

EPISODE 1279

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[INTRODUCTION]

[00:00:59]

FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. In case you missed it live a couple of weeks ago, I joined the fine folks at SaksWorks to celebrate my new Page-A-Day Calendar and advice on how to secure your financial future one day at a time. We're going to show that episode today.

Our host is Rachel Sklar, head of programming at SaksWorks. You may remember Rachel. She was a guest on So Money earlier this spring. Rachel is the co-founder of TheLi.st and now had a programming at SaksWorks, which is a brand new membership club for life and work. The spaces offer beautiful work environments, with a full suite of amenities, plus wellness and fitness studios. Rachel will share more of the behind the scenes at SaksWorks. You can learn more at saksworks.com.

We discuss my financial and life advice, as well as my early lessons about money, thoughts on what money means, how does it change us, also some audience questions. Yeah, there were some real people in the audience asking about my biggest financial habits and advice for how to teach kids about money. By the way, my Page-A-Day Calendar, 2022 calendar is available for pre-order at workman.com. Use the code SOMONEY for 20% off through the end of the year. If you'd like me to come speak at your next book club, your next virtual office gathering or any sort of digital hangout, just commit to buying at least 25 calendars, and I'll be there. 25 calendars also, by the way, gets you a huge bulk discount. So if you're interested, email me, and I'll get you those details. My email is farnoosh@somoneypodcast.com.

All right, without further ado, a live taping of So Money, very exciting, at SaksWorks with Rachel Sklar.

[INTERVIEW]

[00:02:39]

RS: Hello and welcome to SaksWorks and this incredible, I can't believe our luck, live taping of So Money with Farnoosh Torabi.

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FT: Yes, thank you for having me.

[00:02:49]

RS: I'm pinching myself. It is a delight. It is a delight and dream to be able to sit here in this beautiful space and talk to you.

[00:02:56]

FT: Well, I'm so proud of us for leaving the house, getting dressed, leaving the house. This is very special. I even got my hair done.

[00:03:02]

RS: It looks fantastic. Actually, you all look wonderful. Please enjoy our wonderful lunch and the beautiful space here at SaksWorks, those feel. We are a new membership space for work, for life, for sort of – We're in a moment of how do we want to live our lives. We've had a year and a half to really think about how we want to restart, and SaksWorks is here to support all your goals, support you in where your work with beautiful space and comfort. We have that wellness space. We have a gym and wellness studio and wonderful programming, if I do say so myself. I'm the VP of programming here and wonderful programming like Farnoosh. So this is a true

delight for me to be able to welcome Farnoosh to SaksWorks not only to talk about personal finance and all her personal finance goal, but her new 2022 calendar. Let's just jump right into it. Tell me why – What made you want to join everybody every day of their lives?

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FT: 365 days of me.

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RS: To give them finance –

[00:04:07]

FT: Sorry and you're welcome. Thank you so much for having me. This is really a treat and this view is everything. Having you all come is also so special. This is a really wonderful turnout. Well, I joked that this is the calendar no one ever knew they needed, when the fine people at Workman Publishing came out to me and said, "Hey, would you be interested in creating a calendar that is derived from your podcast?" I thought, no, I don't think this is something that I want to do or could work. So we just kept talking. The more I thought about it, I had been doing the podcast for well over five, six years at that point, and I didn't even have like a pencil with the name So Money on it. There was like nothing you could hold in your hand, a T-shirt or something. There's no swag. There was no So Money.

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RS: Except for 18 million downloads.

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FT: Yeah.

[00:05:01]

RS: And going.

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FT: It was in our hearts and in our minds and now finally something that you could hold and keep on your desktop or give us a gift and really celebrate the essence of the show and what it really stands for. Yeah, in a way, have me with you throughout the days and weeks and months. The show is three days a week, so that's plenty. But if you want more, you can put the calendar wherever you are. I tried to make sure that it wasn't anything too serious. It's a really fun addition to your desktop. It's colorful. It's got some of my favorite quotes and inspiration from the podcast. But, yeah, there are some days that are going to walk you through the IRA and the 529. But a lot of it is really a mindset thing and how to think about money in a way where you can do it and you can be all your wildest financial dreams.

