EPISODE 1527

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FT: So Money episode 1527, Ask Farnoosh.

[INTRO]

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FT: June 16th, 2023. Welcome to So Money, everybody. I'm Farnoosh Torabi. Happy anniversary to me and my husband, 11 years strong. But I tell you what. It's getting harder and harder to plan a fun event around your anniversary, especially year 11. Like year 10, that was really special. But year one, one, I don't know. Between our son turning nine in five days, I just got back from Puerto Rico. I'm still and haven't unpacked. Lots going on this month, including, of course, the ever ongoing book launch. Book brain is real, #bookbrain.

All this to say, I don't know what we're doing today for the anniversary. I think we're going to get some steaks. I think that's on the agenda, but like I put that in my husband's court. I was like "Please find us a restaurant." I did book the babysitter, so then he just had to get the restaurant. This is married life in year 11. I'm cool with it. I remember it was our anniversary the first year of the pandemic. He and I got takeout at a restaurant in town, eat it in our car parked outside of a CVS because that was living life back in 2020, summer of 2020. We were just happy to be outside of the house. We were happy to be like supporting a small business. Eating not at the restaurant because they were not serving food indoors, but we were able to at least like enjoy a meal without a child asking us for another cheese stick or, "Where is my missing toy," or, "Can I watch some more television? Can I have ice cream?"

Where was I? This week, I had the great pleasure of joining an incredible group of women, moms and women, at a HeyMama event in our town. If you've ever heard of HeyMama, it is a membership community for moms in business, a membership-based professional networking group for moms. It connects mothers who are growing careers and families. So I was on a panel at this one event. They host local events. I might even host one later this year. It was superduper fun. I got to be on a panel talking about our financial fears, rewriting our money stories, and surprising ways that a creative outlet can pay off in many ways, including in our career.

I talked about my stand-up comedy stint back in 2019, how that literally turned into this book, *A Healthy State of Panic*, that I have coming out in October, which, by the way, if you want me to show up at your next event preferably virtually, so then I can do more events this summer, I am working for books, WWFB, I have the link to get more information about that in our show notes.

But I'm giving up my virtual speaking fee this summer up until the book launch in October and doing events, workshops, live Q&As with all sorts of groups and organizations, including employee resource groups at companies big and small, non-profits, schools and universities, therapy practices, financial advisories bringing me in to serve their clients and their teammates, talking about financial wellness, and reconciling with our money fears. All that good stuff. If you're interested in a sesh with me, click on that link in our show notes.

Speaking of books, I've got a hot summer recommendation for everybody, and it is *Tough Titties* by my good friend, Laura Belgray, who was on the podcast on Monday. *Tough Titties* is a memoir about a misfit Laura coming of age in the eighties and nineties in New York City. She screws up, like who doesn't, and finally finds success with her first million-dollar year at age 50. Her husband calls the book loser Sex in the City. You got to read it, and I want you to read it for free. So I've purchased 10 copies from our local bookstore here in Montclair, and I'm going to give every single one of those copies away. To qualify for 1 of these 10 copies, leave a review on the Apple Podcast review section about that episode, and I will pick as many as there are reviews, well, up to 10, next Friday, the 23rd of June, on this show.

Speaking of the Apple Podcast review section, let's pick a reviewer of the week to get a free 15-minute money session with me. We're going to say thank you to rov, who left a review entitled Humor, Meaning, and Deep Conversation. Rov says, “Farnoosh, hope you know that you bring so much wonderful energy to the world, and you give practical and meaningful financial career and work-life advice. I appreciate the humor, the depth of conversation with your guests, thoughtful advice, and generosity. I feel like you are a close friend who sincerely cares about me.”

Wow. And she goes on and on and on, and I'm a little embarrassed to keep going. But I feel like, Rov, you get me. This is – if you could write my bio, like I feel like I want to steal this, put it on my website. I help people with their finances, their careers, their work-life advice, deep conversations. Try to infuse the humor. You get me. This is what I try to do and what I try to be all about. I'm just happy that it's resonating, that it's clicking.

