

**EPISODE 1454**

[INTRODUCTION]

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So Money Episode 1454, the Best of So Money 2022. Money and Mental Health.

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**ANNOUNCER:** You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas, or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[EPISODE]

**[00:00:40] FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. Continuing our coverage of some of my favorite episodes of the year around certain themes. On Monday, we covered racial equity. Today, we're going to talk about money and mental health, which in many ways was the drumbeat of So Money in 2022. We couldn't help but get into the emotions of our finances. It was a tough year, coming off of previously tough years. But 2022 had its own incredibly high anxiety: inflation, unemployment, worries about a recession. If you continue to work, maybe you had more responsibilities with a shrunken down team. I was in the throes of finishing my book, which is all about the power of fear, and so I was living in this world of money and fear for basically all year. Some of the conversations I was having on this podcast found themselves on the pages of that book, which is coming out in the fall, *A Healthy State of Panic*, stay tuned, with so many lessons for all of us.

In this episode, we're going to hear from Cait Donovan, who was a burnout expert, Dr. Ellen Vora, who's the author of the fabulous new book on anxiety, and guests Katie Gatti and Ellie Diop, who each have their own unique stories about how fear drove them to make really important pivotal financial decisions. They love fear as do I.

First, Cait Donovan joined in Episode 1388 this year. She's an expert, as I said on burnout, and she's the host of FRIED: The Burnout Podcast. She also has a book called *The Bouncebackability Factor*. We talked about how to actually identify burnout, what is happening in our bodies and our minds because the symptoms of burnout may be difficult to identify. In this excerpt, Cait talks about why we can't fool ourselves into thinking that we can just recover by quiet quitting our jobs or even quitting our jobs, but we need to eliminate burnout by what she calls pruning our lives.

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**CD:** So the first thing is when we're talking about defining burnout from a legal standpoint, I will give you the World Health Organization definition because that is the one that the United States is going with at the moment. That includes three components. The first component is physical and mental exhaustion, physical and emotional exhaustion. The second one is cynicism and detachment, and the third one is a lack of productivity or a lack of feeling like your work is impactful, even if you are getting it done.

So there's these three components and that's what the World Health Organization has said is burnout, and they're not saying that it's a disease. They're calling it an occupational hazard, which is hysterical because you can get burned out for so many reasons. I think they are trying their damndest to ensure that there's some difference between burnout and depression because we don't really know what the difference is very well at this moment. There are some biomarkers, some indicators with cortisol measures, that the profiles of how cortisol is functioning in your body during burnout and depression are different. But I don't think they know enough about depression either, to be honest.

We're kind of in this no man's land. It's like, is burnout a thing? Is burnout not a thing? For now, we're going to call it this. It shows up in your life with that physical and mental exhaustion, which

I always tell people is like if you are a person who typically exercised and that gave you some energy at the beginning or the end of your day, like you finish your workout, and you're like, "Oh, thank God. I did that." When you're burnt out, you do that same workout, and you like pass out on the floor immediately after. You have zero ability to recover. Every time you use energy, it like empties you out completely. On the emotional side, it's just having a really short fuse. It's just anything that happens, that one more thing gets added to your to-do list or that one extra email comes in, and you lose it.

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**FT:** That's literally every working parent in the pandemic, I think.

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**CD:** Amen.

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**FT:** Was anyone spared?

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**CD:** I don't really think so, to be honest. I think because a lot of burnouts is based in a lack of justice, feeling that things are unjust, feeling that things are unfair, feeling like you're giving more than you're getting. The pandemic made us ripe for burnout, all of us, parent or not, because everything got thrown up in the air. Everything was uncertain. Every single day required something different. You're trying, and you're trying, and you're trying and you can't get on top of it because your kids' teachers' in today, out tomorrow, online today, in school tomorrow. You can't get anywhere. You can't get there from here.

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**FT:** So here we are. While the pandemic is in a new phase, and I would say it's waning, we have other constraints. We have this recession, potentially, whatever. We can say, technically, it is or it's just like burnout. You can say technically. If you're feeling the pain, you're feeling the pain, if you are someone who's recently laid off or you went from dual-income to single-income because of job loss in your family, you're looking at all the prices. There's always something going on that can contribute to burnout.