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RS: I really – Before I knew Farnoosh at all, I just knew her because I listened to her podcast. I would often like when like you're doing laundry or something mundane, and you're just hearing these stories. I'm not really a financial wisdom person. I'm going to be asking the questions. I'm not going to be giving anybody any tips, except for maybe how not to do things. But I was so delighted when I actually met her, and then it was a life goal to be on her podcast. I finally was on her podcast earlier this year, and it was –

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FT: And you had great advice. You really did.

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RS: By the dip, right?

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FT: She's an early crypto enthusiast and participant, among other fantastic financial strategies that you share on the show. This is my thing. I feel like I wanted to do this show because I wanted to present the strategies and experiences of everyday people around money. We are all financial experts by virtue of walking the earth and spending and consuming and thinking about money. I mean, we all have experiences to share. Maybe we're not all PhDs in finance, and we're not all accountants. Look at me. I didn't start out – I have a degree in finance from Penn State, which means I took like four classes on money. But what really made me an expert was talking to other people about money and mostly everyday people, right? What brings financial stories to life is showcasing the experiences, the good and the bad of everyday people. That's how it is relatable and sticks. So I was happy to have you on the show and you're the perfect guest. It's really these are the guests that I love to have or sort of the unexpected experts when it comes to money. Not the usual suspects.

[00:07:36]

RS: I am not a usual suspect. I actually feel, though, that there's – I am very lucky to be sitting here now but I founded a company with a friend. For 10 years we bootstrapped it. It was not always anybody's idea of a financial windfall, but we loved it. I was a freelance writer before that and I did all of that after deciding I didn't want to be a lawyer anymore, so I experienced – This is very different levels of financial wellness, and I do think that there's a degree of expertise that comes from not having very much money at all. You experience a whole different side of the financial system. Good times, anyhow, especially after this past year.

But I would love to get to some of the tips in the calendar, which by the way, in addition to helping you with your personal finance, also will let you know whether or not it's Wednesday, which I think is useful.

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FT: Let's not overlook that fact because –

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RS: We are coming out of a time when I –

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FT: What is time?

[00:08:35]

RS: I don't know about you but like I genuinely would be like, "What day is it? I have no idea."
Today's Friday. Okay, great.

[00:08:40]

FT: It's November already.

[00:08:41]

RS: Right, exactly. So I bookmarked some of these. Let's just see. Okay, I loved this one.
Wednesday, June 15th, 2022. Do the hustle. Doo, doo, doo, doo, doo, doo, doo, doo, doo, doo.
Okay, I can't not do that. I'm not built that way. When you're young, a side hustle can fill your
budget gaps. Depending on your skill set, you can find a market. Tutor.com is a great place to
find teaching gigs. Upwork can be useful for graphic designers and other techies. TaskRabbit
can be a good resource for those with car and spare weekends.

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FT: I don't know. The word hustle sometimes irks me, this culture of hustle. But quite literally, in
that paragraph, it's really all about optimizing your time for your financial goals. If one of your
financial goals is to make more money, there are resources now more than ever to be able to do
that on our own time and in our own way. So whether that's you speak Spanish or you love
algebra, you can go on tutor.com and start teaching virtually. Then I know you have a friend who
is enjoying TaskRabbit and making some extra income that way. So it's one of those things that

is a good reminder to know that you have options, if that is something that is important to you to sort of make money.

When I was in my 20s, I had a lot of side hustles because making \$18 an hour before taxes in my 20s in New York wasn't quite cutting it, and I would babysit. This was before the Internet really became what it is today. We didn't have these websites to tap into to make money, so I would pet-sit. I don't like animals particularly, but this was like you got to do what you got to do. I bird-sat.

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RS: What is bird-sitting?

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FT: A professor at my school asked if I would bird-sit over the Fourth of July weekend.

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RS: What kind of bird was this?

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FT: It was a talking bird, one of those.

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RS: Did you teach anything?

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FT: No. But it would dance. Like I would put on like Z100, and it would bob and sing. It was peculiar. The story really – So we're digressing here but she offered me – We never agreed on a price, but I was like – I mean, it's a whole weekend, long weekend.

