

EPISODE 1566

[00:00:00]

FT: So Money episode 1566, Ask Farnoosh.

[INTRO]

[00:00:31]

FT: Welcome to So Money, everybody. September 15, 2023. I hope everyone's having a great week. I went to the dentist yesterday, and I don't mean to brag. But my dentist said that I had the best set of teeth that he's seen in at least the last month. I don't know what attributes to that. I am not a huge flosser. I do brush my teeth about three times a day. I'm a big like wake-up-in-the-morning-brush-my-teeth-immediately person. My husband likes to brush his teeth after he's eaten breakfast. I can't do that. But then I have breakfast, and I have coffee, and I feel like brushing my teeth again. So maybe that's the magic, like brushing your teeth twice in the morning, once in the evening. Maybe he was just being nice, but I accepted the compliment.

I have to say, I've been on the receiving end of a lot of niceties in the last few weeks, especially this week. People are finally reading the book, people who got an advanced copy and leaving the reviews on Goodreads, which you can't do that on Amazon yet. But on Goodreads, if you had gotten an advanced copy of the book or an electronic copy of the book, and you read it, then you are more than welcome to leave a review on Goodreads, which then you can copy-paste and place on Amazon the day the book comes out. Reviews are so important.

Speaking on behalf of all my author friends, please leave reviews for books that you enjoy. It means so much not just to the author but to the algorithm. The algorithm on Amazon where most people buy their books scans those reviews, wants to know. How many reviews does this book have? If there's a healthy size number of reviews, then it helps you rank higher in your category, which then means more visibility, more sales. Reviews then lead to more reviews. It becomes sort of a self-fulfilling prophecy. We want to see that happen.

I think my friend, Laura Belgray, who wrote *Tough Titties*, said she learned that if you get a thousand reviews on Amazon for any product that you're selling, that your product ends up selling quite nicely. That when you're a consumer, think about it. When you're a consumer and you're deciding between a couple of the same books or a couple of the same pairs of shoes, and one has 10,000 reviews, and the other one has 80, and those 10,000 reviews are even averaging higher than the 80, you're probably going to go with the one with that more people have tried and liked.

My mother likes the book, which is not something that I necessarily anticipated. She read the book and has given me feedback. Just to set the scene, my mom came to visit in Montclair. While she was here, we got a big box or actually a few boxes from Simon & Schuster, which only means one thing. It's not our spin thrift order. It is the book, the final edition of the book. On the one hand, I was relieved because this is it. I mean, the book's done. Done, done, done. There's always a tweak you can probably make until the book hits the presses. Then now, it's in your house and in hardcover. So it's set in stone.

So there was a relief there. But then also there is a new fear that has arrived in my life, which is what is my mother going to think. Will she think that I have thrown her under the bus? The book is very much about my mom. I mean, she's a central character in the book. She is in some ways the woman who I learned from how to be afraid. We over-indexed on fear when I was a kid and when she was a kid really like raising me. She was 19 when she had me.

I'm happy to report she is loving the book. It has made her cry many times. She said to me that she didn't realize I knew her so well, that the book has been therapeutic for her in some ways to know that she's being seen and by none other than her daughter, who maybe at times thought – she thought I didn't understand her, just like I thought my mom didn't understand me. We knew each other quite well. We didn't always communicate it, but we were watching. It made her sad, but I guess happy tears.

I can't wait for you to read the book. The stories in the book are those that I've never shared publicly. They're stories that I've never even shared with my family, my perspectives, my insights, my thoughts about growing up in my family and the things that I was exposed to and the ways that I've interpreted life. That's what scared me that they were going to read the pages,

my mom and my dad, and go, "Wait, you thought that? That's what you got out of that experience? I don't remember it happening that way." But they have so far respected my perspectives, and I can go back to breathing again.

