

EPISODE 1493

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FT: So Money episode 1493, Allison Baggerly, author of *Money Made Easy*.

“AB: Oh, I spent – I love spending money, Farnoosh, even to this day. I was spending money when I was happy, when I was mad, sad, glad, bored. I wanted to celebrate something. I wanted to get over something or someone. I used money as, essentially, a band-aid because I needed therapy.”

[INTRO]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. Joining us once again, Allison Baggerly. You may have heard her on the show previously, talking about her giant personal finance community online, her blog, and popular Instagram account, Inspired Budget. It teaches her budgeting method to hundreds of thousands of followers. When she was last on the show, she talked about her own personal journey to paying down over \$100,000 in debt in under five years.

Now, she has a book coming out April 4th called *Money Made Easy*, where she provides solutions for budgeting, changing your money mindset, and reaching your financial goals. In our conversation, we talk about how fear can be a driver to making healthy choices with your money, how to save money when you're traveling with your kids, especially if you're looking at Disney World, and discovering your money patterns so that you can get a handle on spending, debt, and reach your financial goals. Here's Allison Baggerly.

[INTERVIEW]

[00:01:52]

FT: Allison Baggerly, welcome back to So Money. Congratulations on your new book, so exciting. Now, you can add published author to your illustrious title.

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AB: Yes, I'm terrified. I –

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FT: You know you're singing my song.

[00:02:08]

AB: I'm just going to own it. I'm not going to like pretend like I'm like 1,000% confident. It's very like scary putting a book out because you can't go back and like edit it. You can't say like, “Oh, I'm going to – I changed the way I wanted to say that or I'm going to change the way that this came off or was interpreted.” Nope. People can interpret it, and it's in print, and there it is. But, I mean, I'm very excited. I'm very happy that I did it. It was definitely a process that was hard.

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FT: Yes.

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AB: It was – I'm sorry.

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FT: I want to revisit that fear in a minute. But I want to also tell everybody right away. The book is called *Money Made Easy*. You, of course, have been on the show before. But just a recap to those who are maybe new to the show or new to us, you are the Founder of Inspired Budget. You and your husband paid off over \$111,000 worth of debt on two teacher salaries. Everybody,

I have the link to Allison's first interview on So Money in our show notes if you'd like to go back for the full download on that.

You started Inspired Budget about six years ago, and you have been able to retire as a teacher. You are helping others full-time now. You host a podcast. You have this book, *Money Made Easy*, which is – would you say it's sort of like a derivative of Inspired Budget, like it's all of your techniques and strategies in a nice, beautiful book?

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AB: Yes. But you know what I think is it's not like this step-by-step plan. I think that we – there's no cookie-cutter like plan and formula I can give you or your listeners because everyone's life is different. So it's more of like the information. Then you can pick and choose what works best for you and your family. It's like a choose-your-own-adventure book but with money.

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FT: Because I'm sure you've come across how some people don't even like the word budget.

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AB: Oh, yes. They say it's a four-letter word. I'm like, “Hey, I was there. I hated it too.”

[00:03:58]

FT: One of the first things you want people who come to you and your audience, you often say it's about figuring out your money pattern. That is kind of the first step. How did you do it? How do you teach people to find their money pattern, and why is this so important as a first step?

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AB: I think that many people find their money pattern because they hit like this rock bottom moment. That was me. I had zero dollars in my checking account, went to the grocery store,

swiped my card three times, had that moment where I had to walk out the grocery store doors with my food left on the belt, did the walk of shame back to my apartment. This is before we had smartphones, and we could check our bank account balance. I thought I had money. Newsflash, I didn't. I had spent it all. I was in college. I spent all of my student loan money by March. I know. That was supposed to last me until May. My mom said, "I will help you under one condition that you come home, and we sit down, and we look at where your money is going."

