EPISODE 1479

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FT: So Money episode 1479, Ask Farnoosh.

[INTRO]

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FT: Welcome to So Money, everybody. Friday, February 24th, 2023. It's Farnoosh, and you're listening to Ask Farnoosh, where I get to answer your biggest money and career questions that have come in through all of the various channels, portals, Instagram, my email, farnoosh@somoneypodcast.com. You know, you can go on to the website, So Money podcast. Click on Ask Farnoosh. Hit Send. Whatever's on your mind.

We're going to talk about how to figure out what you want to do with your life when you're 22. Yeah, we're going to go back in time a little bit, for me at least, and help a friend out, who is all the way in Australia, feeling sort of like the 20-something blues as it is. So I'm going to help him out with some advice, some grounding advice to help him master his money and his career and everything for years to come.

Also, a friend of ours in the audience is about to negotiate a job, an accounting position, wants some advice around that, how to not scare off the employer with her comeback. I love it. All right, but first, where have I been? I just got back. I'm literally – I just got off the plane from Miami. I got an Uber, came to my house, sat in my chair at my desk, hit record because it's Thursday, as I'm recording. This goes live Friday, so this is my window. I got to go pick up my kids from school after this.

It was great. What can I say? A very intentional trip to reconnect with myself, a girlfriend in Miami, and I have never been to Miami really. Love it. Love the people. Love the food. Love the culture. Don't love the traffic. But it was a really important time away for me. The beginning of this year has been wonderful in many ways but also very overwhelming, as I think about what's to come, the book and everything. It's gotten me a little stressed, preparing for that.

I also shared in my newsletter that went out yesterday. I'm going to share it again now because it's a kind of a big announcement. But the last few months have been a bit of a transition for me as I left CNET. Did you know this? You might have guessed, but it's true. My partnership, you're hearing it from me, has come to a close with the media giant. I am grateful for having had the opportunity to work with so many smart, talented people.

Shout out to Laura Davis, Adam Auriemma, Lindsey Turrentine, Justin Jaffe. Really, we got to work together to create some incredibly important financial content and not for nothing, but help So Money attract a wider audience, grew the newsletter, grew the podcast. We accomplished many things together. But it wasn't a forever relationship. Being the editor at large and then licensing the podcast to CNET, while it had its advantages, it was, ultimately, an interesting experiment, as I like to say.

When I had Tim Ferriss on the show, in the early days of So Money, he said, “Life is a series of experiments. If you can look at it through that lens, you're going to be okay.” Because what happens in an experiment? You have a hypothesis, and it may not be true, but it was a valid experience. I'm the daughter of a scientist too, so it's easy for me to think like that. But truly, I'm leaving with fond memories, lifelong friends, and a heck of a lot of perspective on the entrepreneur life versus the corporate life.

It had been a while. It had been almost, gosh, 13 years since I went in-house somewhere and got a 401(k). I had this privilege of really interesting privilege of driving in both of those lanes for the past two years. So if you have questions about that, if you're contemplating staying in corporate or starting a business, I got some experience. So not much is going to really change as far as how you experience this show and get to connect with me.

I was very deliberate in this partnership to maintain my independence as a personal brand, as a speaker, as an author. So the transition out of the company, for me at least, has been pretty smooth. You can still find me here, hosting three days a week. I have a newsletter, which if you're not subscribed to that, what are you waiting for? I'll put that link in our show notes.

Subscribe to the newsletter, and you'll be the first to hear about news like this, as well as get a free download of So Money secrets, which is my compilation of some of the best advice heard on this podcast, the free PDF.

But most importantly, I have regained the license to So Money, which means I'm back to managing my own campaigns, my own brand partnerships. If you're interested in working with me, just contact me directly. Shoot me an email, farnoosh@somoneypodcast.com. So that's the kind of big news. I think why I timed this Miami trip when I did, this partnership ended last week. Thank you to everybody who reached out, in response to my email about my departure from CNET. So many nice words, kind thoughts coming my way. I literally sent that email out before I boarded my plane. Then when I got on the plane and hooked up to Wi-Fi, it was like a flood of replies and texts and, “Good luck. We're here for you.”

So I have been feeling very loved these last 24 hours. Such is the life of a podcaster, and there's so much more news to share with you, as we approach the release of *A Healthy State of Panic*, including the cover reveal. I'm going to announce some big stuff in the coming weeks, like how to join my launch team, get major, major incentives, for those of you who do buy the book early. You're going to hear from me a lot about this because I'm learning a lot about how hard it is to get your book in the bookstores, even online.