So, Rov, email me, farnoosh@somoneypodcast.com or DM me on Instagram, whichever you prefer. Let me know you left this so, so nice review, and I will send you a link for us to have a conversation. Wow, I just love your review. Thank you. One more announcement, and then we're going to go to the mailbag with our special guest. Yes, we have a special guest today, Georgia Lee Hussey. You know her well, famous Georgia Lee.

She's a certified financial planner, Co-Founder of Modernist Financial out in Portland, Oregon helping high-net-worth people who want to live intentionally, spend, invest, save intentionally. She's got a lot of advice for us. Your questions today are all about investing, prioritizing your finances in the wake of this new update to student loans. They're going to be due this fall. So how is that going to impact those of us who still have loans, and we're hoping we wouldn't have to deal with them for the foreseeable future?

Now, here we are back at it. What do you do when you find out when a colleague, a male colleague, and you're a woman, makes more than you do? This person is more junior. This person is not as credentialed. Hang tight for all of that. But really quick, if you've been thinking about joining my mentorship program, which I announced on this show last week, spots are going fast. I made the announcement on the show last week. I put a post on Instagram, and we are almost filled up. We have 16 spots. We are mostly filled up. I do have a few spots left.

Really quick, it's a four-month program tailored for ambitious thought leaders and entrepreneurs who want to learn how to build a sustainable and multi-revenue personality-driven business like mine that I have been doing for the last 14 years. If you're interested in learning more, I've got that link as well in our show notes. We kick off in August. We have a few spots left. So I hope to hear from you. If you have any questions, fill out the application, and I will be in touch.

All right, without further ado, let's hit the mailbag and bring on our favorite certified financial planner, Georgia Lee Hussey. Welcome back to So Money. It's been a minute, and I've missed you. How are you doing this fine June Friday afternoon?

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GLH: I am really well. I missed you too. It feels like 2023 is already gone by in a flash. It's kind of wild.

[00:08:13]

FT: Yes. My son's birthday is next Wednesday, which is the summer solstice, which I think is the official midpoint of the year, right? Or more or less. I mean, well, yes. That's always for me. June is just a crazy month between our anniversary, my son's birthday, school wrapping down, wrapping up, winding down, camp winding up, lots going on with work. How is business? Because you specialize in helping people with their money, investments, financial planning. What's the mood right now? Because the market – I don't know. I have not even been looking at the market because that's my self-care.

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GLH: Good. Good as an investor and good for self-care also.

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FT: Right? But technically speaking, how is everything going with the stock market? Has your advice shifted at all in the Q1 and Q2, given where interest rates are going and investments and all that?

[00:09:11]

GLH: Yes. Not a lot of shifts in recommendations but certainly a fair amount of tactical support, especially for our business owner clients. We have a fair number of impact-driven entrepreneurs who we had been preparing them for years for the downturn when the economy eventually went into recession, et cetera.

Obviously, everybody loves to argue about the R word these days. But I have seen some downshifts in people's individual markets. We have some folks who are in Hollywood. Obviously, they're in the middle of a strike right now. So the amount of preparation we did to make sure that they were insulated from that strike has been really helpful. We've been doing a fair amount of that. It’s interesting.

I'm finding – I'm watching for stories that are starting to solidify from the macroeconomic changes that have been happening the past couple years. So I've been really listening for our people going to be wanting to move towards bigger banks because of the anxiety that was kicked up around Silicon Valley Bank and First Republic, which is not what I want anybody to do because that's sort of about the anxiety, not about, “Oh, how does insurance actually work at your bank or credit union,” et cetera. I'm really listening for that one so that people don't start moving their money away from their values because of anxiety and fear, as opposed to knowledge and a grounded decision-making process.

Same with the markets, I mean, markets are up this year, exactly like I would have expected them to be as things start to resolve. So we've been talking – if anybody wants to go on our website at modernistfinancial.com, you'll see our blog. We've got a recent post on asset class returns over the past 20 years, and it's called a Skittles Chart. It's really quite pretty, and it's all different colors, and it really shows you different asset classes’ performance over time. I always I'm sending people back to that at this time because it reminds us 2022 was a down year. But it comes on the heels of many, many, many years of positive returns and be like this is just normal.