But for you, I hope this book is a testament to your fears to how they can be helpful to you. You don't have to be afraid of being afraid. A lot of people have been asking me on this book tour, who is this book for? I have a few bullets in my answer. One is if you're somebody who has been told to be fearless all your life, and you've tried, and you have failed, you want to read *A Healthy State of Panic*. If you're someone who's at a crossroads in their life, dealing with something high stakes pertaining to money, your career, a relationship, you want to read *A Healthy State of Panic*. If you're just curious about my life, maybe you want to feel seen, you want to laugh, you're up for a good cry, read *A Healthy State of Panic*. Come for the advice. Stay for the stories. Stay for the wild but true tales of growing up Iranian American. Check out ahealthystateofpanic.com.

If you missed any of our episodes this week, I'm quite proud of the shows we put out this week. It's been hard off to say putting out a podcast while also promoting a book. This podcast is a big undertaking, and I guess I always took it for granted, how much work it is, because I don't have my systems down. But those systems were not built to accommodate a book launch. That said, really proud of the shows that we've put out this week.

On Wednesday, going backwards, Brooke Taylor, career coach, came on the show to talk about repairing our success wounds. I have success wounds. You have success wounds. There are several archetypes of what Brooke calls the wounded achiever. If I can just brag here for a minute, one of our listeners, Dan, who has become kind of a friend at this point, he's shown up to events. He's coming to the book party. He's an avid listener of So Money. He DMed me, and he said, "Just want you to know that this week's interview with Brooke was really excellent. It touched on a lot of things I'm going through right now. It was bold without being preachy and told me some stuff I needed to hear. So thank you."

Then on Monday, we spoke to the co-founder and CEO of Wander Beauty on how to take smart risks and how to leverage your curiosity to find success. Divya Gugnani, she is a serial entrepreneur. This is her fourth brand, Wander Beauty. Let me tell you something about Divya.

She doesn't really need to work for money. She has made her money. Many times over, she's exited multiple companies and has done exceptionally well as an entrepreneur, as an investor. Wander Beauty is really just her passion brought to life, her passion for clean makeup, her passion for giving women and men accessible makeup that lets them feel their most beautiful but without spending all of the time. People who are on the go who want clean, fresh, beautiful skin. So check out episode 1564 and 1565. If you're not subscribed yet to this podcast, what's going on? Please hit that subscribe button because then that ensures that you never miss an episode in your feed.

Let's go to the Apple review section and pick our reviewer of the week. This person will get a free 15-minute money session with me. Earlier in August, BayleafLook left review calling the Michelle Buteau episode, "On fire. This by far was one of the best and most relatable episodes this season. It made me smile and feel as if my common sense way of thinking about life and money is okay. Always better yourself but have a little fun and love life along the way."

Yes. Thank you so much, Bayleaf. That was one of my favorite episodes of the season, of the year, of maybe my entire career. I'm going to actually submit it for a Webby, I think, because that show, it happened live. Michelle's appearance was very last minute. She actually filled in for a different guest who bailed at the very last minute, and we almost didn't have a show. Thanks to the grace of the universe and my network and just literally like the healthy state of panic in me, I was able to secure Michelle. She came. She delivered. She blew us away. Michelle Buteau, of course, the very talented, funny, smart actress, comedian, producer, writer. She is the star of *Survival of the Thickest* on Netflix, also a book by the same name.

So thank you, BayleafLook. Please email me, farnoosh@somoney.com, letting me know you left this review. I'll send you a link for us to find a time to connect. You can also direct message me on Instagram. This show was produced, thanks to you. I went on Instagram yesterday and implored our audience, our listeners. Please, leave me a question because I've had a very long week. I haven't had time to go through the mailbag. I want to answer the most immediate, most recent questions. So drop me a question here. I left, and here we are.

All right, first question is from Jennifer, who wants to know when I'm getting my butt to Los Angeles. Jennifer, I want to get there so bad. I'm actually going to be in San Diego in November

for my brother's wedding. I'm officiating but have to race back to the East Coast. I have some events lined up here. I've got an event in Washington, DC. Then it's Thanksgiving. Then it's the holidays. So I'm thinking Q1. For sure, Q1 2024, I'd love to be in LA. LA is a huge potential market for this book, given that it's got a lot of Iranian Americans who would love this book. I would love to share it with them, a lot of women entrepreneurs, ambitious women. I have so many dear friends in Los Angeles.

