance money that we got from that weird uncle that now we want to –" It's like, "No, you will. You will," because that is what divorce does to people, right? It turns you into your ugliest version of yourself.

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EL: Yeah, it really can. And I do joke that I am self-actualized to know that I am protecting him from a vengeful version of myself that if things were ever to go sideways –

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FT: See? Now, I hope that – so I'm going to be really honest. I don't have a prenup, although I recommend it to everybody. I just don't have one. And I like to think it's because my husband is scared of me and he would never divorce me. So that is my actual prenup, is I am one who is feared in the relationship. So maybe that's just how I've worked around it. But also I feel like my husband works in startup land and he's going to cash-in one day real big and I don't want to have a prenup. Full access, one full access to those millions.

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FT: And I do think too that one of the really common prenup retorts is I would never leave. And you can fully think that, and it doesn't matter what happens. I'm never walking out the door. And if that's your conviction, that's your conviction, but you cannot control another human being and you cannot prevent the other person from walking out the door.

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FT: Yeah. And so one of the other tradeoffs to not having a prenup like I do is you just have to make a lot of money so that when you have to give it all away you're still left with a lot of money.

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EL: Yeah, that's true. That's very true.

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FT: I'm going with the Jeff Bezos model. Did he have a prenup? I can't remember.

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EL: I don't think so.

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FT: I don't think he did. I think that's why his wife is the richest person on the planet, who by the way just gave away so much of her wealth, which was amazing.

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EL: Yup. She is a wonderful philanthropist. And I have actually also spoken with a woman who kind of similar story where her husband actually kind of embezzled and stole a bunch of money out of a business that they worked together and in the divorce they did not have a prenup and she was just kind of like, “You know what? This isn't worth fighting over. I've made it before I can make it again,” and that was sort of her mentality about it, because for her mental health, she needed to just walk away. And everybody relates to it differently.

I do think too the other thing that to me I get a chuckle about with prenups is anytime you see articles they're like, “Oh, we got married. I paid off his student loans and then he divorced me a year later.” I'm like, “Get up prenup.” You can have clauses that account for that kind of stuff.

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FT: Right. By the way, MacKenzie Scott. Not Jeff Bezos's wife. That was rude. I should call her by her real name and her real identity, which is MacKenzie Scott.

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EL: The philanthropist.

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FT: Okay. Philanthropist with a capital PH. How do you talk to your co-worker about their salary? And do you even bring that up when you're negotiating with your boss? Is it even relevant?

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EL: Oh, it can be. So that's circumstantial, and I'll loop back to that one. In terms of asking straight up, I always preface by saying you know your workplace. You know if it is a “safe space” to be asking these questions, because technically in most cases it is illegal to fire you

for asking other people about compensation. However, they can find another reason to fire you if they're going to try to get you out the door, and it's very time consuming and expensive to sue.

So odds are they would hedge their bets that they could just fire you anyway and you're not going to sue them. Not trying to scare anyone. Just saying you know your workplace and if you feel like, "Hey, that would kind of be a threat to my job and I wouldn't feel comfortable asking my coworkers," then don't. I'm going to offer some other options. So no matter who you're asking, whether it's a co-worker or you're cold pitching people on LinkedIn who do a similar type job at a similar type company and live in the same city or town, then there are a few strategies you can go with.

I do love the over under, which is, "Hey, I'm about to go negotiate for a raise and I'm just trying to make sure that I have a good understanding of what I should be asking for for comp. Could you tell me, do you make over or under? Insert amount here." So let's say fifty thousand dollars. You make over under fifty thousand dollars. Now let's say they make over. And you want to know like is it because it's 52 or are you making like 75 grand? So you could kind of keep inching it up. Do you make over under 60? do you make over under 70? That can be a really effective strategy if you think they'll be uncomfortable telling you a direct number and also if you're trying to suss out something like a gender or racial-based wage gap. That can also be a really effective way to be asking people, "Hey, I think I might be getting underpaid. Could you tell me, do you make over or under? Ballpark the number here."

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FT: What about saying like, "I make X. Do you think I should ask for more?"

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EL: And that's a perfectly reasonable question to ask as well and to kind of position it particularly if you're talking to somebody who works the same job or maybe it's just one level

up from you. And that's the other thing you've got to remember is you need to be asking people that are relevant to your situation. So it needs to be somebody who currently works that job who just recently got promoted out of that job. Otherwise you could ask a hiring manager, but I don't know that I would do that person at your company. It should probably be like a LinkedIn situation.