Booksellers are not stalking books like they used to. 70% of what they buy is old titles. So they're buying *Catcher in the Rye* and they're buying Barack Obama's book and they're buying all these like proven titles. The new titles really have to fight for real estate in these bookstores, and how these retailers judge the viability of your book is on pre sales. So I'm going to start earlier than ever to tell you how to buy the book and incentivize you to buy the book early. It's fighting inertia, but I'm going to be very transparent with you about what it really takes for new authors these days to get out there.

Moving on, a couple of housekeeping items. Last week, I announced the winners, the 15 winners of the *I Will Teach You to be Rich* journal by Ramit Sethi. Not everybody got in touch. So if you're hearing this podcast, and you did apply for this journal because you wrote a review or you posted something nice on Instagram, go back and listen to last Friday's episode. In the beginning, if you hear your name, you want to get in touch with me, farnoosh@somoneypodcast.com. I've been mailing out these journals all week, but I got more to mail out. Not everybody's gotten in touch. So please don't miss this opportunity.

Speaking of missing opportunities, if you didn't catch this week's shows, on Monday, we had sister cofounders, Elena Zienda and Christina Dorr Drake, Co-Founders of Willa's Organic Oat Milk. Willa is their grandmother, and they talk very openly, and they shared very openly how they started Willa's, oh, my gosh, at the start of COVID and while navigating Cristina's early stage cancer diagnosis. Can you imagine? Can you imagine? Also, they lived in different states, trying to start this business. What kept them going so far that now they're in many stores? They're scaling. A beautiful story.

Then Dan Sheeks, Founder of SheeksFreaks and author of *First to a Million*, came on Wednesday to talk about strategies to teach your teenager about money. He's a high school business and marketing teacher. He's a real estate investor. He's a personal finance advocate in Denver, and his students have gone on to compete at national levels in entrepreneurship and personal finance. He's got really different ways of thinking, stuff that I never thought I would do with a 13-year-old or 14-year-old. But Dan has me thinking differently, and I liked that about him. So check out Dan's episode from Wednesday.

Our reviewer of the week, are you ready? This person gets a free 15-minute money session with me. This week, that session goes to 3femmes, five stars, who left a review this week saying, "Love you and your show. First of all, let me say happy belated birthday, Farnoosh." She says, "I discovered you last year in June, and I've been listening to you religiously Monday, Wednesday, and Friday ever since. I've even gotten my daughter to be obsessed with your podcast. And yesterday's episode, I just felt I had to leave this for you and anyone contemplating listening to your podcast. You really are doing God's work, most definitely for me.

While listening to Tara Schuster, I had a massive realization about my own money story, which I've been trying to figure out and understand for months. Let's just say I was in tears. You really are the best curator of advice and issues surrounding the topic of money. You look holistically, emotionally, and practically to give your advice the best solutions to dealing with their finances. Farnoosh, you are to money what Arianna Huffington is to news and Barbara Corcoran is to real estate. I absolutely love you."

Oh, my gosh. Could this be the nicest review? It's up there for sure. 3femmes, thank you so much for these two generous words. I bow to Arianna Huffington and Barbara Corcoran. I think they're such pioneers. 3femmes, I love you back. Email me, farnoosh@somoneypodcast.com. Let me know you left this review. We will make a time to chat about whatever you want.

Before we get to the mailbag, one more item that I want to bring to everyone's attention. If you are in the New York City area or can be in late April, I'm hosting Pitch, Please again this spring with my dear friend Susie Moore. You may have heard me talk about this in previous episodes. This is, at this point, I think five years in a row, except we took a couple years off during COVID. This is a full day jam-packed live event that brings premium content and connections. If you are an entrepreneur, a thought leader, someone on a mission to get your name out, your message out, this is your opportunity to learn how to become the go-to expert in your field by leveraging media.

So Susie and I spend the whole day with you in an intimate workshop, beautiful loft space in New York City. We teach you our best tricks and tips for reaching out to the press. Then after lunch, we bring the press to you. We've had guests from the New York Times, Fortune, the Today Show, Live with Kelly and Ryan, the Wall Street Journal. The list goes on. We are almost sold out, so I'm coming to you with our last few seats. You can snag your ticket at our early bird pricing using the link in our show notes.