It would be weird. To your point about summer, it would be weird to have summer solstice every day. We need winter. We need fall. Then we need early spring. So I feel like my gut feeling is that we're in like late winter, early spring right now. There's sort of like some things are budding. Then there might be a frost. So that's my gut feeling about the market and what I'm reminding folks about right now.

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FT: How do you insulate someone from a strike financially? That was – I'm stuck on that still. I'm like five minutes ago. I'm like, “Farnoosh is brain broke at that point.”

[00:12:02]

GLH: Yes, yes. Cash, cash, cash, cash, cash. So a lot of our clients in situations like that, they have a retirement portfolio that might be 80 to 95 percent in stock. Then they have a liquidity portfolio that's maybe 20% in stock. So we get a little bit of return from the market, but the rest of it's in bonds and cash-like. They are sitting on several years of income needs, and so that could be used for a strike. It could have been used to buy a second home. It could have been used for a family emergency. It could have been used for a variety of things.

We have a say in the cash is queen, and you'll see lots of things on our social that's like basically pictures of drag queens because, really, we should honor them every day, every way. But also as a reminder that just you got treat cash well. Isn't it nice that interest rates have gone up, so we can shake and earn a little bit for us too, which is a real change. I mean, it's been 15 years since I feel like I made money in my savings account.

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FT: Right? I love these. I haven't yet taken them up on their offer, but there are these CDs that have four percent return, and I like that. I prefer that over like a high yield in some cases because it's guaranteed.

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GLH: I see.

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FT: Sometimes, I feel like the high-yield promotions, especially from maybe the newer banks that don't have a lot else going on. You can't also like open up a credit card there or maybe take out a mortgage or a business loan. That it's just about deposits. It's a trade-off. Then they may also change the rate at some point. That's true anywhere, but I feel like sometimes I just want that guarantee of like, okay, I'm going to in six months take this money out, and it will have grown 40%.

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GLH: Yes. It's an interesting question because you're trading one risk, a fear that there won't be a guaranteed return for a risk. That the interest rates would go up and you're going to lose money on what you could have made in a high yield. Again, as I always say, it's about our emotional relationship with the decision. What do we value most in that moment? It sounds like for you clarity is really important in your decision. Whereas with me I'm like, “Oh, I'm happy to float.”

The savings that we offer our clients is paying 4.65 right now. I'm like, “If it goes down a little bit, if it goes up, I just know I'm following the interest rate market basically.” But whatever makes you feel safe is really the key to cash. Just don’t put it in the mattress. Don’t bury it in the backyard.

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FT: Right, right. It's funny we still have to remind people of that because I do think that moments that we saw with Silicon Valley Bank and Sovereign Bank, it invites the conversation. It reinvites the conversation about like, well, what is FDIC insurance, and how safe is my money. I was just talking to someone the other day about crypto, and they're like, “You know, the truth is your money's not safe in a real bank and a financial institution.” I was like, “Yes, it is.”

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GLH: That’s not true.

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FT: I'm like, "**[inaudible 00:15:03]**." Yes. Sometimes, people use those headlines as – to feverishly promote something else that's also risky. But I said, "Well, yes. It is secured up to $250,000." This person said, "That's it, though?" I was like, "That's a lot for most people. Most people don't have that much in liquid cash."

Anyway, speaking of money and emotions, heading over to our mailbag. There's a question here from Ruth, Georgia, who is wondering. I think what I'm sensing from her question is like how to navigate all of her financial priorities with this new development in the student loan market. Which we know now, student loan interest is going to resume on September 1st. This is federal student loan debt. Then the payments are going to start coming back. They're going to be due again in October, which is not maybe where a lot of us want this lot to go. But here we are.