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FT: Mm-hmm. And then as far as bringing that into your conversation with your boss, I guess you just have to make sure you have proof and that it really is unfair, because like I guess salaries currently are so subjective. Most of the conversation really focus honestly on your own contributions. I mean, they should speak for themselves.

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EL: Agreed. And the other thing is you don't want the employer to get defensive, and bringing somebody else into it could just kind of make it a defensive conversation as opposed to a collaborative conversation. Now where it might make sense to bring up somebody else's comp is if you have unearthed a specific wage gap issue. Now there's a story in the book that sounds very much like an urban legend, but I had interviewed a negotiation expert who had a client that asked some co-workers who did her exact same position how much they made and they all made about 10 grand more than she did. She was like, "What? This doesn't make sense."

So she went in and very calmly said to her boss – I was in conversation and I realized that I am getting underpaid by about ten thousand dollars compared to some of the other people who do my job. And I was just wondering if you could give me a reason that would account for that? So not being accusatory, not being like, "This is a gender wage bias gap," anything like that. Just sort of laying out the situation and her boss looked very startled and said, "I'll be honest, there's a range. You shouldn't be that far off. Let me look into this." Turned out there is a payroll typo when she was hired. So she got back pay and it all worked out fine. Obviously that is a very rare slim like chance that that's happening. But if –

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FT: That's interesting.

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EL: Right. If you do unearth like a gender or racial-based wage gap, it is also okay to bring that up in your negotiation.

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FT: Now, this is great, because next time you go and ask for rates and be like, "I just want to make sure that there wasn't a payroll typo."

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EL: Yeah. Hey, human error, it can happen.

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FT: Oh my God! That's brilliant. What have you struggled with personally, Erin? What conversations around money have you found challenging in your own life?

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EL: Ooh! Setting boundaries with friends is something that I've experienced both sides, the side of being in my early 20s and being very, very obsessive about trying to save while making that a lot of money. Trying not to accumulate any debt because I wasn't making much money. So I said no to things all the time and without any context, which is not the way to do it. And I will say, "Look, that's one of my biggest regrets from my early 20s," is I feel like I lost a lot of

friendships because I did not invest into those relationships because I always prioritize work and earning money.

So I do think it's really important, if you're going to turn someone down, to also come with a counter offer or just come up with your explanation. You don't have to share your direct numbers, but you might say something like, "I really want to spend time with you, but I am trying to pay off one of my student loans in the next three months. So instead of going to bottomless brunch, could we maybe just like get a bagel and go for a walk in the park?" or whatever it is. So that would be a big one.

Now on the other side, and I realized when narrating the audiobook that I was definitely going through something about weddings when I wrote this, because I have like a lot of emotions in wedding-based chapters of this book. But I really am tired of going to other people's weddings. Like I've just reached that point. We have, as a couple, sunk more than 20 grand into attending other people's weddings.

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FT: Eek!

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EL: Yeah.

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FT: What? How many weddings is that? That's cray-cray.

[00:31:56]

EL: We have gone – Oh! We've gone to more than 20 at this point. And the number would be even higher if it wasn't for like my parents subsidizing when it's like a family wedding. They'll get the hotel room and I'll just stay with my parents type thing. But yeah, I mean – And we've got 10 I think on the docket coming up because things rolled over from 2020. So, for me, that's like a very interesting pain point financial boundary now, is having to figure out a tactful way to turn down wedding invitations or go to the wedding but not go to the engagement party and the bridal shower and the bachelor party and the wedding, unless I'm in the wedding. And then also getting to a point where I can say like, “I love you, but I don't want to be a bridesmaid.”

[00:32:45]

FT: It's like a vicious cycle though. As someone who has gone to many weddings and paid a lot for gifts and events and parties and then you get married and you're like, “It's payback time now.”

[00:32:56]

EL: Hey, you know what? I paid for my bridesmaids' dresses and I did not have an engagement party and I did not have a bridal shower because I'm, “This is –”

[00:33:04]

FT: I'm not thinking about me personally. I'm just saying this is sometimes the mentality, right? This is sometimes like the resentment. I don't know. I don't know what it is. It's like a rite a passage. You feel like this is what you have to do. And so I'm not saying it's right. But how do we break that cycle? You're the only friend that's speaking. There needs to be like critical mass here for this to change.