All right, let's head over to the mailbag and talk to Jenny. We have two Jennys and an Archie. First is from Jenny. "Farnoosh, I'm a nurse who has been used to employer 401(k)s, but I just started travel nursing, and I'm not going to get those benefits anymore. I don't know what to do. Should I just put money away in a Roth IRA with, say, fidelity and max it out? What else can I do to maximize my pre-tax benefits?

Okay. So we have no more 401(k) but you continue to want to invest for retirement and earn some tax benefits. So you could, yes, open up a Roth IRA with Fidelity, if that's who you like, and max it out. This year, the maximum contribution limit is $6,500. That's a fine plan. I would throw out another option for you, Jenny, which is to contribute to both a Roth IRA and a traditional IRA to be able to diversify your tax exposure in retirement.

We don't know where our taxes will be at retirement, right? A lot of us can probably guess that our taxes may go up as we get older. We don't know. So the Roth IRA is a nice hedge against this uncertainty in retirement, where we don't know where we're going to be taxed. So we'll eat the taxes today when maybe we're paying less in taxes and pay nothing in the future when tax rates may go up. But some financial advisors might say, “Look. If you want to be more diversified as far as what your tax exposure will be, and you want to benefit today and in the future, then you may want to open up a Roth and a traditional IRA.”

Now, you can contribute to both. But as far as your tax benefits go, you cannot contribute more than $6,500 total across both of these investments. So you could do $3,250 in the Roth, $3,250 in the traditional IRA, both with Fidelity. The Roth, you're going to get the tax benefit down the road. The traditional IRA, you'll get the tax benefit today. That $3,250 will be able to be deducted from your taxable income, and you'll save some taxes today. So you could do that.

Now, I'm not sure how much you are contributing to that 401(k) previously. Maybe you were doing more than 6,500 a year. If you can do more than 6500, I would say after you optimize, whether it's the Roth or both the Roth and the traditional, that you move on to opening a brokerage account. That's the next rung when you're investing. You want to start with all the tax beneficial investments; Roth IRA, traditional IRA, 401(k).

Then once you've optimized for all of that and you can do more, you're ready for a brokerage account, which you can also open at Fidelity. If this is for retirement, then you can go through probably their automated robo-advisor platform. They'll ask you a bunch of questions about risk tolerance, when you're going to need this money, 25 years, 20 years from now. They will create a low-fee diversified portfolio for you, which then they can auto rebalance and all that good stuff. There's a fee associated with that, of course, but it's smaller than working with a human financial advisor.

Shop around. Compare fees. Compare the usability, the navigations, the – As I have always said, these brokerage firms and the ones that run websites, that have automated investment platforms, they all get a good grade in my book, for the most part. What differentiates them often is the user experience, sometimes the fees, although they're very competitive with fees because they know people are comparing the fees, and they want to be competitive. So just see where you kind of are more drawn. Explore those. Don't limit yourself to Fidelity, just because you hear it's a great name. I mean, it's a great start, but I would encourage you to shop around.

Okay. We have another Jenny, who's wondering how to negotiate a job offer. Here's her question. “Hey, Farnoosh. Love your show. Just had a great job interview for an accounting position and expecting an offer to come through soon. Any advice on how to best negotiate and optimize the offer without scaring off the company?”

Okay. Jenny, congrats. This is exciting, exciting times for you. But first of all, please abandon this mindset that negotiating is going to be off putting for this employer, especially an employer that deals with money, okay? Employers expect negotiation. This is rule number one. This is something to keep in mind because you want to get rid of those nerves. Do not feel like you're doing anything inappropriate by coming back with a higher request. So that's number one.

Number two is when they give you the offer, they're going to have to give you time to consider. You don't have to reply right away. Give yourself 12 hours, 24 hours to consider the totality of the offer too. So the salary, if it's below what you're expecting, okay, we're going to talk about that. But also, we're going to look at 401(k)s and matches and PTO and perhaps bonuses. What are the other perks to this job? Is it a lovely culture? Do you feel like you could really fit in here and have some semblance of work-life balance?

As I've been in discussions with people, whether it's because we do these 15-minute money sessions on the phone or in DMs, I find increasingly, and it's a good thing, that people who are considering job offers or switching jobs, the money is important. But also important is where are they going to land in terms of culture and balance, and are people nice, right? I mean, making an extra $5,000 somewhere else, but it's going to come at a cost of your time and your stress and your mental wellbeing.

