

EPISODE 1630

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FT: So Money episode 1630, why a man is not a financial plan, with Maggie Johndrow, certified financial planner at Johndrow Wealth.

***MJ:** The first place to find out what you all have together is your tax return. So ask for last year's tax return. And if you don't know how to read it, there are so many professionals that will help you decipher, and you're going to see all of your investments, all of your assets, all of your debts on there."*

[INTRO]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. It's Valentine's week. It's also my birthday week. So I'm kicking things off with a show topic that is near and dear. Why it is vital for women to have their own money. Everyone should have their own money, but this message I find needs to be more emphasized for women who sometimes feel it's not their strength or their role to make money or manage money in a relationship.

The impetus for this episode was actually a New York Times essay. You may have read it. You may have seen me share it online. It's called Never Rely on a Man's Money. The writer, Maggie Smith, captures how her divorce was a shock that led her to a new vow, she writes. The vow is financial independence. We're going to get into that New York Times piece and also bring on our guest today, Maggie Johndrow. She's a former guest on So Money, Partner and Financial Advisor at Johndrow Wealth. She's one of my favorite financial planners.

She and I share a common love for making women rich. So I definitely wanted to have her on the show to pick apart this issue. We talk about what she sees in her practice, oftentimes women clients coming to her post-divorce with financial regrets. What are those regrets? What are the absolute facts women need to know about their financial lives? How can we plan for and

sometimes insist upon more financial transparency and equality in our relationships? Here's Maggie Johndrow.

[INTERVIEW]

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FT: Oh, my gosh. I had to have you stop talking before I hit record because you were giving me all the good stuff. Maggie Johndrow, welcome to So Money. We're going to get into it. We're going to talk about one of our favorite topics which is why a man is not a financial plan, a bumper speaker you have owned since the nineties probably, whenever you were in high school. I don't mean to age you. I was in the nineties in high school. Welcome, my friend.

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MJ: Thanks. I'm so happy to be back. This is my favorite topic, and I love following you because I know it's your favorite topic. So let's get into it.

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FT: It's going to go on my grave. A man is not a financial plan. I actually recently posted on Instagram one of my reels. I'm really into like hot takes these days. I'm in my 40s. I've been doing this for a long time. I have a lot of opinions. It's time to share them, and Instagram's kind of like a good place to do that. I just put up this – basically, this is what I said. If you are someone who's in a relationship, I don't care if you're a man, a woman. I don't care who you're in a relationship with. But if that partner of yours is telling you, "I'll handle the money, honey. Don't worry about it."

I have friends who don't even know how to write a check. They need money. They're like, "Oh, how do I PayPal you? I have to ask my husband." What? If that's happening and also and/or your partner does not want you working, you need to stop everything, grab a notebook, and watch *Sleeping with the Enemy*.

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MJ: I loved it. I loved it. That's so, so, so true.

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FT: It's like the 2024 way of saying a man not a financial plan. I have to say, we have context for this. We actually, both you and I, we like to DM each other a lot. We talk on the go. We both were obsessed with this Modern Love piece in the New York Times. It is a journal, a diary basically of this woman whose name is Maggie Smith, who wrote about why she's never relying on a man's money. She goes on to say, "Divorce was a shock that led me to a new vow, financial independence."

I want to just read the first couple of sentences in her essay, just to kind of set the stage for us. Then I want to hear from you, Maggie, because you work with women professionally as their financial advisor. You see this, not just Maggie's story here. I know your name is Maggie. It's going to get a little confusing. Maggie is the woman who wrote the essay in the New York Times. You're Maggie Johndrow.

This is what Maggie said. "The moment I knew I would never again have a joint bank account, I was driving home in a hard rain with a small butterscotch lollipop in my mouth. I would take the sweetness where I could find it. Nearly an hour before, I had logged into the savings account I shared with my husband to discover that half of the savings had been withdrawn in one chunk right after the last big argument my husband and I had. I called him, and I'll never forget what he said. I have goosebumps. He said his lawyer had recommended it.