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RS: Farnoosh.

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FT: She invited me over to her apartment when she got back to do a post mortem on the situation, like how it was. I think I may have to like water her plants too. So she sat me down and told me all about her vacation. She was my professor, so there's a bit of a power dynamic here. I didn't want to like immediately start with, "Okay. So you owe me \$75." I don't know if she just forgot, but she's like, "All right. Well, hope you have a good day," walking me to the door and hadn't paid me yet. I was like, "Okay, this is my moment." You always had to like – Don't ask for the money three days later. Or it's like when you start a job and you're like, "Can I get a raise," after we've already like signed the papers. No, you got to ask for the money. There's a window.

So I'm about to leave and I turn to her and I say, "So you had mentioned that you would pay about \$60 for the weekend. Is that still good?" She's like, "Oh, yeah, yeah. I'll write you a check." She just didn't remember.

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RS: I hope the check was good.

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FT: I had to squeeze it out of her and I felt – It was not cool because she put me in that spot. But I've had it since I was little. I have to tell you, I will get the money. I will get the money. You promised me the money. I did the work. Give me the money. So that was a –

[00:11:57]

RS: Yeah, that's a real nice bird you got there. **[inaudible 00:11:59]**.

[00:12:01]

FT: Do you know what I went through with this bird? Anyway, story didn't think you were going to get today but –

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RS: This is what we get with Farnoosh.

[00:12:06]

FT: It's no coincidence I became who I am, right? An aggressive money person.

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RS: I mean, I feel like that's a very nice segue into May 26th, 2022. Be financially curious.

[00:12:17]

FT: Yes. This is actually something that Annabelle Gurwitch taught me on my show recently. She is a famous comedian, actress, and author. Her latest book talks about her coming to terms with turning 50, I believe. She was always financially solvent and independent throughout her career, which is amazing to think about as a woman in Hollywood, who's not really like a red carpet actress. But like she hustled, right? She worked. She had like long standing gigs, was the breadwinner in her marriage.

But then later in life, as happens, gets divorced, gets cancer. All these sorts of things happen and then the pandemic and she – The book chronicles all this, almost like through this lens of

humor, which I could not get over. During the episode, I just said how do you have this unrelenting optimism and positivity around really hard, tough things that you've gone through? She's like, "Well, this is what makes me survive. This is what allows me to like get up every morning. It's just sort of find the funny in all of this." But also, she said, "It helps to stay curious, right? Even at this stage in my life, you think you have all the answers, and then life throws you all these curveballs. You have to kind of learn again and pick up again. This curiosity keeps me humble."

It was just part of her way of, I guess, navigating all of these challenges. I just thought that was so inspirational. It's advice that can carry into your financial life but also in so many other realms of your life. That's really what I think, again, going back to the purpose of this and the show and like the underlying current, which is that, yeah, we're talking about money but we're really talking about life. We're talking about how we grew up, our biases. We're talking about our relationships and the lens through which we see the world. It all filters into money, and I think that's what keeps me going. Because if we were just talking about 401(k)s every day, I don't think I could do it. But this show and these conversations just constantly are opening up new topics.

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RS: I think also even the act of talking about money is about culture because we have all been a culture that we're not supposed to talk about money, that it is improper, that it's rude, that it's crass. All of which is engineered by people who have money to maybe have fewer questions about where that money goes and where it comes from and how they spend it and who gets hurt in that process. Just the act of talking about money is almost like a transgressive act, especially for communities that are typically not in those realms.

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FT: Right. It's not fluent. It's not a fluency, and that's the other cool part about having something tangible like this in your home, at work, is that it keeps it in the mix. It keeps money in the mix in your day, in your life. Sometimes, you just need that little something to give you that, whether it's an app or this or a book or a podcast. I think having a relationship with something that promotes good financial thoughts and behavior is why not.

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RS: A visible reminder that this is okay to talk about.

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FT: And it's important.