From your experience, you've talked to so many experts on your show, and you yourself I assume, have gone through some of these motions and have come on the other side of it. What's the most effective way to address it? I have a colleague, for example, who is literally taking a leave of absence to address his health. I applaud him for doing that, and I said to him this isn't modeled enough in the workplace. I really hope that this is not going to be just great for you but really an example for everybody, and we'll follow in those footsteps. Hopefully, we won't have to get to that point. But it's great to know that there is that allowance. What do you say? Is it like you just have to make a complete 180 shift? Can you take baby steps?

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**CD:** I don't believe in taking a complete 180 shift when you're burnt out because it's hard enough as it is just to survive on a daily basis. Making that much change often leaves you on this sort of adrenaline rush that you've been on with nothing to do. If you don't have some sort of plan for that time, and you don't know how to rest because you've never really learned, and you've been on for the past 20 years, you end up spinning out.

I do love a leave of absence, and people who are privileged enough to be able to take one should take one, if at all possible, and also create some sort of plan. Because just laying around – Resting is important. Also, you might not really be resting. If you're resting but you're watching Netflix, if you're in a normal state, that can be restful. But if you're in a burnout state, that's not restful. One of the things that people notice during burnout is, for instance, they get really sensitive to music. Normally, music would help calm them down or pump them up, and they can't even stand to listen to it. Or they're watching TV and they're overly involved in the emotions of what's happening on TV. So it's not actually getting any rest. It's not giving them any

rest because they're going to bed and dreaming about the characters and concerned about the characters in the TV show because their emotions are so wound up that they can't let it go.

Depending on where someone is, really kind of exactly what's going on and what the possibilities are, small steps are the way to go, which small steps will vary from person to person. The first step for me is what we call life pruning. So we look around and say, "What can we take away here? What's happening in your life? What responsibilities are you holding on to that are not actually helping anybody?" Because I promise you, there's a few of those. People don't like that. They're like, "But everything I do was so important." I'm like, "I promise you, 10% of the things you do, if you stopped doing them today, no one would ever even notice," right? So let's life prune. Let's get rid of all of that stuff.

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**FT:** That was Cait Donovan, Episode 1388. Next up, here's my discussion with Dr. Ellen Vora. Episode 1321. Ellen Vora is the author of one of my favorite books this year, the anatomy of anxiety, understanding, and overcoming the body's fear response. Ellen broke down the sources of our financial fears and even provided specific advice for those of us who may feel anxiety over what to do next with our money, with our careers and maybe feeling a little bit of pressure from family.

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**EV:** If we really distill anxiety down to its most primary building blocks, it's part of our hardwiring, and it kind of pertains to the idea of being vigilant, being on the lookout for threat, and being prepared. I think that on the proverbial savanna of evolution, being prepared had more to do with foraging for food and building your nest. These days, it has a lot to do with your 401(k) and making sure that you have a good income squared away, and you're saving money. I think that it's directly connected to anxiety.

I find that we are living in this culture that communicates to us around every corner that we are not enough. Oftentimes, the solution presented to us is, "You're not enough. You're broken. Look out. There's danger ahead." Therefore, buy my product. So in a way, it's preying on our

need to feel prepared. But then it actually is presenting us with a solution that's almost exactly exacerbating the original problem, which is, do we have enough stored away to feel okay.

I think that there's so much tied up in anxiety and money. I see it in my patients, and I think that sometimes we have to step out of the systems that we've come of age in and really question our own priorities. I see this with a lot of my patients. I have a lot of patients who are children of immigrants, and the messaging they got in childhood was very much of scarcity and that the number one priority is to secure a good job, work as hard as you possibly can, make sure that you have good savings. It's really understandable that if you're starting from nothing, and if you're full of uncertainties and starting fresh in a new country, that should be the number one priority.

Then I have these patients who are the children of these parents. Because of their parents' prioritization of money and earning and because of their parents' really hard work and sacrifices, they're actually in a really different state when it comes to scarcity and abundance. They have a certain degree of savings or flexibility. Now, they're living according to those priorities, but it's no longer appropriate, and they're miserable. In certain ways, I'm here to even encourage them like what are your priorities? How do you want to design your life? What is not just maximizing for money but maximizing for overall wellbeing and fulfillment? It's a far more complicated distribution of priorities for most of us.

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**FT:** As that immigrant daughter that you just described, I think part of what keeps us back too is this fear of disappointing our family, not living up to their expectations. I get listeners writing in too. Vividly, I remember one listener wrote in and said, "I work for a big tech company. I'm a son of Chinese immigrants in America. They work so hard so that I could become successful. I went to college. I work in tech. I make a good salary. They're proud of me. I work for Google. They can tell their friends. I have a son who works at Google." He's like, "I actually want to start a barber shop and explaining this to my mother, especially, nails on a chalkboard. She does not want to hear this."

