

EPISODE 1390

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FT: So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1390, living with intention and getting comfortable with saying no to the norm, with Chelsea Fagan, Founder and CEO of The Financial Diet.

“CF: It's really common for human beings to feel defensive around people making other life choices than themselves. Like that's half of Internet comments I feel like It's like, 'I'm not included in this, or this isn't what I would do,' and feeling really upset. And I do think that when you are able to respond to them in a way that is not hostile, not defensive, but really sort of, you know, acknowledging what's going on and standing firm, there's not a whole lot you can do to that.”

[INTRO]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. Happy August, kicking off the month with a fantastic deep dive interview with Chelsea Fagan. She's the Founder and CEO of The Financial Diet. I'm sure you've heard of it. She joins to share the behind the scenes of her wildly popular multimedia platform, which helps women talk about money. She shares her thoughts on living with intention, saying no to conventional life choices like having kids and working a corporate job and why not all financial advice is good advice. From crypto to MLMs, buy now pay later payment plans, Chelsea has been very vocal about the red flags and other money moves that should give you and everyone some pause. Here's Chelsea Fagan.

[INTERVIEW]

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FT: Chelsea Fagan, welcome to So Money. Alas.

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CF: Hello.

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FT: Hello to you. It's Friday. We're recording on a Friday, and you mentioned before we were recording that you don't work on Fridays, which is very thematic with what I want to talk about today, which is how Chelsea lives a very intentional life. You've designed a very big life. I want everyone to learn from you. I want to learn from you. Then we'll get into some of the economic stuff.

First, welcome to the show. I'm sure most people listening know who you are. At least they know The Financial Diet. But please take a moment and explain a little bit of your role at The Financial Diet and how far you have really brought this brand.

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CF: Well, thank you so much for having me. It's awesome to be here. I love all that you do. Yeah. So TFD, I'm the Co-founder and CEO. It started as a personal blog in summer 2014. Now, it is a pretty diversified media business. We have 11 employees and partners, and we also have quite a lot that we do in terms of production. We do video. We do events in classes, which is actually the largest part of our business, books, newsletter, all that kind of stuff. So I've been grateful enough to kind of have it become a media company that I would have wanted to work for because most media companies are not great to work for.

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FT: You know what I love about The Financial Diet is I often say it comes up a lot when we're talking at work about it or with colleagues. It's like you all have really figured out how to capture the zeitgeist. Your headlines, the topics you choose, I feel like you're really speaking to me in a language that it's like how I talk to a girlfriend. I don't know if there's a science behind that or if

you're all – What is the work behind that because it's so powerful? Is it just come naturally to your team? Or is this something that you really tried to hit?

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CF: Thank you. Well, I think one of the most important things is that most of the team comes from more traditional editorial media background. So the background is not in personal finance. It's much more in, ultimately, the attention economy. So most of the people that work on our editorial are people who are having to prime new stories for readability and doing viral editorial articles and listicles and social media content and things like that. I think for most of us, it's the primary skill set that we've brought to the company, again, on the editorial team. We have people who don't work on this part.

But for those who do, whereas I think a lot of personal finance media and especially more macro financial economic media, the expertise tends to be more based in either finances or journalism, which journalism is very important. It, obviously, has an extremely important role. But if most journalists are focused on doing really good reporting and not necessarily how they're packaging content.

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FT: I just really appreciate it. I think you really hit it on the nail every time. You started this company in 2014, which was we were already in the digital world. There were social media platforms. YouTube was very much like you could be a seasoned YouTuber by then. But since then, even more outlets and TikTok and all of the things, how has that helped the business? Or how has it made it more challenging? Where are most of your eyeballs coming from right now?

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CF: Again, it's pretty diversified. I mean, for example, I would say between like a social media and a YouTube, we definitely are pretty evenly split in terms of the sizes of our audience. Obviously, on YouTube, they're interacting at a sort of higher level of engagement because it's easy to just like click on a social media post. It's harder to watch a 25-minute video.

But a lot has changed in our strategy. We stopped publishing text content on the website. We only do newsletter now because the kind of audience we have is a very sort of like newsletter-primed audience. Even though the audience is smaller on a newsletter than a website, it's just a much more valuable audience because of the way they're interacting with the content.

It's tough. I'll be honest. Like there's a lot of feeling like you're having to kind of keep up with – I'm 33, which is not by any means old. But for some of these platforms, it's older. So like we just brought on a 20-something to like help us with our TikTok and things like that because I'm just not going to be the person primed to do it. I think, for me, the hardest part has been kind of making a decision between things that are really worth investing in, saying no to things because they're not right for our audience. Like we never had a Snapchat, for example, and I don't regret us not having one.