It was a very eye-opening experience because I was too close to the problem to see exactly my patterns and what I was doing and how I was using money to deal with emotional situations and like give myself the emotions that I wanted but wasn't receiving. So I think that coming back to those patterns really allows you to ask yourself, "Am I happy with these patterns?" You might be. You might be like, "Heck, yes. I like it. I like that I can do spend money in this way, and I like that I'm able to grab takeout every Friday because I don't want to go home and cook dinner." That's totally fine. But sometimes, we have patterns with our money that aren't really benefiting us or our future, and that's when we can recognize those and then put a plan in place to change them.

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FT: So what was your pattern? What was going on?

[00:05:50]

AB: Oh, I spent – I love spending money, Farnoosh, even to this day. I was spending money when I was happy, when I was mad, sad, glad, bored. I wanted to celebrate something. I wanted to get over something or someone. I used money as, essentially, a band-aid because I needed therapy, to be honest with you. That was my thing, and I continue to do that.

Even though I had that moment where I sat down with my mom and I recognized that pattern, I then tweaked it to say, "Okay, I'm going to continue this pattern, just so I don't overdraft though. I'll stop when I'm about to overdraft." I lived that way for many years, until I realized, okay, this pattern, even though I've tweaked it in a way where I'm not going into credit card debt or I'm not running out of money, I don't like it. So years later, I had to go back to that and deal with it.

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FT: Your book is coming out. It's almost always a good time to talk about money. When's not a good time to talk about money? But right now, in this year, what do you think are some of the contextual issues going on that make your book super relevant in 2023?

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AB: Oh, my goodness. I mean, just with the cost of inflation, everything's going up in prices. There's so much fear right now. There's just a lot of fear. Fear, that emotion drives decisions. So we can either decide to do something in our life to make managing our money easier and understand it better and feel like we have control. Or we can turn to fear and turn to credit cards and spending and this very like scarcity mindset of the world is falling, and it's out against us, and there's no room for success. I'm never going to get over this money hurdle, so might as well lean into it.

That's what I don't want people to do. I don't want you to lean into your struggles. It's very easy to do. Because even though everything seems to be very doom and gloom, I don't know. Maybe I'm just like reading the wrong headlines. Everything seems to be doom and gloom. There is some aspect under your control. We just have to figure out what it is, and then choose to work on what you can control.

[00:08:05]

FT: Yes. Like you said, there's fear. You can't help it. It shows up. It comes up unannounced sometimes. But you have the agency as an adult person. Maybe not when we were kids, and we were in college even. But now, as working adults, we have the agency to say, "Okay, what am I going to do with this fear? Am I going to just let it take over?" You know what happens next.

Or am I going to like develop a relationship with this and say, "Okay, how am I going to have a healthy action plan that is maybe inspired by the fear a little bit?" Because I am afraid that I

don't have enough money to cover my emergencies or I recognize that my credit card debt is out of control, and that is scary. That is a legit fear.

So it's like, okay, what does this fear want me to do? It doesn't want you to continue burying yourself in debt. It doesn't want you to hide the bills in the drawers. It wants you to do some things so that it can go away. Fear doesn't want to hang around forever. It has [inaudible 00:09:01] too. It wants to go back to its house.

[00:09:04]

AB: Exactly. I see it as like it's literally your brain's way of trying to protect you. That's all it is. But so often, we let it control us, and we don't see that. So when you're scared about something and you're worried, even if it's fear of something that's healthy and that you should be doing like a new experience or embarking on a new money journey or embarking on sending extra to debt, but you're worried you won't have enough money to like live your life or whatever, that is your brain's way of saying, "Hey, this is new. This is different. This is scary. I'm just trying to protect you."

We have a choice to say like, "Okay, brain. I know, but I've got this. There's a plan. I know I just need to take time to learn about it." Then it's not so scary anymore. That's why I say with like investing so many people are scared of it. But that fear is because there's not this knowledge. We're not taught how to do it.