He's less afraid about the financial journey that this will take him on. He felt secure in being able to do this responsibly. He had savings. He had a business plan. It was really more the fear of coming home at the holidays or having to deal with the disappointment. So when your anxiety is sourced from some other people's fears of what it means to live a right life, like how do you reconcile that, especially when it's your family?

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**EV:** It's so tough? I think it always starts with understanding. Understand where the parents are coming from. They did not have the privilege or the leeway to seek fulfillment. They were seeking security. They wanted to make sure you were safe. You could survive. You could pay the bills. You could feed your family and keep a roof over your heads. Then like that can help you secure a good job or a good education, and therefore a good job and continue with that security.

At a certain point, if you're lucky enough to have established good education, good job security, you actually have freed up this ability to be seeking fulfillment. I think often what we have to do is in these difficult relationships, we have to be true to ourselves, even when it disappoints others. But we just always have to be discerning. Am I truly doing something hurtful here? Or am I doing something right that they can understand? I think that at the very end of the day, it's all love. The parents love their children. That's what it comes from.

There's just a disconnect when for me to – What you really want for me is my wellbeing. What that looked like a generation ago was survival, and what that looks like this generation is fulfillment. So I think to know like I'm doing the right thing by pursuing fulfillment, it's going to disappoint people. But I know that I'm not doing anything wrong here. You can communicate your love and your appreciation, and your gratitude, and your honor to your parents and all these other ways, which can sometimes fulfill their need for what they were looking for in the form of your fancy job.

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**FT:** That was Dr. Ellen Vora, Episode 1321. Her book again, highly recommend is called *The Anatomy of Anxiety*. Next, how can fear be a hell selfie stimulus to becoming more financially independent and secure. Well, these next two conversations are all about that. First, Katie Gatti came on the show. She is the personality behind the blog, podcast and newsletter brand, Money with Katie. She started writing about money in 2020, after a few years of independent personal finance consulting, and since then, Money with Katie has grown to a community of nearly hundred thousand strong. She focuses on teaching #richgirls how to make their money work for them. In this excerpt, we talk about how fear actually anchors Katie's financial determination.

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**KG:** So I think what grounds me is fear. If I'm being honest, like it is truly that neuroticism and that kind of like fear of insecurity, if you will. Kind of like we were mentioning before, with the Nordic Theory of Everything. Here in the United States, you're one major medical emergency away from potentially bankrupting yourself. That's kind of terrifying. I think that when you're just aware of maybe how precarious things really can become and how quickly, I think that always is kind of a grounding force for me and remembering that like – I sound like my grandma, but like you don't want to get too big for your britches. You don't want to overshoot kind of end up in a place where you're out over your skis.

I think from a goal standpoint, our goal is to be completely work-optional, like could walk away from income-producing work by the time we're 30. So that's like three years away for me and two years away for my husband. I think it just comes down to providing ourselves that optionality. If I want to be a stay-at-home mom, or he wants to be a stay-at-home dad, or for some reason one of our parents get sick, and we want to move closer to be with them and be able to take care of. There's just so many unknowns in life, and I think I anticipate that being in a position financially where we could leave work if we wanted to for some period of time would give me a lot of comfort, and security and confidence to make the decisions that I actually want to be making and not making decisions based on needing an income.

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**FT:** I smiled when you said that fear is what anchors you. I'm the same way, and I don't think that how we look at life is how everyone looks at life. I think that maybe – I mean, for me, I know it was because how I was raised. My parents saved the crap out of me. I think being a financial podcaster and writer, the underpinning of all of our questions, a degree of it is fear. I always say like I work with fear every day. So I'm not afraid of it. I'm not afraid of fear. I'm not fearless. I'm just not afraid of fear.

How did you arrive at this place where you had this intelligence and this healthy relationship with fear? Because I would say it's healthy. You're looking – I mean, a lot of people would be scared and would instead live – Someone could be just as worried about the uncertainties of life, as you've just beautifully described, like the fears that are real sometimes. It would turn them into absolute frugal monsters because their fear led them to like a dark place. But for you, your fear has almost led you to this place of, I think, really – I mean, your wallpaper is beautiful right behind you.