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RS: Okay to think about, important to think about, and should always be a factor. Because, I mean, with the messages we get about like, "Oh, you should just be so glad." Particularly, so I worked – Prior to being at SaksWorks, I mentioned I had a company. It is called TheLi.st. It's a women's network. When myself and my co-founder, Glynis McNichl, when we started it 10, oh, my god, 11 years ago, we really like – There was so much pressure to make it a nonprofit because it was about uplifting women. It was about helping women. We were very point in saying it has to be a for-profit venture because women are always gently encouraged to just give away their advice, their labor, their help, their support, all of that. It's constantly an issue. So saying what I am doing provides value has value and should earn value.

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FT: It's such a good point. You bring up a really, really big topic that often goes undiscussed. But, yeah, it's not blatant. But it is what is communicated so often to women, that you should just be happy to have the job, to make the money. Don't ask for the raise, stay quiet, turn your business into a nonprofit. It's true though. We are generous. Generally speaking, if you look at statistics, women on all income levels contribute more as a percentage of their income to charitable events and organizations more than men. There's the pay gap and all of that, and yet still women are more charitable. So I do say sometimes when women make more, the world becomes a better place. Not because I want women to give away their money. We're going to do it anyway. Don't tell us we have to do it. Like we'll want to do it. Don't make this a

requirement. Like it's going to happen, relax. Everyone's going to benefit. But, yeah, to make it sort of this expectation is wrong.

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RS: So it's just good to examine the expectations and your natural inclinations and especially on money. What feels uncomfortable? The first – If you feel uncomfortable around money, it's useful to just have a moment and stop and think about why am I uncomfortable about this and what am I not talking about. Frankly, when you're not talking about money –

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FT: That says something.

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RS: Yeah. But in relationships and families, I don't know. I'm on a big watch of succession. I feel like that family is like a little messed up about money. Am I wrong?

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FT: Yeah, and it's part and parcel to a lot of messed-upness . It's attached to a lot of dysfunction I think in the family. But, yeah, I'm fascinated with how the wealthy think about money. My parents and I, growing up, we were not very wealthy. But as immigrants, we climb the ladder over the years. My parents were very American Dream-focused. But there was this family that was just so wealthy, and we would hang out with them sometimes. My mother would come home, and she'd say, "They don't know how to spend their money. If I was that rich, I know exactly what to do with my money."

It was just interesting because I don't think my mother was right or wrong. I just think it's an interesting thing. You criticize how other people spend and save, and you think that once you become wealthy, you're going to do all the right things and do things differently. I don't think

money changes you. I know this is based on controversial. I don't think money changes you. I think sometimes it makes you just more of who you are.

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RS: I would just like to experiment with that at some point.

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FT: Okay, yeah. I think we should all be able to experiment with that. But what do you think? I mean, I just feel like money amplifies your best and worst quality sometimes. If you're already a generous person, more money may make you more generous. You can be greedy and not be rich, right? You can be greedy with your energy and a lot of other resources. Then you make money, and that could also be the next way that you're exhibiting greed or selfishness. It's fascinating. I'm still working on the thesis, but this is kind of what I'm hearing and seeing.

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RS: Well, I mean, I think it's a lot easier to be your best self when you don't have that stress over you.

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FT: Absolutely.

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RS: Right? Like when you're not monitoring your credit going up and down with your ability to pay your interest on that credit card or just going from paycheck to paycheck, or something unexpected hits you, and you're like, "Ah, I was not expecting that." I mean, I speak from experience, if I may. To have like still paying off credit card debt from family court litigation. That can get very expensive. I am a single mom. I have a daughter. She has a father in another country. We had to work things out. That can be expensive, working things. So it's a lot easier to

be your best self when you don't have these issues nipping at you. So, yes, I wish not only for myself to have the opportunity to **[inaudible 00:20:10]** but really for anybody. AOC is Alexandria Ocasio-Cortez. One of the reasons I'm such a big fan of hers is because she speaks truth to financial power.

[00:20:21]

FT: Yeah. I want to be careful, though, in that we tend to have in our culture this quick demonization of wealthy people. I definitely agree that if you're wealthier, you should pay more taxes. But a lot of us grow up with this mindset that being rich is bad, or the people who are rich are not nice. You think about like what you see on TV, right? It's always like the mean oilman imposing his power on the little people. We were watching Muppets the other night with my kids, right? That's like exactly the characterization of the wealthy mean man.