He was a lawyer. Now, he had a lawyer? This was also a shock. I hung up, wiped the mess of mascara from under my eyes, and drove through the rain to our local bank to withdraw the rest, my two children oblivious in the back seat. When I left clutching courtesy lollipops for us three, I knew my marriage was over. I knew I would need to use my half of the savings to hire a lawyer, and I vowed a loaded verb choice I know, given the context, never to be financially dependent on a man again."

This is harrowing that she's a mom and she has two kids and so often – well, I don't have to guess what's going to happen after this. She's probably going to have to pay more to raise these kids on her own as it happens, given the kind of man she's married or was married to. Tell us why this essay really struck a chord with you, Maggie. I just want to hear your initial thoughts when you read this.

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MJ: It struck a chord with me because, unfortunately, so many women that come to work with me, because I do have an additional specialty in divorce and finance, are in this position, where they come to me and they've said, "You know, I spent my life raising our kids. That was my job. As we know, so many people don't see that as a job still in our modern-day society. I just didn't have time or I wasn't interested. Or to your point, more extreme, my husband told me not to be interested, which I think is the big red flag in our finances."

They come saying – one case, a woman, retirement money was drained and spent on some nefarious things. In another case, 70 years old, together for so long. All of a sudden, I just don't want to be married, and they're lost, right? Then what also strikes me in these divorce cases is I think folks are grasping for any sort of stability. Often, it means that they want to keep their family home. Often, that's just not the right choice because everything else they're giving up.

Women haven't been attending their financial advisory meetings or haven't been looking into accounts or haven't been listening to your podcast and educating themselves on Roth IRAs and traditional IRAs. They don't understand what they're giving up, even when they're in a divorce, and they're trying to split up assets. So hearing that story that – this woman, honestly, was in a better situation because she actually had a password to her joint bank account. Some people come to me, and they don't even know how to access their joint bank account.

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FT: Oh, God. Here's what I want to talk about with you today. I want to talk about the things that we at minimum as women or any partner in a relationship who feels out of it, out of it financially, what are the minimum things we need to know so that we're not – I mean, the triage may be

inevitable. You may get divorced, and there may be some things that you don't know. I mean, it happens to the best of us. But in advance, how can we protect ourselves? What are some red flags that your partner may not be –

I mean, here's another hot take. I feel like if your partner is insisting that you are not involved in the finances or that you shouldn't work for whatever reason, not because I don't want to – that's a tricky thing. I get it. Some people don't work outside of the home, fine. But if someone's insisting upon that, that's weird, right? I feel like that's a huge red flag. I'm like this person, how much should they really care about your autonomy and your independence? That's not what I think is a good loving partnership.

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MJ: Absolutely.

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FT: Call me crazy.

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MJ: Yes. That's the biggest red flag, not wanting to be having you be involved, whether it's the meeting with the financial advisor, having online login or passwords to all the accounts, and like you said, sort of forcing you to stay home. You've talked about this, and I totally agree with you that there's a cost to staying at home that's not just the salary. It's retirement and Social Security. You kind of have to think about – I think you said this, like your household income. Not just, "My husband makes this," and, "My wife makes that."

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FT: Right, yes.

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MJ: Right. That's another topic. If there's an insistence that we're not even going to have this conversation about you working outside the home, any sort of – I mean, that's control and manipulation, right? Those are all red flags. I would immediately say, “Nope. I want to be involved, I want the passwords, I want you to show me what we have, and I want to go to our meetings with our advisor and our accountant.”

The first place to find out what you all have together is your tax return. So ask for last year's tax return. If you don't know how to read it, there are so many professionals that will help you decipher. You're going to see all of your investments, all of your assets, all of your debts on there. But I would immediately ask for that if there's any sort of hesitation of letting you be involved in that.