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**KG:** Target, \$34.99.

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**FT:** I don't want to assume, but like it looks like life is treating you well. So tell me –

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**KG:** Thank you.

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**FT:** Yeah. Tell me what drove you to having this long question short. How did you get to have this like kind of healthy relationship with fear?

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**KG:** That is such a beautiful question, and I really appreciate you saying that. I think because at first my reaction was the overcorrection to become super frugal, like not going out to restaurants ever, and trying to like nickel and dime myself at the grocery store, and living with roommates and buildings that weren't very nice. I think my first reaction kind of was to cut back as much as possible. But then I think what really shifted for me, if I'm being honest, is I started to do work that I felt very aligned to and noticed that money really did come way more easily. So like prior, I would be working really hard in a job that maybe wasn't as fulfilling or wasn't as – didn't come as natural to me. It was something that I had to work a little bit harder at, think a little bit harder, strive a little bit more. It wasn't necessarily in alignment with what I think I was like put – not to be super woo-woo but like put here to do.

So I think when I noticed like, “Oh. Well, in order to earn money, I need to be struggling, like I have to feel this level of struggle.” I think when that kind of perception shifted of like, “Oh. Well, when I'm doing the work that I'm in alignment with, and I'm doing the things that are like super flow state for me, the money just comes, and it comes way more easily, and there's way more of it.” That was a key shift. In the beginning, I kind of struggled with it because I was like, “Man, I feel like I'm not working hard enough to be earning this much. I feel like I'm not struggling enough to be earning as much as I am.” I think once I got over that and kind of realized, “No, no, no, that's how it's supposed to feel.”

If it feels easy and good, it's like you're going to be able to do way more. You're going to be able to do your best work. That's when you're really going to shine, and that's when the money is going to be the easiest to come by. So I think that was probably the shift that kind of helped me rewire my relationship with this kind of fear-based or like neurotic approach to life of like, “Let me just steal myself and insulate myself from all the potential bad things that can happen to me by like building up this fortress of investment accounts around me.” But I think that was probably where the shift happened.

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**FT:** To revisit this conversation with Katie, check out Episode **1348**. We also in that same conversation talked about Katie's ambitions to be work optional by 30 years old, how she and

her husband managed to live on just 16% of their take-home pay to achieve that goal. Now, fellow financial educator Ellie Diop also came on the show this year, shared her own story of how fear carried her and her family to the next right move, Episode 1425.

Now, after being laid off from her job in the pandemic, Ellie used her \$1,200 stimulus check, and her years of experience in sales, and marketing and leadership to start a business. In less than a year, she had scaled that company to multiple seven figures. Did this while reeling from a divorce and launched this business while living with her kids in her mom's one bedroom house. What got her over the hump, she credits fear.

You are a leader an example and how you can be financially independent while caring after your kids and then later on talk about how you're bringing good kids into the business. I love it. How was being a mom a motivator for you?

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**ED:** Yeah. You know what? It was definitely the biggest motivator. I remember having moments. At the time, at my mom's house, we were all sharing one room, essentially. So the living room, so to speak, at my mom's house was our room. My bed is in the corner. The twins' cribs are here. Then the older kids, my eight-year-old and five-year-old now, we're kind of on the other side. So I remembered just putting them all to bed and then just looking at the room, looking at them, and I was crying. That was really in that moment where we all have these fears, fear to start our business, fear to do something we've never done. I was so afraid to start. But in that moment, I became more afraid of being in that situation for another year, another two years. That was more scary to me, and it was really that night that I started that list. I'm like, "You know what? As scary as it is to go out and try to start this business, I'm this young single mother in Inglewood, California, it's more scary for me to see all my kids in one room and to think about still being here two years from now, three years from now." So that really became like, if there's anyone I'm going to show up for, it's these kids. So they can see me and see what is possible in life.

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**FT:** That is an example of how fear was your savior. You listened to that fear, and you went from a fear that you couldn't control to a fear that you could.

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**ED:** Exactly.

[END OF EPISODE]

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**FT:** That's a wrap. I dedicate a whole chapter to financial fear in my forthcoming book. I cover nine different fears in *A Healthy State of Panic*. The central fear in the book is money and how fear has been a catalyst and can be for you to making some of the best money decisions yet. That's our show for today though. Join me on Friday for one of my favorites Ask Farnooshes of 2022. You'll have to tune in to find out which one. Until then, I hope your day is so money.

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