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RS: We did Newsies. It was a musical theater class. I was kind of like, "Great, you're going to learn about unions."

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FT: Right. But, yeah, and so all these experiences, I think, filter into this mindset that we grew up with that there is a toxicity with wealth. Therefore, I should achieve that or that's not who I am. I think that's a really unfortunate kind of mentality because we've talked about it up until now that like when you have money, you can do a lot of good with it. You can make your life better and your community better. You can make change and make impact. I want those stories more to be the ones that we share because they're true. I think there's the other side is true as well. But I think we will need to grow up with a more holistic idea of what money can mean as a resource, as a tool.

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RS: I mean, I feel like this is a decent segue into Barbara Corcoran.

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FT: Yeah. She was just the first in the calendar. I should send her one of these books.

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RS: Barbara, come to SaksWorks. We'd love to have you.

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FT: She probably would.

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RS: Okay, then I guess –

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FT: We'll work on that.

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RS: I'll have –

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FT: She's very generous with her time and her advice. She, throughout my career, has been – She's shown up in different ways. She probably doesn't even know how helpful she has been to me but she has come on the show. For those of you who are not familiar with her past, Barbara Corcoran, obviously, founded Corcoran Real Estate, sold it for \$66 million. It's now like on Shark Tank, and I think it was in her 50s or – She didn't get the job on Shark Tank and then really

advocated for herself, wrote to executive producer, and was like, “You have to hire me. This is why.” It was like this like last ditch effort email, and she got the job.

But I think the quote there is really about embracing the unknown. Here's the quote. So Barbara Corcoran has built a multibillion dollar business. She's on Shark Tank, and she's written many books, and she has a podcast. What drives her to accomplish it all, she says, “I don't want to die and think, ‘Oh, I wish I shoulda, coulda.’ I'm too greedy. I just want to experience it all and see where it all goes. It doesn't have to succeed. I just have to get there and see what it's all about.” I thought that was a really great quote to open the whole calendar with. She says greedy, but I would argue she's just really extremely curious and driven and wants to take life by the you know what. She has had a horse horns.

Of course, she's had privileges along the way, but no one told her to start a business. No one told her to turn it into a multimillion dollar business. She said she didn't even like real estate. Did you hear about this? She's like, “I don't even really like – I just wanted to make something interesting and grow it and have a team and just remarkable.” I think you told me this. Oh, my gosh. Terri Trespicio, everybody. To my love, she's got a great book coming out called *Unfollow Your Passion*, and that was it. We talked about that on my podcast that you don't need to be passionate about something in order for it to be fruitful. You just have to sort of do what you are good at sometimes.

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RS: Really that's covering the spectrum of financial advice right? Because it's the lofty stuff, which is be curious, try things, try new businesses, figure out what you're going to –

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FT: Make mistakes.

[00:24:11]

RS: Make mistakes. But at the same time, I couldn't help but notice on your birthday, right? So I looked and I asked Farnoosh [inaudible 00:24:18] on her birthday. It's like a very Farnoosh piece of advice. It's diversify your accounts. When you're saving for retirement, make – That seems a lot.

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FT: It's important advice. It's an eclectic bunch of pages there.

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RS: But it's useful. This is the thing, right? You'd like traditional IRAs, 401(k)s. These are things where it's important to have. The very next page, defer gratification. So on one hand, it's like embrace the unknown. On the other hand, it's defer gratification. This is the thing. You are the personal finance expert. You have heard all these stories, like when are we supposed to defer gratification and when are we supposed to invest in ourselves, live our best life. Like how do we do it, in summary.

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FT: Yeah. You can do both at the same time. You can have different goals that are today, five months from now, six years from now. I think it's always good to have something that you're looking forward to. Of course, we can't plan, and life happens. But it does help to feel like you're moving towards a flag, that you're moving towards a sunset and when you start to plan for that, like college savings. My kids are seven and five, and I have college accounts saved for them. I don't know if they're going to go to college. I hope maybe they'll consider it.