So Ruth's question is what should we do with this now new reality because they do have a lot of goals. The challenge is that her husband has about $240,000 worth of law school debt. Good news, though. They both contribute to their 401(k)s at work. They have four months of emergency. They don't have credit card debt. Their income, she says, is rock solid stable, hers at least. They have about 28 years on a mortgage with very low interest because they got it in 2021. The home is appreciated very nicely, 30% in value. No kids but hoping maybe to start that process this year.

The question is like when the payments resume for these student loans, should they just follow the plan or be more aggressive with that debt? Because the truth is they do have other things they want to accomplish like having kids, maybe renovating the home, start a college fund for their future kids. Also good news, they are going to be inheriting money from a parent who's not well, about 30,000 to 50,000 dollars. It's not clear yet.

So she's like, "We got this cash flow." But $240,000 in debt is like a little mortgage in many parts of the country. It's an average mortgage in many parts of the country, I should say. My gut is – I mean, that's a lot. So as much as they can pay down the principal without maybe cutting into some of their other big goals.

The truth is they're going to continue making more money. I think that's something that we always forget. We think that everything is just going to like stay the same in terms of income. But you're going to probably make more money. They seem to be still – they haven't even approached their prime earning years. So there is that to look forward to. No rush to pay down these student loans, especially because the law keeps flip-flopping. But, well, curious to hear what you think.

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GLH: Yes. So I would start with – as usual, I want to start with what are the inherited stories around debt. Is there narratives that either of you as individuals in this relationship have, narratives on how you should approach debt? So that's helpful to look into. What does your partner's family say? What did they grow up with? What did you grow up with? Then what do you feel like you're hearing from the culture at large?

I hear a very strong story around student loans, specifically about paying them down, that often feels disconnected from the reality of people's loans. So my general rule is if your interest rate is under six percent, I would not pay down the loan because you can grow money in the market like in a retirement account. I'm expecting seven and a half to eight percent on returns right now.

So if you paid down that loan, you can, A, not get that money back, and you're giving up two percent compounding over a long period of time, if we're comparing eight percent in the market versus six percent on your loan. Now, if your loan is over six, then I would probably look at an amortization calculator online and be like, "All right, if I add – if we had $100 a month, what is that going to do?"

But I generally as a rule want to start with always max out your 401(k). If your effective tax rate – I'm going to get nerdy for a second here. Look at your tax return last year. What was your effective tax rate if you combine federal, state, and local? If it's under 24%, you should be doing your 401(k) into your Roth because your after-tax returns will be higher in the long run than taking a tax deduction now. That's the first thing I would do. Max out the 401(k) Roth because that is a glorious pile of wonderful golden compounding for a financial planner. So I'd start there.

If you've got an emergency fund, that's awesome. I would then look at if you're maxing out the Roth 401(k), you're – then I would look at your taxable accounts. Are you investing in taxable money above your emergency fund? If you are not, this could be a good time to start. Then the nice thing is a taxable portfolio, you can always make a choice to pay down your loan in the future.

But once you pay down that loan, you can't get that money back. So if you need it for a parental leave period, if you need it for remodels, I'm always about liquidity, liquidity, liquidity. Like give yourself choices. Then when you realize you really just don't need that money, then you can pay off a little piece of it at a time. But I'm not a big fan of paying down big loans because this is a loan, to your point, that it was an investment in human capital and will ultimately have you making more money, and these payments will not be hard for you in five years.

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FT: What you say about the narratives, it's so true. I didn't experience this personally. But, of course, hosting this show or doing what I do, I hear a lot of other people's narratives around particularly student loan debt. Like can you believe this person had the student loans well into their 50s or 40s? Like they haunt you into your 40s and 50s, and it's like yes. But all the while, because they were on a plan, that then opened up their money for other investments that were actually more meaningful at the end of the day. It added more to their quality of life. It helped them advance, more frankly, in their finances.

Like you said, even just putting it in the stock market, that money will grow historically, will have a better return than whatever the five percent is on your student loan debt. So I'm well aware of what you're saying. I think it's refreshing to hear from someone like you who works with high-net-worth people. You've been practicing for so long. You really care about people that you're like, “This is not more important than we think.”