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FT: That's where the fear is pointing you at. It's like, well, how do I become less afraid. I have to learn stuff. I have to learn how the market works. Part of what I love about your book is that it's accessible, whether you're just at a college or you're a parent with lots on your plate, taking care of the sandwich generation, taking care of family, of all generations. A lot of people in my audience are like me, the demographic of I'm in my 30s and 40s. I'm really in the thick of life, working, caregiving. Maybe there are aspects of my financial life that aren't perfect still. I still might have lingering credit card debt. I might not have the best retirement fund set up.

What's your advice for the Gen Xers? Because I know your book really sort of transcends, and it talks to people of all ages, how to choose financial independence wherever you are in your life stage. But I want to speak to some of those in the audience and recognize us and say, "Okay, here's Allison's best advice for us right now, how to make money easier for us right now."

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AB: I would say give yourself grace and empathy. I mean, I'm in that generation too where I have kids. I mean, have kids in daycare or childcare costs. But your parents are aging, and you might be helping them, and we still have this lingering debt that you're working on, and everything is so much more expensive. Just cutting out your weekly latte isn't going to make a big impact. Stop saying that.

[00:11:17]

FT: We both like need caffeine.

[00:11:19]

AB: Yeah. I'm a mom of two boys, and that's the only way I'm going to keep up. I think that just realizing that you don't have to get everything right. You literally – there's still time. You don't have to get everything right and that you can have empathy for yourself. That's one thing that's in my book is I don't lean into this idea that like let's use shame and fear to motivate people to change. That is a motivator for some people. It's not for me. That's just a way for me to shut down.

So in the pages of this book, it's very much wrapped up in empathy and stories, and realizing that even if you're in this situation where you feel pulled in just like a million different directions, it's about figuring out, okay, if I feel pulled in like these 10 directions, what are the three that need my focus now? What are those three? It's okay if those three are not what you focus on in six months.

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FT: Yes, prioritizing, giving yourself maybe some mini deadlines. I find that like we all have these to-do lists. If something's been on your to-do list for eight months and your life hasn't been derailed because you haven't checked it off, maybe it's time to just take it off the list.

[00:12:30]

AB: Are you talking about my email inbox?

[00:12:33]

FT: Right. I know, I know, I know. Someone once explained email to me in a way that was really – like it was so true. But like imagine thinking of it like this. It's like all these people wanting your attention. Imagine all the people showing up to your house, ringing your doorbell, like 100 people, all these different signs and needs and everything. I mean, that's essentially what email has become is like our front door.

A question now from our sponsor, Prudential. I'm asking guests this. What was a moment, Allison, in your life that propelled you to the next level of your financial life? Was it when you paid off the six figures in debt? Was there something even more recent?

[00:13:17]

AB: Oh, my gosh. We – I mean, obviously, paying off that six figures of debt is incredible. But a moment recently that propelled me, and I haven't even talked about this yet, so I hope I'm not talking about it too soon. If I am, oh, well, the people will hear. My husband recently – or he's changing jobs. So he was or is right now a band director at a middle school, and he is taking a step down, and he's going down to, essentially, just an elementary music teacher position. He is going to be making less money.

But this decision, I think, has propelled us because it has really just been a very big talk in our household about how time is wealth and time is money and how to us, even though, yes, he is going to be taking a pay cut, we are so happy to be in the place right now financially where we

can afford that and how that is freedom to us that he will get back more time in his day and on his weekend.

I don't know. Just being able to make that decision felt so empowering because in the past, I would have said, "No, you can't do that. We can't live on this much less every single month." Now, it's like wonderful because I would rather have him home more than more money, to be honest.

[00:14:41]

FT: Yes. I'm finding this showing up in my life, in my audience listeners' lives. I have my money session sometimes with listeners. They're like at this this exact crossroad. I'm considering two jobs. This job pays \$20,000 a year more. But this job over here which pays a little bit less, I get a sense that the culture is just a better fit, and I'm not going to be harassed on the weekends to complete my work. It's just going to be less stressful.