I mean, look. No shame if you're going to take a job for the money. I've done that plenty of times in my life, and I dealt with the stress. It was what it was because I had responsibilities. So not saying that that isn't a valid way to evaluate a job. But if you are in a position where you can be flexible and you can say, “You know what? This company is offering me a little bit less than maybe the bigger competitors, but I'll be able to work from home more days. I'll be able to sign off at six o'clock, five o'clock, and not worry about late emails.”

You don't know all of this, of course, before going into a job, but you can definitely read reviews, you can definitely ask around, and you can do a gut check. So consider the totality of the offer. Salary is important. If you feel like you are getting low balled there because you have done the work of looking at Glassdoor and Comparably.com to see what similar accounting positions at competing firms in your area are offering, then legitimately you have a case. You can say, “I really appreciate this offer. It's a very well-rounded offer. But the salary is a bit of a sticking point for me, and I've done some research.”

This is how you do this without feeling like it's icky because you've done the research. You're showing them the data. The numbers don't lie. The numbers here show that competitors are offering 10% more, 15% more. Ask for more now. Asking for 15 to 20 percent more in a job negotiation at the beginning of a job is not inappropriate, and it's not going to make them take the deal off the table. Don't worry about rescinding. Don't worry that they're going to rescind the offer. They could say no. They could come back with they could meet you halfway. But they're not going to not give you the job. They can't fire you. They haven't hired you yet.

This is part of the dance that legitimate companies are prepared for. If they give you blowback for negotiating, that's a red flag, in my opinion, because this is the time when companies can pay more, and you can really push for more. Because we all know, once you're in it, and you've been there for six months, or you've been there for a year, it's much more difficult to ask for a raise in the early part of working somewhere. This is your moment to push.

I'll never forget Lea Goldman, who was an editor at Forbes, and she's just a brilliant mind, a huge advocate for women. She came on the show and said, “Women, ask for 20% more off the bat.” You might think that's aggressive, and that did sound a little like, “Ooh,” to me at the time. But when we think about how underpaid women are compared to men, and unless this company is showing their numbers, if they have salary transparency, you got to go in, unfortunately, guessing that they're underpaying women and women of color. It's just like, unfortunately, where we're at.

Keeping that in mind but also doing your research and seeing what other companies are offering, going strong and ask for more, unless, of course, they blow you away. Then they give you far more than what the competitors are offering and what you were even thinking. But still, even then, ask for something else more. Maybe it's another week of vacation. Maybe it is working from home fully remotely or four days a week, instead of two days a week. Get something extra out of this negotiation. This is your time to ask for it.

If you want more advice on how to do this, check out Alexandra Carter, who was on this podcast, I believe, twice. So if you go to somoneypodcasts.com and search for Alexandra Carter, she is hands down the number one negotiation expert I've ever talked to, specifically about negotiating your value in the workplace. Listen to those episodes. I'm echoing a lot of her sentiments right now, but she can fill in a lot of the blanks. Listen to those episodes.

All right, and last but certainly not least, I kind of saved the meatiest for last here, is our friend, Archie, all the way from Melbourne, Australia. He says he found me on TikTok. Can you believe it? I have about 11 followers on TikTok, and one of them is Archie. God bless you, Archie. He says, “I'm listening to your podcast right now. I started with the very first episode. You seem like a boss woman, and you know the rules of the money game and make money and have freedom in life. I turned 22 recently. I live in Melbourne. I have felt lost these past couple of years and feeling the strain of life a little bit. I want to be free, I want to escape the rat race, I want to enjoy life, I want to be financially free, and I want happiness. I work at a nursery earning nothing. The only thing I have is people skills and a big heart.”

All right, Archie. I'm excited for you, Archie. You know why? Questions reveal a lot about how we see ourselves and where we're at in our lives. I just want to repeat back to you what you're essentially telling me, and it’s this. You know what you want. Believe it or not, that's the hardest step. That's the hardest step sometimes is really coming to terms that you are not going to settle and that you want more and that you deserve more.

As I tell many people, earning more, being rich, it's your birthright. The sooner you embrace this, the more you can invite into your life. So firstly, I just applaud you, Archie, for being vocal about this, for reaching out. The fact that you're looking for financial content online, I'm so glad we found each other. I can tell that you're willing to fight for this. So you have a very strong foundation for then building this life that you want.