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GLH: Yes. I think that idea, I'm really interested in this narrative of the haunting of the student loan. I think that actually comes back to this core belief that our core feeling we have that the way that our economic systems are structured is unfair. It is unfair, right? There's the – I was just in Japan on vacation. I was like, "So tell me about your healthcare system." I was like, "Tell me about how school works." Because I'm always like fascinated by other people's economies.

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FT: Some people ask about the weather. You go right to it. You go right to the juggernaut.

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GLH: Socioeconomic systems please. I was just listening to them. I was like, "Okay, so everybody has healthcare." There's almost no unhoused people on the streets. There's – education is affordable mostly. Housing – people don't own houses in the way that they do here. I'm like, "That actually kind of sounds nice to have a release from this sort of must-gain land, must – this is how I create stability for my family. Their rent is very reasonable.

So I was – it was really interesting, and I think there is something about the student loan narrative that we're like, "It's just unfair." I'm like, "Yes, it is." The federal government has been systemically disinvesting in education. It's really expensive. We're trying to figure this out, clearly. So let's advocate for education reform and pay as little as we have to under student loans. I have a student loan left, and it is like the cutest little thing, and I've had it for 25 years. I'm like, "Oh, darling. You're so sweet. I plan to have you forever because you're so cheap."

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FT: Yes. Well, it takes on a personality too, like this – we personified it. It haunts us. I think sometimes, we go through college, grad school, what have you, and we accumulate this debt, and we regret it. We regret it. We don't think it was worth it, and so then to have to face it every month. Maybe just the advice is get it on an auto-payment plan.

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GLH: We ignore it.

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FT: We ignore it. Just let the technology take care of it and move on with your life. Love it. We got one more investing question, and then I want to help someone out who feels systemically discriminated against at work. Huge pay gap, apparently, she just discovered. But first, Linda, she is maxing out a solo 401(k) and an IRA. The question is, “Is a Roth conversion ladder something I should be doing? And if so, how?”

I'm curious about this too. Can you explain first what is a Roth conversion ladder? I know what a Roth conversion is, but the latter adds another layer to this that I'm not familiar with.

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GLH: To be honest, I'm a expert in my field, and I have no idea what she's talking about. But I think we could guess. It sounds like what they might – what this term might be is that you – what we do for our clients every year in our really fun tax planning meetings with their CPAs is we always talk about Roth conversions. As a rule, if you're effective tax rate – again, go back to your return last year. Add up the effective rate, not your marginal, your effective rate on your returns for federal state and local. If it's under 24%, do a Roth conversion to fill up that 24% bracket.

Usually, your tax advisor can help you figure out how much to convert. So as a rule, we fill up our clients every single year. So the idea, the theory behind this is when you have money that is in a tax-deferred account, it is growing, right? Tax deferral, we love it. It helps compounding happen. But eventually, you're going to have to pay the piper. Take it out.

So when you think – when you look at an account with a – let's say you're in retirement. You've got a million dollars in a traditional IRA, or you have a million dollars in Roth IRA. Which one do you think is more valuable?

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FT: The Roth.

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GLH: Right, because the Roth is actually you have a million dollars. The IRA you're going to have to pay 30% to take it out or 25% or whatever your rate is. So you really only have $750,000 in that account. So if we can set ourselves up in our earlier years and pay tax under 24%, as a general rule, the after-tax return is going to actually be higher in the Roth.

I think this is an important – Linda's asking a very sophisticated question here. How do I maximize my after-tax return? That's what I hear in the question. As a rule, it goes HAS, Roth IRA, tax-deferred, taxable accounts. Those are the order in which you want to prioritize your investing. Sometimes, we move the taxable accounts a little higher because, again, back to my question about cash is queen and liquidity, you're always going to make sure you got money outside of retirement because pulling it out and paying penalties will obliterate your after-tax return. That’s my recommendation there is to ladder every year some Roth conversions up to your 24% effective rate.

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FT: I'm going to guess that she's self-employed because she has a solo 401(k). Also making another assumption here that she has like an accountant or a financial planner. But if not, who may be somebody who could help her with this sort of more sophisticated approach to her investing?