I do think it's important to sort of understand who your audience is and do what you do really well as a business. But I also think there can be a trap in which you are not being adaptive enough. Kind of writing that balance is difficult, especially when the goal is for me to not be me personally, to not be the face of most of what we do. So it's also finding the right person to do these things.

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FT: Saying no to things I think. By the way, I think you'd kill. I think you'd crush TikTok. I am 42, and I'm going to start doing TikTok. So if you think you're too old, where the hell does that leave me?

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CF: I don't think I'm too old. I just feel like – It's also part of it is that like I just feel like I need to be on social media less. I feel like if I get really into it, it's just going to take up even more of my time, and I'll become literate.

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FT: That is the truth. So sticking with this theme of intentionality, because I really see you, Chelsea, as this person. I know you a little bit. So correct me if I'm wrong, but I feel like you've been very intentional about what you have said yes and no to in your life. I know no one's life is a straight path. But what's interesting is that you have said no to things like motherhood, and you've written about it. I want to touch on that a little bit, as not just the focus of this podcast, but as an example of how you have designed your life, even as it may not be the conventional way of living your life as a woman, right? How you have navigated that.

I think that's a lot of our audience. I think there are some people in our audience who are like, "I don't want to like buy a home, become a mom, work at a company until I'm 65," which has been maybe how previous generations have done it. But maybe first just tell us like when you were in your 20s, how did you envision your life? Were you very intentional about it then or kind of just like you kind of took it in stride?

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CF: I think toward my latter 20s, I became a lot more intentional about it. I mean, I've been with my husband. So on the motherhood thing, I've been with my husband since I'm 22. We were never – We were always pretty like agnostic, leaning toward no on children. So that's one of those things that I sort of had that feeling of like, well, if there's ever like a real sort of powerful calling, I guess, maybe that's something I'm open to. But every year and with every person around me having children, there was such a strong feeling of like, "I'm so happy for you. I love this for you. Absolutely not for me." I cannot wait to be an auntie and be in their life that way.

So that was one of the things that just kind of through time and experience, I think really clarified itself for me. It's, honestly, interestingly enough, like I have never felt a strong – Like I've never felt personally sad or kind of disappointed that I'm not living that traditional life or wanting those things. Like I don't feel like I wish I did. What I do sometimes feel, though, is, I mean, because there are people in my life who – Relatives, in-laws, stuff like that, for whom it's way harder for them than it is for me, and it like comes up a lot, and that can be unpleasant.

I think, if anything, becoming intentional about things like that big and small, I've less needed to sort of know what I want and more had to get okay and even sometimes not combative, but definitely standing my ground with other people who will maybe not be so understanding. I think that although it has been an issue in my life on the spectrum of what women deal with with this kind of stuff or what people deal with in this kind of stuff, I mean, I'm sure there are people, for example, who come from, let's say, extremely religious backgrounds or backgrounds that are just culturally not accepting of different life choices. Like the pressures that they're dealing with are tenfold. But I think often that's the harder part of living intentionally.

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FT: Yeah. This fear of rejection it sounds like what I'm hearing, a fear of loneliness. Sometimes when you don't feel like you're a part of a bigger tradition that you grew up with or that society expects of you. Those moments where you had to field those inquisitions or weird comments, how'd you do it?

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CF: I mean, I used to be really defensive. Not defensive. Defensive is the wrong word because it sounds like I'm being like hostile in some way. But I used to feel that I needed to defend myself, I guess, is the right way to put it. I used to always kind of be on the back heel when it came to justifying. It wasn't just the motherhood stuff. It was working online for a long time before like TFD seemed legitimate enough or choosing to stay living in New York City, as opposed to getting a house and things like that. I used to definitely feel like I really had to defend myself.

Then especially in the past year or two, I've had actual moments where the conversation is like I'm happy to kind of talk to you about how you're feeling about this, but I feel great about it, and I don't want it to be a situation where I'm having to explain or defend my life choices. If you're having some feelings about them, I'm always here to listen to them, but I'm not going to justify my own life to you.

I mean, I once said that when you have people – Because I do think it's really common for human beings to feel defensive around people making other life choices than themselves. Like that's half of Internet comments I feel like is like I'm not included in this, or this isn't what I would do and feeling really upset. I do feel like there are a lot of people who will be judgmental or will be passive aggressive about people making other life choices.