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RS: Maybe college won't even exist.

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FT: Maybe not. Maybe it won't even be a choice. But I'm going to just do the work, and I'm going to open up the accounts, and we'll take it day by day. But I do check the accounts from time to time, and it's really fun to see the money growing over the years. It's just an automatic contribution. You kind of forget about it. But then one day, you open up the account, you're like, "Wow, that's like half of college is already saved for if he was to go tomorrow," which probably means I have another 10x that. That's like 15 years from now, but that is a way that I am like – It'll be very gratifying when he goes and furthers his education someday somewhere and to know that little by little we were able to make that happen for him and have him graduate debt-free, which is something that my parents helped me do, and it is a legacy that I'd like to continue.

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RS: That's amazing and I think also speaks to a financial virtue that we haven't discussed yet, which is patience, which is I'm working on it.

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FT: It is a virtue.

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RS: Yeah. The only reason on the previous podcast when I talked to Farnoosh, I said the only reason that I had bitcoin was that I bought it on a friend's advice. I bought one in 2014 and I just forgot about it. That's the best way to invest in crypto because then I remembered and then I started getting into it in January. Now, I like look every day.

[00:26:52]

FT: Is anyone else here into crypto or has invested? Yes, good. Great. I mean, I have to admit. It fascinates me. I've done a series of it on my show.

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RS: I listened.

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FT: This is my thing. I think it's an alternative investment. I think that's fair to say. It's not like falling the S&P 500. Increasingly, it's becoming – We're learning more about it. I don't think it's going away. I don't think all of the different currencies are going to be here forever. I think bitcoin's going to endure, but the blockchain is really fascinating. I think the technology that it provides is very versatile and can be really meaningful for different businesses. It's one of those things where you have to be really passionate about it. If you love reading articles about cryptocurrency and you find you're like, "30 minutes has gone by. Four hours has gone by. I've gone down this rabbit hole," like, okay, maybe like put some money in there, but only after you've done the good work of saving, paying off your debt, putting money in your 401(k). If there's an extra, and this is like something you want to roll the dice on, go for it.

I prefer to invest in things like art. I don't really know what's going to appreciate. But in the meantime, I can enjoy it because it's in my house. It may not be something that I want to sell but I can give to the next generation or gift to somebody. That brings me a lot of pleasure. It's not something that I am holding my breath against that this is going to help me retire. But I think it's got a lot of use cases. I have moved away from the mentality that it's just a fad. That was definitely how I felt maybe a year ago like, "Oh, good luck with that." But I think if you're really interested into it and serious and will do the research, good for you. Invest in that, and I hope the best for you. Maybe I will invest in it one day.

I did buy an index fund that follows companies that are investing in blockchain technology, companies that we already know are tried and true. PayPal's and those kinds of companies. It's relatively expensive because it has to be actively managed at this point. But I've just put a little money in it, and immediately it lost value. Great. But it's how I have found a way to feel good about it. It's like I want to follow an index and I like blockchain. I don't know about these cryptocurrencies, but the blockchain seems really valid to me. So I was able to find that kind of investment that aligned all of those things, and we'll see. Maybe it'll buy me a car one day. I have no idea.

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RS: Well, I just love hearing you talk about it. It helps.

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FT: It's a good story, nevertheless.

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RS: No. I mean, cryptos can be a good story. It can also be maybe not a good story, depending on when you bought, sold.

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FT: Depending on the day. I mean, that's like any new investment class though. It just doesn't have a lot of track record. It's still – I don't want to say it's in its infancy, but it's relative to like other traditional asset classes. It's super new.

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RS: But it feels so interesting to hear you talk about Pay Pal as being tried and true. Because I remember when PayPal came out, and people are like, "Wow, that's crazy. I'd never do that." Now, it's tried and true. Then most tried and true. So time passes and the narratives get –

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FT: The reason those companies are tried and true partly is because of adoption, right? We got to a point where we gave in. We're like, "Okay, you want me to transact with my phone, online. How does this work?" Slowly but surely, that became the norm. Eventually, that will happen with crypto where I think part of the hang up right now is that for most of the world, you have to really stop and learn. It is not easy to like really understand it. It's very abstract.