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GLH: I would – I mean, I don't even do that calculation for our clients because I'm not a tax advisor. I'm like legally not allowed to do that. I can do general, and I'll be like, “Hey, CPA. I think they can do 50. Can you double-check?” I'm guessing you might be able to look at like a

TurboTax and run a version of this. But as a rule, it's a little bit of a complicated calculation, I'm sorry to say. But I think it would be a good time to get a good tax advisor.

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FT: Yes, yes. I mean, that sounds – which you should have anyway if you have a business.

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GLH: If you have a solo 401(k), you oftentimes can have a Roth portion of your solo 401(k). So that's the other thing I would say to Linda is don't do it all in tax deferral because we have clients with solo 401(k)s that are putting 65 grand a year away in retirement. If your effective rate is under 24%, you should not be doing all deferral because you're just putting the bill off towards – to later.

[00:28:15]

FT: Yes. All right, Linda. I hope that was helpful. I think also wherever you are contributing for that 401(k), IRA, maybe they have resources for you as well. So that's my only other thought. Last but not least, I am – I got this question actually from – I met this person. I'm going to keep her anonymous. She found out recently that a new hire at her company who is junior to her, less experienced is a man, she's a woman, is making about 30% more than she is. She's the breadwinner in her family. She's feeling a lot of pressure already as is to support her family. Now, this news is really messing her up, and she just wants to know what to do about it.

We've talked a little bit about this on the show before because, unfortunately, this happens more than we like. We discover somebody at work, usually someone of the opposite gender, a woman saying, "Oh, a man is making more than me. He's not as qualified or he came with fewer years of experience. He might even be junior than me. How is this possible, and what can I do to change the equation for myself?"

The truth of the matter is if this is just sort of something that you've learned hearsay or – I wonder like how valid that is to actually bring it into a conversation with your manager. Even if you have seen it in writing, even if you did come across this person's pay stub, even then, it's not really what I would lead with in the conversation. Bottom line, you need to make more money. I agree with that, and I think that that is what you go in to – you should book an appointment with your manager. Ahead of that, outline all of the reasons you should make more.

Chances are if this person who just got hired, who's making more than you, chances are the market can afford this, right? So your job now is to go research. How did that person land that much money? Then also look at your own job and your profession and your industry. How much – maybe you are underpaid just based on that benchmark, right? You don't have to bring in this other person's information.

I mean, later on, if you're realizing this is like a systemic problem where like a lot of the men are making a lot more money than the women, which I know stories like that too, then that's a separate thing. I think you get together with those employees, including some of those men who want to advocate for you and go and change the system. I think that right now, this is anecdotal. I don't know how she knows this. But again, I agree. She needs to make more money, and she should go advocate for herself.

I just think it's a slippery slope to like be like, "Well, he's making this, and I –" That's not why, unfortunately, in this moment, you're going to make more money. It's really all about your credentials, your validations to making this much money. Unfortunately, we can't – I wouldn't throw this into the conversation. But what do you think?

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GLH: Yes. It's a good question. It's funny. It's interesting because I'm an entrepreneur who's a boss, who sets pay, right? So one of the things I'm noticing, we're in the middle of building a transparent pay structure, and it is hard. It is because there's a lot of nuance, right? Does somebody have a master's degree? How much experience does somebody have? Where do they come from? What kind of responsibilities do they have? So transparent pay structure is clearly the goal in a equitable working environment.

Oftentimes, I find, especially right now, I don't know how recently this person's been hired, but there are some really weird discrepancies in pay structures between people who were hired four years ago and people who were hired two years ago because the labor market was so tight two years ago. So I feel like sometimes, if it were me, well, I don't think I would let this happen.

But if that were to happen, I would want to know that somebody had the concern. I would want them to bring me some solutions. I would want to see research. I would want to see numbers because I'm a business person having to make a bunch of decisions today. So make it easy for me. I would first set my case for myself. To your point, do the research. Understand what the market is offering, et cetera. Look at the world. Look at the environment you're in. Are they going to even be open to this conversation? You know that on some gut level whether management cares or not.