Dustin, who if you're reading the book, Dustin, I dedicate some passages to Dustin. He's my friend from college. I write about him in the chapter about the fear of loneliness and how the two of us sort of found each other at Penn State, both lonely but very much working through our loneliness and tapped into each other's strengths. We've been friends for now, gosh, 25 years. So he's out in LA. I got to go to Dustin. I got to hand-deliver this book to Dustin.

So if you have any ideas for me, if you have women's groups, if you have bookstore connections, if you have venue connections. How I usually begin my planning in cities that are not within reach, I usually start with one sort of anchor event. Maybe it's at a bookstore, or it's at the Riveter or another co-working space for women and from there creating other ancillary events, a coffee meet up with So Money fans. I'm down for it. I would love to dedicate several days, maybe a week to being on the West Coast.

All right, that was a softball question. Hit me hard here. Jennifer, another Jennifer. Is this the same Jennifer? Jennifer twofer, okay, go for it. "I will be buying a car in a month or so, and I've been looking online, and I found a new car with an APR of 3.9%. Does it make sense to pay for this car in cash? How much of a down payment should I make? I have money saved and can put 15,000 down. But that would be half of my net worth. What should I do?"

All right, Jennifer. The rule of thumb for car payments within your budget is about 15% of your overall take-home pay. So just for simple math, if your take-home pay is \$1,000 a month, then your car payment, including gas and try to squeeze in insurance, it's roughly 150. That's if you have a car payment. So reverse-engineer that. What's that going to mean in terms of a down payment? Given this interest rate, how can you hit that 15% percent?

That is what a lot of financial experts and even car financing experts recommend as a “comfort zone,” where we assume you have other responsibilities, other fixed payments throughout the month. Paying for a car entirely in cash, that sometimes gets you a deal, right? That sometimes is music to a car dealership's ears because they too want all the money now. So you might be able to negotiate a better rate for the car all in because you are paying entirely in cash. 3.9% is not that high of an interest rate.

If we were in an environment where car interest rates were like 10%, I'd say that the car dealership where a lot of them do their own financing, they want to make interest. So they don't care if you have a lot of cash. They want you to have payments so that they can collect interest. But if right now, they're comparing the difference of a 3.9% interest rate over four or five years versus you paying entirely in cash, and they can invest that money and probably make more than 3.9%, you have power here with your cash. Even with a high down payment, you will have cash.

But I do want to caution that depleting your net worth by 50% to afford a car, I don't know. You want to consider your job security. You want to consider how quickly you can replenish your savings. After paying for this down payment, could you replenish your savings within the next year? You want to do a risk assessment and see where leaving yourself with minus \$15,000 in cash, where does that leave you in terms of being able to afford your expenses, in case you lose your job, or you have a health setback, which is going to create more out-of-pocket expenses, potentially?

So this is what I talk about in *A Healthy State of Panic*, like creating these worse-case scenarios and then imagining how you'd be able to afford life in those moments. Are you good? Do you need to fill some holes? Do you want to put down maybe \$8,000 instead of \$15,000 because that's going to allow you to cover more bases in the event of the unexpected? All that said, I think you have some negotiating power here. You have some cash to work with. Dealerships right now, given that relatively lower interest rate, might prefer your cash payment over a financing plan. So shop around, and we could do a whole episode on car shopping.

But one of the things I've learned over the years and doing articles about saving money on cars is that you can negotiate online. In the olden days, you go into the car dealership. You spend a

whole weekend car shopping in person. Certainly, I recommend going in person eventually once you've narrowed it down. But emailing the sales managers and you can find those emails on these car dealership websites and asking them for their best price on certain cars that you're looking for. Sometimes, they have listings on their website. Ask them about those cars if you're interested. What is the all-in price? What is the all-in cost? Use that as your reference point when you're negotiating. Then when you go to the dealership, screen grab that email and say, "This is the price you quoted me. I want to see that car."