[00:30:26]

RS: I don't understand it. I just buy it.

[00:30:30]

FT: I mean, there's that strategy too. Listen to the podcast. I've had some really good guests on it. They've talked about it.

[00:30:35]

RS: It was great. I listened to it while I was cleaning out my closet. Yup. See, I love Farnoosh in my home.

[00:30:42]

FT: Multipurpose.

[00:30:42]

RS: That's right.

[00:30:43]

FT: There's a – I have a book coming out in 2023 about my life and how I became the weird lady that I am. There's a chapter called Love Me Some Windex. I know that it's not allowed to say as a woman that you like to clean because then that's like the patriarchy. But I really like to clean, like I love cleaning. It gives me such a sense of accomplishment and calm and a lot of like sorting out that goes on in my head when I'm folding and cleaning. I don't know. I mean, I've been doing it since I was four years old. My mother taught me how to load a dishwasher, which is in and of itself a crazy story, and like the motivation behind that was not as pure. But for me, it has helped me during really difficult times in my life when I take my mind off of something, and

do something what I find to be like purposeful and useful. It is what it is. I love that you can listen to this podcast while cleaning.

[00:31:33]

RS: I don't want to give the impression that I am a person who cleans to that degree. But nonetheless, I enjoy your podcast whenever I can listen to it. We have time for a few questions if anybody has any. Or you want to just like pick a date. We can do that. Question or random date.

[00:31:50]

FT: So Money roulette. Ginny, hi. We used to work together. So Ginny wants to know what's my favorite money habit for the longest time. I used to give this advice in my early beginning days of like giving financial advice was seeing the numbers. I am very connected to numbers. Can anyone here raise your hand? I mean, don't tell me but like knows the balance of their various accounts today, like an hour ago? So I'm super hyper connected like that. Maybe some people would say that's not a good thing because you don't want to have that fuel, like a knee jerk reaction. I mean, I don't check my investments maybe every day. But actually, I do because I use an app. It shows me everything that I have, just to see that everything is where it should be, firstly. No one has hacked my account. It gives me that knowledge and connectedness to my money that's very literal. It's not an imaginary.

Because what I used to do in my teens and 20s in college was I had a false sense of my financial security. I had a credit card and I had this DCU checking account. Back then, this is like the late 90s, we didn't have mobile phones and apps and even websites to tell us how much money was in our bank account. We had to use the ATM receipt. I would use an ATM mercy, and it would give me a false sense of resource because it's not accurate, right? It doesn't show that a check hasn't cleared yet from last week or that the purchase you just made two hours ago, it hasn't cleared. So I literally bounced 10 times in one week because I hadn't checked my account. I go to open it, and there's all this overdraft after overdraft. I panicked because I just didn't have any sense of what money.

I mean, I thought I had a sense because I had just gotten paid and I thought I was rich. But, no, because things hadn't cleared. This is probably why I'm on the other side of it where I may be overly protective of knowing. But I'm an example of ignorance is not bliss. I did call the credit union that day and I said – I told them what happened, and they cleared all of them, except one of the – There were \$300 in bounced check and overdraft. It was overdraft.

[00:34:04]

RS: I mean, that's where banks make a lot of their money and they **[inaudible 00:34:07]** during the pandemic. I can say with a fair degree of certainty that the online accounting is also not like up to the second.

[00:34:17]

FT: True, true, true. Right, it's not. But there's nothing like opening up your bank account, and there's a negative balance in there.

[00:34:22]

RS: Nothing like it.

[00:34:23]

FT: To like really just put things in perspective. I was like, "I need to make some changes. This is not working." I was working a lot and I was making a lot of money for a college student. But I was spending it on the other end and I think I just had an inflated sense of what I could do.

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RS: This could be a whole other podcast about –

[00:34:42]

FT: I mean, all the mistakes I made.

[00:34:45]

RS: Strategies and mistakes, and perhaps we'll revisit it. One more question.