Listen, we all take the jobs sometimes because of the money, and we should get paid as much as we can for every job. But if there's a job that requires less of your energy and your stress level and your time, well, that's invaluable. I mean, health is wealth. We know. But it is a privilege to be able to stop and go, "Okay, I'm going to opt for option B, which is less money, but actually provides a richness in my life that I really need at this stage because I've got responsibilities. I've got to make more time. Carve out more time for myself." Our parents didn't have this mentality. This is a very modern money mentality. I like it.

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AB: Yes. I like it too. You're right. It is a privilege. I see our past and what we did with money in the past really set us up to be able to have this decision be a no-brainer. We talk about it at the dinner table. We're so excited. He's going to work four miles away from home, instead of 30 miles away from home. It is a privilege, but it is not one that we could have made years ago. We talk about that, how our past choices and paying off debt and choosing not to let lifestyle creep just completely take over our life and being very meaningful in that. It has given us that freedom. It's just – I'm just over the moon excited.

[00:16:31]

FT: I'm happy for you. I'm happy for the both of you. You deserve that. Well, going back to what you were talking earlier about your history with emotional spending, I think that's a lot of us still. I mean, we all do it. Maybe not – you're not doing it any more, as much as you weren't [inaudible 00:16:47].

[00:16:48]

AB: Yes.

[00:16:49]

FT: But, I mean, I was at Target. This is funny. I was at Target with my kids. I don't take them often shopping. I don't. I mean, I usually just online shop it. I rarely am in a store. I took them with me, and my son goes, "All right, what are we getting? What do we need mom?" I was like, "Let me explain something to you about Target. You don't come to target with any goals. Target tells you." Maybe I shouldn't have said this, but I was kind of like practicing my stand-up. I was like, "You know, Target will just let me know what I need."

[00:17:20]

AB: Exactly.

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FT: We got to just like roam the aisles and keep our eyes wide open.

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AB: That's right. You get your latte, you push your red cart, and you just be, right? It'll reveal itself. It will.

[00:17:32]

FT: Yeah, yeah. So all this to say that – and I was probably – it was the weekend after a very difficult weekend. So for me, this was like my vacation was to go to Target. I know it's riddled with issues. I have issues, guys. So my question for you is how do we – I don't want to take away my Target runs. That's not what I – it's not the point of this question. But I want to like really – for those of us who really do struggle with emotional spending, and it's costing us a lot of money in debt, how did you overcome it? What's your recommendation? I know this is also a big part of your book, *Money Made Easy*.

[00:18:07]

AB: Exactly. So I talk about this really in chapter four when we talk about the secret behind successful budgeting and then also chapter nine when we talk about impulse spending. But for me, it is realizing that going cold turkey, not going to happen. Stop putting that pressure on yourself. Realize that you just need Target money and give yourself an amount.

So I plan for those types of purchases. I plan for that type of impulse spending and that emotional spending. So you can give yourself a Farnoosh Target money or Farnoosh's – I like to call it what we want. We have a savings account that's just what we want. I don't know what it's for yet. But when I know, when it shows itself to me, I will know that that's what I want to spend my money on. It's what we want, and it is intentional money set aside every single month to fulfill that purpose.

That has really allowed me to kind of not binge-spend or overspend in these great quantities because I know it's there. I know it's there waiting for me, and it's turned someone who loves spending money, and I get like this high from spending money. I'm able to just slow down and process everything better because I know it's there for me. That's my recommendation is create some sort of money account, whether it's a separate checking account, separate savings account, cash, whatever you like to spend money on as that kind of just free spending money.

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FT: Anticipate. Anticipate the need for that want. I like that.

[00:19:43]

AB: Exactly.

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FT: Anticipate the need for the want. You recently – maybe not recently but I was reading your post about going to Disney with your family and how you saved or made it more economical. Gosh, I don't think I want to go to Disney. It's not going to happen. My kids aren't asking.