Just talking today with my dentist. Yes, my dentist again. I'll bring him up. He and I were expressing our frustrations over car dealerships. He's like, "I'm a car guy. I'm a mechanic at heart, and I know a lot about cars." He's just so – he admitted how frustrating it is to buy a car, to service a car, how this industry needs so much disruption. It's just waiting for disruption. It makes no sense that you have to spend hours upon hours buying a car. It makes no sense. You take your car in for an oil change, and then they suddenly find all these problems, and it's \$3,000. All right, thank you so much for both of your questions, Jennifer . Hope to see you in LA soon.

A question from Alice. She's 27 years old, currently working in finance, and she has everything going well on the surface. She says, "I'm at a great company with people I love to work with. I'm up for a promotion next month, and I think I've been relatively good with managing my personal finances. I've maxed out retirement accounts, regularly putting away towards savings, investments."

"However, says Alice, "over the last six months, I've been growing increasingly dissatisfied with my job, and I'm candidly burnt out from working 65 to 90-plus-hour weeks regularly for the last five years. I've been feeling a really strong urge to quit my job and take about six to nine months for a break or get a less intensive job, travel, and figure out what I really want to do for my career. I'm not sure if this is a smart decision, and so I would love to get your thoughts on the following.

First, is this a dangerous move for my career trajectory? How do you think future employers might view this? Secondly, how do I prepare financially to take a gap like this? Is it reasonable to use part of my savings during this time period, assuming I don't have my regular income, how

much will pausing my regular savings and investing schedule impact my future wealth? Are there any practices you would suggest to continue building toward my financial future during this time?”

All right, Alice. What a great question. I've done many episodes on this. You may or may not have listened to them. But one that comes to mind immediately is with Kate Donovan. She's the host of FRIED, The Burnout Podcast. I really encourage you to go back and listen to that. What I remember from that interview, and I actually included excerpts of that in *A Healthy State of Panic* in the context of what do you do when you're afraid of burnout and when you're afraid of leaving your job, right? You're at this crossroads where on the one hand, you're facing burnout. On the other hand, you're facing quitting. But then that's also a lot of – that's also very uncertain and terrifying. She said, “Sometimes, it's not the job that's creating the burnout. It's our inability to create boundaries.”

You said you're working 90-plus hours a week sometimes. Is that something that is demanded of you? Is that something that you have found yourself taking on more and more, like you started at 45, then it became 60, then it was 90? Are you in a season at the job or working on a particular project, where like this won't actually be your schedule forever? Because that's how it is at work sometimes, right?

Like I remember when I worked in magazines, it was very – things were very lazy for the first two weeks of the month. Then the last two weeks of the month, it was crunch time because we were putting out the magazine finally, and things were finally getting edited and placed and photographed and all of that. So they were late nights. But for the first two weeks of the month, people were coming in at like 11am and taking very long lunches. So first checking yourself and going, “Is this burnout attributed to the job, the actual demands of the job, and I am just one of many victims here? Or I've sort of put upon myself a lot of these demands that maybe they've been asked of me, but they're not required of me.”

Even if you realize, hey, I got some work to do as well, I got to create boundaries, maybe the job isn't still the right job, and you should leave. I mean, in your 20s, I think a great way to – and even throughout your 30s. Making more requires leaving. Of staying at the same job to try to make more money is not the formula you want to bounce around. You're 27 years old. I'm not

worried that you're not going to find another job, another great job quickly compared to somebody who might be 47 and is a lot more senior, has many more salary and title expectations than perhaps somebody who's still in the growing phase of their career.

I like the idea of taking a job that's just a sort of easy job, that one that you can clock in and clock out. There's no after-hour work. There's no weekend stress so that you can at least continue to make an income, and maybe you can do this from home, where you can recoup some of your energy. You don't have to deal with commute and bring back into your life the space that you have lost because this job that you're currently in has taken up every ounce of oxygen. As far as what you need to have before you quit, and you don't have another job lined up, I wrote about this for Oprah Magazine years ago. I want to take some notes from that. It was called Five Things to Know Before You Quit Your Job. I'll put the link in the show notes.

I start by talking about a woman named Kristen, who was clocking in 12-hour days at a non-profit. Then her father passed away, and then she realized, "I need to change my life." She said, "Losing my dad woke me up to the value of the time that we have." With six months of expenses saved, she quit her job and explored the world. She traveled to eight different countries. She stayed at inexpensive hotels. She stayed with friends. She took about a year off before coming back to full-time work.