Then I would say like are you going to bring it to HR? Are you going to bring it to your manager? Are you going to confirm? Are you going to talk to this person and be like, "Listen, I'm concerned about our equity. Can you tell me how much you make? I'll tell you how much I make." Then I would say if none of those work, it may be time to look for another kind of organization, a B Corp, for example. Some kind of organization that really is committed to these equitable HR practices because they take a very different way of doing business. Most business structures are not built for things like transplant pay structure. You really do need to be working in a company that cares deeply and is committed to putting a lot of resources around doing this work differently, doing the running of the company differently.

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FT: It got me foolishly optimistic, but I sort of find that whenever we find out these details, as painful as they are in the moment, I want to offer this that this is also perhaps encouraging that you have a lot of potential to make more because it's been evidenced by someone at your company who's making that. So that means that your company does have resources. Don't lose sight of that.

I remember when I was in my 20s. I was asking for a raise. I was 100%. I earned it. I was doing multiple jobs. I was really – it wasn't even about like, "Oh, I'm going home tired every day, and

I'm working all these hours." It was like I was literally doing two other people's jobs. So they were getting a lot of bang for their buck from me, and they kept saying no. Then I finally went to HR, and I asked for my salary band, which is something that I would recommend our friend here do. Out of your own curiosity, go and ask human resources, "What is the range, the salary range for my position, and I want to know like where I am on that range."

So you might discover that you're making $75,000 a year, but your position has the potential for up to $115,000. Isn't that interesting? So I think that that's also important data when you go into your meeting. You're not only bringing in the market research that supports why you should get a raise. But also, internally, y'all have budgeted X percent more for my role. I've been in this role for these many years. This is another reason why I feel like a raise is merited.

Now, back to my situation, I used that piece of information. I learned that while I was making $44,000 a year, my position actually had up to $95,000 reserved for someone in that role. Of course, it depends on like your experience and master's versus bachelors, et cetera, et cetera. So I said, okay, they're not going to budge here. This culture is not my culture here. But I used that when I went to the next employer to negotiate, knowing that if my previous employer could pay me that much, this next employer who was a richer employer had better balance sheets, which I looked up online, could certainly afford that. I asked for the top of that, and I got it.

All this to say, information is gold, and you may not use it and be successful right away. You may hold on to it, use it later. But right now, I think your job is to get educated on the potential for what you can make at this company and elsewhere. Go in with all the confidence that you deserve to make this. If they don't give it to you, well, then that's also helpful to know because now you can start to make, plant the seeds for maybe your next job opportunity.

[00:36:30]

GLH: I think that's really – it's great advice, and I love the idea of asking about the salary band because it also helps. As an employer, I don't want to be in a conflict-ridden relationship. I want to think about things from their perspective, and I want them to think about things from my perspective too, right? As a very small business owner, like we all have to sort of think a little at least entrepreneurially when you work for a small company.

So it just helps you have a more sophisticated conversation, and that conversation could end with, “I need to make 95,000, and I'm sorry I can't do it here, and I'm going to be looking for another role. So I would love your support in helping find that.” I would help with that. But, of course, you have to take the temperature.

[00:37:12]

FT: Exactly. Well, I appreciate all these questions. I appreciate you, Georgia, for joining us again. I hope it won't – so much time won't pass until you come back. But I'd love to have you back more frequently. Your wisdom is invaluable, and we hope you'll have a great summer solstice.

[00:37:32]

GLH: Thank you. Happy summer solstice. Enjoy that long beautiful sunny day, hopefully.

[00:37:37]

FT: Everybody, if you'd like to pre-order a copy of *A Healthy State of Panic*, you know where to go. Go to ahealthystateofpanic.com. Grab those pre-order bonuses. I'm giving away my online program, Scared Smart. It's a three-video series, plus workbook, plus introduction to the book, all yours for free. Just order one hardcover, and you will make my day. Appreciate you again, and I will see you back here on Monday. I hope your weekend is So Money.

[END]