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AB: Have you been?

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FT: When I was very young. I don't even remember it. I only know because I have evidence of a photograph. But I don't remember. What a waste, right? My parents took me when I was like two and a half. I was just basically in a stroller the whole time. We drove, and we brought sandwiches, and probably the tickets weren't – I don't even know what we were thinking. My parents were brand new to this country. Could they wait until things are a little more subtle, embarking on this? Anyhow, I never really went, and my kids aren't really asking. I'm kind of like maybe – Can I just skip this, Allison?

[00:20:43]

AB: Yes, you can 1,000%. But I felt this pressure, Farnoosh. I felt this pressure like, “Oh, my gosh. I need my kids to go to Disney. They need this experience.” I did not have the experience as a child. I turned out okay. I mean, I wouldn't say great, but I turned out pretty decent for not going to Disney as a child.

But we decided to take our kids to Disney. Let me tell you, I anticipated hating it. I was like – even my husband was like, “When you start getting angry or when you start getting impatient or anxious, I’m just going to hug you. That’s your signal that like you’re being naggy. Or you’re being really short-tempered.” While we were there, I was the one that hugged him. I loved it. To me, it was amazing, and that was a shock to everyone that I enjoyed it so much. But, no, I mean, you don’t have to take them.

Now, here’s what I do recommend. I recommend taking one kid. Just pick your favorite. No, I’m kidding. No. Okay, hold on. Wait.

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FT: I’m like, “Oh, it’s going to be –”

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AB: Oh, take notes. So what I’m actually doing –

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FT: [inaudible 00:21:43]. I love both my kids equally.

[00:21:46]

AB: Yes. Oh, yes. Of course, you do. Awkward silence. But what I’m doing, actually, on Thursday, in two days, I am surprising my oldest son. I am picking him up at a school. We are flying to Universal in Florida, and we are going for three nights, two days. It is incredibly expensive. I splurged. We are going Friday and Saturday to the parks all day, and we’re flying home Sunday.

To me, does he need that experience to be a child? No, absolutely not. Could we have done something a lot cheaper? Yes. But I have the money, and I want to spend it on something that is

going to have us both have memories. I have like been – the lead-up to this has been the most fun thing ever.

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FT: Your kid's going to love it. Make sure he doesn't listen to this episode. Well, it's going to air afterwards.

[00:22:40]

AB: Of course.

[00:22:40]

FT: But like then you have another child. How do you explain?

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AB: Oh, yes, right. So I said, "Matt, I need you to take half a day off, and I need you to pick up James from school and pick up the pieces." That's what I told him. I was like, "That's it." We're calling it a fifth-grade trip. So he's going to say, "When you're in fifth grade, mom will also surprise you with a trip."

So it's like this way of doing it. Because, I mean, I have two kids, two boys. They do so many cool things with my husband through like Boy Scouts and Cub Scouts and camping. I go on some of it, but there just seems to be more built-in experiences. I'm like, "No, you don't get to have all the fun. I'm going to have fun. You don't get to come." He's just like, "Okay." So that's our fun thing.

[00:23:30]

FT: I think it's good for the other one to anticipate. They say anticipation is like a big part of feeling gratitude when it happens too to like the build-up. It's like a huge part of the feeling of

richness that comes with the experience, even for as adults, getting the tickets for the concert six months in advance. They say even like waiting in line for a concert, that hour, so many memories, you'll remember it. You'll remember that one hour in the cold or whatever you were doing.

I remember we went to Chris Rock years ago in Brooklyn. I was pregnant. We had the tickets, we get there, and there's all this mayhem because their ticketing machines were down. So you needed a paper. You couldn't just show your phone. You'd have to have a printout. So the show started super late because of this because people had to go home and come back. They had it printed.

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AB: Oh, my gosh.