I do think that when you are able to respond to them in a way that is not hostile, not defensive, but really sort of acknowledging what's going on and standing firm, there's not a whole lot you can do to that. Like there's not a lot someone's going to be able to really say to that. So I do find that it's pretty effective in ending the commentary.

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FT: It's almost as though the person asking the question, they have an undiscovered fear or an unexplored fear, which is that they maybe they're feeling insecure in the sense that, how can it be possible for someone to not do the thing that I was told that I have to do. Maybe they're totally fine with their choice, but maybe there's a part of them that's like, “Wait a minute. Chelsea has a great life, and she's happy and how – What? It could have been different for me?” So they're what prompts them to ask you, and it could be about –

I like to extrapolate like I find that this happens when I'm talking, for example, to stay-at-home parents who can get very defensive and start to probe your choices as a working parent. But, really, the issue is about them. It's not about you, and they're placing their unresolved issues on you because you're living an example of something that could have been for them, but maybe they didn't feel – I don't know what the word is. They didn't feel whether it was brave or safe enough sometimes to do the thing that isn't what is expected of them.

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CF: I think that's – I've heard a lot that that can be a very similar dynamic between stay-at-home and working parents. I think some of it is probably people who maybe would have wanted to be able to do both. But I think a lot of it is also people who – For a lot of people, and especially women, I think who are often taught to be very binary in life choices and are given a lot of not

great options in a lot of cases, I think there's a feeling that a lot of people have that their choice – It can't just be the right choice for them. It also has to be the right choice. It has to be the correct one, the proper one.

I think especially when it comes to life choices as big as career, parenting, where you're living all that kind of stuff, if someone else can be equally fulfilled in a choice that's completely different, it really does demonstrate that, well, no, it isn't the unequivocal right way to do things the way you've done them, and I think that can be very hard for people.

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FT: Yeah. I wrote it down when you said binary and this idea of like, yes, if you do go and look through the lens through which you look at the world is binary, it can be tough. You're going to have a tough life. I'm sorry.

To bring this back to money and sticking with this theme of saying no to things, I love all your commentary on crypto and first of all –

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CF: Thanks. You too.

[00:15:44]

FT: Yeah. I mean, it's got to be said, and I love that you're the one who's saying it. What do you think right now with everything that's been going on with crypto? On the one hand, I feel heartbroken for some of these people who – I mean, just yesterday, I heard – My husband said a friend of a friend, he put his entire savings in Celsius. On the one hand, I'm like – I don't know. So I have mixed feelings. It's like don't want to – I wish that this didn't happen to people. But at the same time, it's like didn't we see the handwriting on the wall? You did.

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CF: I think I did. But I also think that it is very, again – I remember when you reached out to me on Instagram after I talked about it, and I felt really just glad to see another person in the PF world feel as upset about it as I did because I think it's really tough when it comes to it's like any kind of pyramid scheme, MLM, etc. Like people in most parts of the cycle are both victim and perpetrator, right? Like people in crypto who are able to get out okay, typically, it's through bringing other people in under them and same as an MLM.

There are a lot of ways in which – Even people who don't do it successfully, like that was the proposition when they got into it. They had to get other people into it. So it's hard to feel completely sort of pure sympathy for it. Again, similar to someone who's in an MLM. But I do have way more sympathy for that than for what I really feel extraordinarily angry about, which is a lot of the people in the personal finance world who promoted this stuff, who –

One of the largest personal finance influencers was doing nonstop content on YouTube about crypto and advising his audience to have 10% of their portfolio in crypto. We had –

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FT: Can we name that person? Who's that person? I mean, they probably wouldn't mind. They probably like –

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CF: No. I feel bad because –

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FT: The name sounds like –

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CF: No, I'm actually like forgetting his last name. It's like Grant. I feel bad.

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FT: Grant [inaudible 00:17:56]? Oh, yeah. He's been touting crypto, and he's been on this podcast, full disclosure. I know Grant. I actually think he's like a decent guy but –

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CF: He is.

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FT: I haven't hung out with him in like, I don't know, at least five to seven years. I can't remember anything before Coronavirus. He's one of the OG financial experts that's been talking about crypto, crypto millionaire, blah, blah, blah. I just think like it is irresponsible to then extrapolate and be like, "And you can too." No, that's not how it works.

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CF: No, you can't. There are even people in the personal finance sphere, and I really can't name names on this one because I just don't want to get into a slap fight, but who were inventing their own crypto. It's one thing to be like a commentator maybe. Even then, I think it's really irresponsible because people are looking at you for the sort of legitimacy of your platform. But especially if you're a financial professional of any kind, if you're a financial expert, if you're credentialed, like to be playing around in unregulated securities in any scenario I think is just completely a violation of ethics. I don't even know how it's legal.