This article I wrote many years ago. At the time, there was a survey that found that nearly 3 in 10 very qualified women report that they've quit their jobs to take a short break at some point in their career. This is a risk. But sometimes, the rewards are worth it. So before you take the plunge, everyone listening, here's my advice. Analyze your monthly expenses to see where you can cut back, starting now. Living frugally while saving up for your leap is great practice for a more modest lifestyle that you're probably going to have when you're not working. Ideally, you want to be able to afford the basics without relying on credit cards or falling behind on bills.

How quickly you want to get back into the job market is also important. Do you want to give yourself a year, six months? So with that number, you want to calculate how much you would need to sort of make ends meet. This is the checklist. You want to have enough to cover at least, I'd say, six months of living expenses. Two, you want to be willing to give up extras for a

little bit. Then third, think about whether or not you could make money in a pinch. You might decide I want to not work for six months.

But you might get antsy, and you want to do something, and you may want to have to bring in, and you may need to bring in money, just to make ends meet for a little bit. So are there side jobs? Are there online jobs that you could do that are part-time, freelance, doesn't require a lot of commitment that you could do in a pinch? Obviously, you want to make sure your debt is under control. I'm not talking student loans necessarily or mortgage but more like the credit card debt that can carry high interest and take a real bite out of your budget.

I also want to make sure that you've thought through health insurance because, of course, that is one of the benefits to having often a full-time employer. They pay for our – they subsidize our health insurance. You could sign up for COBRA, which lets you stay on the plan that your employer currently provides for up to 18 months. You can shop online too on the marketplace. You can go to [healthcare.gov](https://www.healthcare.gov), as well as [ehealth.com](https://www.ehealth.com) and [healthinsurance.com](https://www.healthinsurance.com) to look at plans.

And then here's the other thing you want to prepare for, explaining the gap in your resume. I think these days everybody knows that the toxicity is everywhere. Toxic employers are a thing. You don't really want to make that your narrative, though. So think strategically about how you're going to use this time off that in a way, where you'll have a great story to tell on your next job interview. Employers want to hear that you engage in experiences that expanded your skill set, that you took some risks, that taking time off was meant to help you find more purpose. The things you learned and the experiences you had can transfer to the new job that you're applying for.

By the way, before you quit, maybe talk to your boss about a sabbatical. If you're interested in coming back and maybe even if you come back, thinking about what's a different role you can take on. Is your entire company this terrible with their hours? If yes, then I don't know if you want to go back. But if there's a different kind of job you could take on or go freelance or part-time or contractual, is that something that you can negotiate with your employer before you just put in your two weeks' notice?

I ended that article in Oprah with some anecdotes, some quick stories about women all over the country from Florida to Connecticut to LA who had quit their jobs, and what did they do with their times, and what was the ROI? So Melody in St. Petersburg said, "I stockpiled savings and earned side income from freelance work, so my husband and I could sail for a year on our boat." Suzanne wrote that she sold almost all her possessions and lived for free in a dorm at the University of Mississippi, where she wrote her first book. Then Amy said, "After not taking a vacation for five years, I cashed out my vacation and comp days and never went back. Now, I run my own PR agency."

So I guess all this to say you can do whatever you want. I think you want to do it sensibly. You want to have some savings. You want to have a plan for how you're going to get back into the workforce or start that business. It made me not throwing the baby out with the bath water. Maybe you don't quit this job, but you take a sabbatical, or you use up all your vacation and comp days, and then and see what happens. You take a leave of absence and see what happens. Remember that jobs can be toxic, but also we can also be unkind to ourselves. We are the ones too who have control, some control in this, right? We are the ones who say yes or no, take on projects, don't, stay quiet, be loud. Reflecting on that, I think, is also worthwhile.

All right, thank you so much for this question. Everybody, thank you for helping me produce this show. I thank you so much. It is not a small undertaking this podcast, but I love it. I love it too much to let it slip. I'll see you back here on Monday, and I hope your weekend is So Money.

[END]