Now, I'm 43. So I could be your mom. At 22, I will say this. It’s something that no one ever told me, but I wish they had. Your number one job right now in life is to take care of yourself and work on building your foundation for a fulfilling life. That means learning from your failures and, very importantly, not sticking to a definition of success but having a growth mindset. Don't put pressure on yourself for having it all figured out and how to accomplish everything right now. Your job is to know what you don't know and what you want to learn. That’s it. You need to apply yourself.

As I said to one of my interns years ago, who’s in his 20s, I said, “Your job right now is to be a yes, man. Yes, yes. Sure. Let's try that. That's an interesting experiment. Let me try that.” You're working at this nursery. Where else can you work? Where else can you apply yourself? Where else can you volunteer? Right now, you are in an accumulation phase, accumulation of learning, accumulation of knowledge, and an accumulation of failures.

Another thing, really important to embrace it in your age and, honestly, always but especially now because I think there was a resistance to this in your 20s, and it is this. To know that knowledge may come through failure. Advancement comes through failure. You are not going to be defined by your successes. In fact, you will be defined by how you recover from your failures. I know I'm spewing a lot of euphemisms here.

I know I'm kind of speaking in generalities but adjusting your mindset right now to recognize that you do have a lot more than just a big heart and people skills, Archie. You have ambition. You know what you don't like. You know there's more out there for you. You are willing to embrace a growth mindset. These are things that you need to recognize about yourself.

Along the way, of course, start saving your money. Whatever little or a lot you're making at the nursery, start putting away 10% for yourself in a savings account and just forget about it. Then in a year from now, go back to it. Do you have thousands of dollars? Probably because that's the beauty of saving a little bit over days, weeks, months. That money will give you confidence to try those experiments, to apply yourself, and to know that if you fail, you can fall back on a little bit of this money.

Then along the way, developing relationships with yourself, most importantly, which it sounds like you're very in tune to yourself and what you want. But being okay in your loneliness to go out there and learn, explore, observe, work on your health, listening to podcasts, reading books, and following only well-intentioned people online. There are a lot of charlatans out there, which I'm sure you're recognizing. A lot of these get rich quick, a lot of this crypto bros, trash. They're people who only have your best interest at heart, people that I kind of grew up with in personal finance. So check out Ramit and check out Paula Pant and check out Erin Lowry, Tiffany Aliche, The Budgetnista. There are some real folks out there that only want the best for you.

Finally, finally, finally, don't feel bad that you work at a nursery and that you don't love your job. Your first job, your first five jobs are not your dream jobs, oftentimes, right? These are learning jobs. I'm sure there's somebody at that nursery who's got a lot to teach you, and maybe they teach you in weird ways. Maybe they're not very friendly. But even the worst bosses, I thank them. Thank you for showing me who I don't want to become, how I can treat people better.

You know why I help people? It's because I didn't get a ton of help in those first few years. I had bosses that were just take, take, take, and that's fine because I recognized it, and I said, "Okay, this isn't about me. This is about them." But I know how this feels to be on the receiving end of that, and I don't ever want to have anyone feel like that, if I can help it.

All this to say what feels negative right now is not, is not negative. These are opportunities for you to learn, to advance, and to figure out more about who you are. But I'd be remiss if I said saving money isn't important, all this mindset stuff. You can't sit on your couch and manifest, right? You have to believe in yourself, for sure. But you also need to be practical and save.

One of the things about being 20-something is that you have more time than the rest of us. Get another revenue stream. Hustle, hustle. I know we talk a lot about anti-hustle culture on this podcast. But in your 20s, this is your time to accumulate experiences, relationships, money. Then in your 30s, you prune. You get a little bit more clarity. You figure out more about yourself. See what relationships really do matter.

But everything's a learning opportunity right now. My gosh, you're only 22. So excited for you, Archie. Stick with us here in the So Money community. We're going to get you far. I mean, I've had people on the show who say, “I started listening to you five years ago, eight years ago. And in that time, I've started a family. I've built a business. I went back to school. I bought a house. I bought a second house.” I'm not taking credit for any of that. But my point is, is that when you surround yourself with the right stuff, the right people, your success is almost inevitable.

So keep at it. Just keep being you, Archie. You got what it takes, and I'm just really honored that you came to me. I'm rooting for you, and I'm rooting for all of us. I welcome your questions. As a reminder, you can email me, farnoosh@somoneypodcast.com, anytime. I'll see you back here on Monday, and I hope your weekend is So Money.

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