But from a sort of community perspective of the trust of what people were encouraging their audiences to do, I think this has definitely been a really dark chapter for this industry. But it's not surprising because the crypto industry was flooding the personal finance media world with a lot of ad dollars. So I'm sure you've been reached out to about it. I mean, I feel like everyone has.

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FT: Yeah. If anyone owns a stock, they can't legally go and tell you to buy that stock without disclosing that they own this stock, right? So why are we not carrying that same regulation over to any sort of investment? I think that even if it's not SEC-regulated, like you should just know that's the right thing to do. But nevertheless, we will see more of this. I mean, Garyvee just got tens of millions of dollars for an NFT startup or something. I'm like, "Really?"

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CF: I cannot like –

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FT: I don't understand that.

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CF: Garyvee's continued popularity is beyond baffling to me.

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FT: That's a whole other show, and I'd love to have you back for that. Well, let's talk about some of the other things we should say no to in the financial world. Let's talk about buy now pay later, which I think is going to have quite a moment in the next – I mean, they've been very popular up till now. They're going to just skyrocket in this recession and as Apple gets into the game. But just because you can doesn't mean you should. I mean, four installments to buy a bathing suit, when was that ever a good thing? I don't understand.

The thing that really ticks me off about buy now pay later programs is that – Well, more than one thing, but I think the cherry on top for me is that if you actually do make those four installments on time and you play by the rules, that doesn't go on your credit report. But if you miss a payment, oh, you better believe that's going on your credit report. So it only negatively impacts your credit report. It doesn't positively impact your credit report. So in that way, I feel like it's just really rigged, and no one should do it. No.

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CF: No. We were actually just reached out to this morning for a story about him. We passed it to someone else because we don't have an expert on the team who's really like that qualified to speak on it. But I will say that the – I mean, the buy now pay later stuff is, obviously, extremely predatory and, for the most part, a really bad idea. But I do think that like the almost bigger issue at hand is the TikTokification of shopping, things like fast fashion and just the hyper consumerism. We've done a few podcasts this season on our show that are specifically about that kind of consumerism, which even for myself and you and most of the people on our team, we're slightly too old for the way that a lot of young people are consuming products and shopping and all of that stuff online now.

But if you look at the curve of how people are buying things, and obviously there's setting aside all like the labor and environmental hazards in buying stuff like this, but if you look at just the sheer amount that people are acquiring and how they're getting their marketing cues, it's just a complete hockey stick, up toward now we're buying a new item almost every week at this point, which did not used to be the case.

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FT: You're right. I will be the first to admit that this week I rolled out a bed. It was – I hadn't even brushed my teeth yet, and Instagram sends me this reel. It's this woman who I don't know who she is, but she looks really cute, and she's toting this like really cute bag, and I bought it.

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CF: Oh, no.

[00:22:50]

FT: Oh, gosh. I don't think before brushing their teeth.

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CF: Not good. Not good. But I will say, I specifically don't buy on Instagram. I have occasionally gone and outside of Instagram bought something I saw there. But I'm like there's something about doing it within the app, and I'm like, "I feel like this is a real slippery slope if I started doing this."

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FT: It is. It is a slippery slope. So much of it is just knowing yourself and setting those boundaries. So how do you recommend we start doing that, in lieu of just getting rid of the apps?

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CF: Yeah. I mean, yeesh. Okay. So one thing that's just got to be a rule is just don't have your credit card information like available in these things. That just got to be a no go. But I will also say, I mean, I actually said this on Twitter the other day. Like people are always complaining about how terrible Twitter is. I used to as well, but like I have so heavily curated and muted so many words and muted so many accounts and unfollowed so many people.

But like Twitter's great for me. I'm only ever really having a great time on Twitter, and I do think you can kind of do the same with each platform. Like I think we often feel much too obligated to expose ourselves to things that we shouldn't be than we really are. A lot of the research around the ways in which social media and especially platforms like Instagram make us feel inadequate, envious, wanting to consume, all of that kind of stuff, a lot of that just stems from following the wrong accounts.