[00:34:50]

FT: So the question, if I've got it right, is how do you begin educating your kids about money. My son is seven, and I got an allowance when I was about five or six years old. I asked for one, much to my parents' chagrin. They're like, "How did you learn about this thing?" I was like, "My uncle told me." So we don't talk about Uncle anymore. So obviously, I've been very money-oriented since a kid. I thought, just by virtue of being from me, that my son would have the same proclivity. Not really. He's just not into it. But then, about a few months ago, he said to me that he'd like to start making money because he started to want more things. I'm like, "Well, let's come up with a chore board."

So the lesson there is they'll tell you when they're ready. We downloaded the app, GoHenry, which also sponsors my podcast. It's actually pretty awesome. The kids can get their own debit card, which I think none of his other friends have. When parents hear that my son has a debit card, they're like, "Really?" But he actually used it at Target the other day, and he understands it. Like he understands he earned the money from his chores. It's on his debit card. He can check the balance on my phone. I show it to him. He's also at the age where he's learning how to really add big numbers and subtract big numbers, and he's getting it slowly but surely, and he knows that this is just – He doesn't have to spend it. I said, with the app, you can also donate. You can invest. You can gift. He's learning that money has many use cases. But it's not something that we've really like touch on every day. But he knows.

Even the younger kids, before you even start talking about allowance and all of that, it's – When I go grocery shopping with my little one, when she was even littler, like three, she would grab stuff. I'd say we don't need that. We have enough at home. It's just these little like moments where you're telling them you're coming here for a purpose. You have a list. You're going to buy what you need. Before, when there was cash, mostly cash transactions, I think it was a little

simpler because they could see the money going away like, “I don't have any more money left for that other thing that we want.”

But my parents always just talked about money in a very non-threatening way, even though we didn't have much of it growing up. But when my mother would go to pay off a credit card at the department store, she wouldn't think to tell me about it. But I would ask because I was that kid, and she would tell me. She wouldn't say, “This isn't – Don't worry about it.” She'd say, “Well, this card, I used it to buy school clothes a month ago, and now I'm here to pay for it, and that's what this card does. It's a reminder to me that I have to come back and pay my bill.” Okay. Then like at TJ Maxx when she put things on layaway, like what's that.

So it was just easy, breezy conversations. Anyone can do that. Of course, if money is a stress at home, I will say that kids will pick up on that. Explain to them not so much what's stressing you out but how you're working to make it better. So if you lost your job, that weighs on kids. They're worried about what's this going to mean for us. But they want to know that there's work being done to get you on the other side. What can I do? Kids want to help. I remember during the recession I wrote for 17 Magazine, this is the last recession like 2008, and these young girls would write in and they'd say, “My mom lost her job,” or, “My parents are going through a breakup and money's tight. And I want to help but they're not telling me anything.” I thought, “Oh, my gosh. There's a generation of young girls that want to help, and no one's talking to them about the important stuff.”

So I would say to parents, engage your kids. They want to help. Don't underestimate what they actually can grasp and appreciate, and they will rise to the occasion, especially the ones that are coming to you proactively.

[00:38:32]

RS: That is amazing. I was mentally falling away a lot of tips for my own daughter. One thing I'll maybe add to that is just be aware of the media they're consuming. My daughter learned about credit from Raya and the Last Dragon. There's a little thing in there about like being able to buy whatever you want and pay it back later on. My daughter understood the concept of credit, which has been helpful. Also hilarious when she's like, “Can we just put it on credit?” There's

other things like these YouTube videos, where they're all sponsored by toy companies. They're less concerned with budgeting, let's just say. So it's also useful just to be aware of the messages that your kids are getting and to respond to them and engage them.

[00:39:12]

FT: Absolutely.

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RS: This has been a wonderful conversation. May I say possibly at least a year's worth of –

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FT: In 30 minutes, yeah.

[00:39:22]

RS: But I'm still pleased by the calendar, and everybody should. Also, holiday season, great gift. It is wonderful. I don't think you can go wrong with it really because, again, it also tells you when Wednesday is. Thank you so much for coming here.

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FT: Thank you so much, Rachel.

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RS: Great to have you –

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FT: Thank you for coming.

[00:39:36]

RS: And thank you.

[END]