[00:33:26]

EL: There does, and I do think it's going to be a long time before it changes. Because frankly it is one of the most awkward conversations to have with a friend, and I have had a falling out with somebody because of their wedding that I was actually in. Because I tried to set financial boundaries such as I was I think 26 at the time. I had multiple other weddings to attend that year and was in another one. And she was asking for travel for a bridal shower, a bachelorette party and the wedding all separate weekends, and I'd picked like a \$250 dress that I was going to have to get altered. And I just said like, "Hey, not asking you to change your mind on the dress, but quite frankly I can't afford like that and the wedding and both the bachelorette party in the bridal shower. So which would you rather me attend? The bridal shower or the bachelorette party?" Oh, she got mad.

[00:34:19]

FT: What did she say? Tell me everything.

[00:34:21]

EL: Oh! So first it was this whole thing where like you've never been married so you don't understand. And I was very pithy back and I was like, "But I've been a bridesmaid before." So, listen, I didn't handle it well either. It was fault on both sides.

[00:34:35]

FT: Did you like this friend?

[00:34:36]

EL: I mean, yeah, I did. But was she invited to any of my stuff? No. I mean, truly, we had a falling-out over that whole thing. And because also sometimes you have friends, male and female, this is not just a woman specific issue, who turn into like bride and groomzilla's out of nowhere. Like you never saw that coming and you're like, "What? How did this happen?" So

people surprise you. But I do think that whether it is weddings or baby showers or just other family obligations that you might have or like cultural expectations that you have, like we all have our versions of this experience, and I do think that no matter how old you get, how much success you find, it can still be really hard to say no to whether it's like family or just social pressure to perform in a certain way. And it can be really hard to financially advocate for yourself and set that kind of a boundary because, honestly, usually it just feels easier to go along as opposed to saying, "No. This is my financial line and this is what I'm going to do."

[00:35:48]

FT: Yeah, rocking the boat is always taking a risk. Do you think you can be friends with someone really who has just a very different financial life than you do or just – And I'm not talking from a values perspective, but let's say you make a million dollars and your friend makes fifty thousand dollars a year. Can you guys hang out every weekend?

[00:36:09]

EL: It's hard And I think I put a trigger warning at the top of this chapter of the book, and I laughed when I did it. But, truly, my hackles went up when I was doing the research and the interviews for it and I'm like, "That's such BS. Like you would not treat your friend that way." But fundamentally, what it comes down to, as Dr. Brad Klontz talks about, is this idea of a financial comfort zone, that like we all have these financial comfort zones. Now some of it is what you were born into and that's what you're comfortable with, which is why some people kind of perhaps continue to make financial chaos for themselves is because that feels normal and comfortable. But in other situations, listen, it's not dissimilar from parents usually look up at a party and you're surrounded by other parents. Child-free people tend to navigate towards child-free. Married tend to be friends with other people in long-term committed relationships. Like you kind of tend to self-isolate to people with a similar lived experience to yourself. Is it the right thing? I don't know. But it's naturally what we humans tend to do.

So I do think that what starts to happen as we have whether it's different life milestones, different decisions that get made with money, different incomes, can you continue to be friends with somebody in a different socioeconomic situation? Of course. Will it take a lot more work and open, honest communication? Yes it will. So it really comes down to how comfortable are you both advocating for yourself, talking about this openly and confronting it? Or is your friendship just going to kind of naturally turn into getting coffee every couple of months? Checking in with the occasional text? Just as a natural byproduct of avoiding an uncomfortable conversation.

[00:37:50]

FT: Well, for more uncomfortable conversations and how to navigate them, check out *Broke Millennial Talks Money*. Erin Lowry, my friend, happy New Year.

[00:38:00]

EL: Happy New Year to you and thank you so much for having me back.

[00:38:04]

FT: Always. Anytime.

[OUTRO]

[00:38:07]

FT: Thanks so much to Erin for joining us. Her book, *Broke Millennial Talks Money*, is out today. It came out this week. You can pick up a copy everywhere books are sold, but preferably at your local bookstore. By the way, if you like this episode, please share it. Please subscribe to So Money if you're not already subscribing. Forbes recently called So Money a must listen in 2021, and US News and World Report called it one of the top 10 personal finance podcasts.

Very honored and happy to have you here. Subscribe, leave a review and let me know if you want to host a Friday episodes with me, co-host. You can email me, farnoosh@somoneypodcast.com or on Instagram, direct message me there, and we'll connect. Thanks for tuning in everybody and I hope your day is so money.

[END]