Obviously, I think if there are people in your own life who maybe you can't necessarily unfollow but are not making you feel good about yourself, mute them. Mute them. Get them out of your face. But like similarly, if you're following an influencer, who is showing an extremely aspirational lifestyle that's engendering not great feelings in you, like unfollow that person. It's not the app itself. Like you can follow great Instagrams that are like showing you how to like grow a pepper

garden. You can follow things that are constructive and make you feel good and empowered and all of that stuff, and no one's forcing you to follow the crap.

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FT: Yes. Curate, curate, curate, curate. I have done that. I have muted a number of accounts. They'll be like, "We haven't really seen you on social media, Farnoosh. You haven't been –" I think what they mean is I'm not liking their stuff, and I'm like, "Oh, yeah. I've just been really busy."

As we enter or are already in a recession, what are some of the things you want to remind people of, as we now both have gone through this before? Although I don't think it's going to be at the level of the Great Recession. I hope not. I don't think so. But I was just talking yesterday to some financial folks who were like, "The headlines are too scary. Inflation is not as bad as it really is. And if you spend too much time reading, then you're going to feel even worse about your personal finances." I mean, is there something in the zeitgeist that you want to address? Or is there somehow the way that the media is narrating this current economy that you don't like or any thoughts you have about the recession, how it's been characterized?

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CF: I feel the same way about this kind of macroeconomic talk as I do about politics, which is that there is a tendency to obsess about the things that you have literally no control over. You worrying about it is not going to be helpful, and it's certainly not going to prevent any outcomes. I think that there's a big difference between staying informed. Maybe you have like a 10-minute news briefing that you listen to every morning, or you read a few articles on a feed or whatever it might be.

But obsessing over what is going to happen and the nuances of the terms and whether we're technically in a recession or whether inflation really is that much of a problem or the unemployment or any of that stuff, it's not super productive. Focus on your own situation. Focus on your own professional life, your own financial decisions. Especially given the fact that recessions are essentially guaranteed to happen and happen cyclically and will happen again,

we know that this is inevitable, right? So whether it happens now or a year in the future, even that is really not – It shouldn't be something that we focus on. It's more how are we living our day-to-day lives and what are we doing that we actually have control over?

[00:27:16]

FT: Yes. I was just thinking about the other day. I mean, so well said, Chelsea. Like we get so caught up on the semantics, like is it a recession? Is it not? I just want to tell people. The only reason there is an official calling of a recession is for the history books, so that we can look back in time and be like, “Well, in this two-year period.” But the reality is, is that you may already be experiencing a personal recession. I think I read like 58% of Americans say, yeah, things are bad.

If you want to call that a recession or just bad, like, whatever we call it, we call it. I really wish that those who were in charge, who could actually do something about it at a macro level would acknowledge that and say, “Yes, things are really bad.” Whether we call it a recession or not is not really the point. The point is we need to figure out how to get out of this mess, and we're going to start now. We're not going to wait until the eight people who get into a room, the NBER, the National Bureau of Economic Researchers or whatever, like it's eight people, six men two women. One of the women is married to one of the men. So if we're waiting for these people to figure out our fate, I think they're very smart, and they have all the reason to be in that room, potentially. But like you see where I'm going with this.

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CF: Absolutely.

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FT: Don't wait for the official. If you're experiencing financial stress, and maybe you're worried about your job, like if your life today is worse off than it was last year financially, yeah, I think that's worth something, some addressing.

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CF: Similarly, again, to the politics thing, like I think a lot of people often confuse reading scary news or feeling stressed out about something with doing something. As it pertains to any kind of macro issue, like let's say, okay, something really terrible is happening on the Supreme Court. Are you going to be able to change the makeup of the Supreme Court today? No, but there's probably a list of five things that you could do today that would actually have some sort of a beneficial impact.

Focusing on those things, rather than obsessing over things out of your control, I think in in every sense, but especially as it pertained to sort of scary macro, political and economic issues, is not just important for productivity. It's also important for your mental health.

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FT: Chelsea, I wish we could talk longer. But I know this is your day off. Also, an intention. I've been so enlightened in this last 30 minutes. I know our listeners have too. If you want more of Chelsea and her team, head over to TFD, The Financial Diet, even a program now. It's like a monthly membership. Tell us about that.

[00:30:02]

CF: Yeah. So we have The Society at TFD. You get some videos every month. We're actually moving in the fall to a model, where we're publishing fewer videos on the main channel and more of them for members only. You get all kinds of workbooks.

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FT: Chelsea, thank you so much, and I hope to have you back again.

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FT: Thanks so much to Chelsea for joining us. To learn more about her membership program, check out thefinancialdiet.com/membership. The link is in our show notes. Thanks so much for tuning in, and I hope your day is So Money.

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