[00:24:21]

FT: People were like, "This is so entrepreneurial." People in Brooklyn heard about this, and they came to Barclays outside with printers.

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AB: And charged.

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FT: They charged like just real quick thinking on their feet, just like entrepreneurs.

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AB: Yes. That was awesome.

[00:24:37]

FT: It was [inaudible 00:24:38]. I'm freezing. I'm pregnant. I'm like – then we finally got in. But I'm like I don't remember the show. But I remember all of this pre-game nonsense. I wish it was a little different. But anyway, it made me appreciate being inside so much more after all that shenanigan.

Anyway, all this to say good on you. That's a good plan, and that has inspired me. Maybe for my son's birthday, we go on a surprise trip somewhere. Just he and I or he and his dad.

[00:25:05]

AB: Yes, exactly.

[00:25:07]

FT: I think the one-on-one time with the kids is really great. It's really good.

[00:25:10]

AB: Yes, it is. It really is. I'll get that same one-on-one time with my other son, eventually. But I mean, like all of this comes back to you. How is this possible? It's all possible, just because we are able to live on a budget and plan for it and live below our means. You know what? It's made spending money fun. Before, whenever we weren't like in a good place with our finances, spending money was stressful. Now, spending money is fun.

[00:25:38]

FT: Yes, as it should be. As my friend, Susan, who has been a mentor to me for many years, and she worked in finance, and she started a financial literacy company for kids, Money Savvy Generation. She's been on this podcast, Susan Beacham. She said, "Farnoosh, what is money for at the end of the day? What is it for?" It's important to have savings. It's important to invest. You don't spend all of it.

But when you do have the capacity to spend and you find yourself afraid to, or it's like a foreign thing to you, and you don't know how to do it, and you feel guilty and all the things, like you need to get over that quite fast because life is short. Your money, you work hard for it. You should use it how it can help you. Again, saving, investing [inaudible 00:26:22] that important but spending too. Thank you for reminding us that spending is also something you can do with your money that doesn't have to be always the responsible thing.

[00:26:34]

AB: Exactly. It's all about just setting it up to where it's planned, and it fits into your lifestyle. You don't have to hate it.

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FT: So we have a few minutes left. Tell us a little bit more about *Money Made Easy*. What are some of your favorite parts of the book that you can't wait for people to learn more about?

[00:26:51]

AB: Oh, my goodness. My favorite part of the book is probably chapter four. I don't know. There are so many good parts. But you know what my favorite part of the book is, Farnoosh, is it is a money book. I mean, it's a nonfiction book. Let's be honest. Sometimes, reading money books is just not interesting. You don't go to like a library and necessarily pick one up because you want a good story, right? You're like, "I want to escape my life and really read this and get – forget about all of my troubles and read this book," right? That's not what this book is for. However, I will say –

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FT: Not a beach read, right?

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AB: No, it's not a beach read. But I will say one thing that's different about this book is every chapter, everything's wrapped up in stories, either stories of my own, or stories of my family, or stories of friends. So it's a very easy and fun read because there are stories within and wrapped up. It's not going to be like reading a textbook or an encyclopedia. I think that's what makes it special and what makes it different.

[00:27:52]

FT: Yes, yes. You got to give the narrative the story because you're right. Money, otherwise, it will put us to sleep but not this one, *Money Made Easy: How to Budget, Pay Off Debt, and Save Money*. Allison Baggerly, thank you so much for joining us. Preorders are happening. Thank you so much. Congratulations.

[00:28:11]

AB: Thank you for having me. Thank you. I'm so excited.

[END OF INTERVIEW]

[00:28:16]

FT: Thank you to Allison for joining us. Her book, *Money Made Easy*, comes out April 4th. Preorder now. I'll see you back here on Friday for Ask Farnoosh, where we're going to be talking about how to afford life's biggest expenses like a home, a new car, starting a family, and much, much more. Until then, I hope your day is So Money.

[END]