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FT: So many people don't even know what their partners make, and the tax return will obviously tell you that. But it's also a great place to look and see, does this line up with what my husband or my wife or my partner does for a living. If they're claiming too little or a lot, that's also interesting and worth investing because here's the thing about the tax return. If you're both signing it, you're both on the hook.

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MJ: 100%. I've seen that situation where, “Oh, I just signed it because I trust and love my husband.” A couple years later, all of the sudden, you're seeing, “Oh, my gosh. There's so much debt that we both owe because I signed this,” right? “I'm on the hook as well.” You got to know what you're signing. You got to know what you're standing on.

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FT: Now, in this essay in the New York Times, Maggie Smith, she opens by talking about like, “Oh, we had this joint account. That was a big mistake.” I don't know if that was the mistake. I think that joint accounts are useful. What is your advice on how to manage the money, the

income, the savings, the investments? Generally, we agree that there should be your account, my account, our account. But can you get a little bit more specific about that and how to avoid – could she have avoided her husband depleting half their bank account? I don't think so.

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MJ: What's interesting in divorce is it depends on what sort of state you're in. There's community property states and then common law property. In community property states, you can name them. In those states, everything ends up in a divorce for the most part. There are, of course, exceptions to every rule. Being split 50-50. If his intention was to get a divorce, his lawyer probably wasn't that incorrect by saying, "You could take 50% of this joint account. Leave 50% for your wife," because that's probably how it's going to be split.

I can see maybe why that advice was given, but I agree with you. I don't think the joint account was the problem or necessarily that he was depleting 50% of the money if he's intending to get a divorce. It was obviously their lack of communication, and I think that's key here. But I agree with you. I usually say have your individual accounts where you put in your own money, even to do something sweet for each other like buy each other gifts as a surprise, right? Then have that money also money for, "Hey, I need to get out of this situation, and I know I have something that I can live on for a little bit." Then the joint account should really go to joint expenses, so vacations, the utilities, bills, the kids.

A lot of people do this differently. If both folks are working, then maybe they'll do it as a percentage of salary, right? I don't think it's necessarily fair to be putting in the same dollar amount if your husband's making three times as much as you. That's unrealistic. I think having open and honest conversations above all, regardless of how you choose to do this, is key.

I always say set up a monthly meeting to do it. Don't make it at the house. Make it at your local library, a coffee shop, wherever you're comfortable speaking about your finances. If you're in the house, you're going to get distracted by the kids, by the dishes, whatever else is going on at home. Keep that meeting. Make it important. Go get lunch after and talk about it. Be open and communicative, so everyone is on the same page.

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FT: Brilliant. I think that we often assume that the partner who is making less or not an income is typically the one who buries their head in the sand or isn't involved with the money stuff. I found, too, that women in particular who make as much or more are also the ones to be like, "Oh, I'm not really good at managing the money. So I'll let my partner handle it." It's very complex. It's multi-layered. Part of it is like they're fighting against this gender role situation, expectation.

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MJ: Or they're managing so much of the money or budget or finances at work that they're sort of exhausted, and they're like, "I don't really want to look at my mortgage payment." You know what I mean? You take that off.

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FT: Yes, I've heard that. I've also heard that I'm really good at making money, but I'm not "good at managing the money." Again, a sort of false narrative that you may have been raised with because we live in a society that devalues women and also their potential in all realms, especially financial potential. If this is you and you are maybe even making as much or more than your partner, and you're still feeling insecure about your role as far as making financial decisions in the household and managing the money, I mean, you must see this.

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MJ: Yes, I do.

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FT: What are the conversations you're having with your clients who are in that camp?

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MJ: I'm really education-based or education-forward. If that's the case, I tend to find that it's not a matter of not wanting to. It's a matter of, "Oh, I think they, my partner, know more than I do." To your point, it's inherently men have been raised to know more about the stock market. It's been passed down generationally. I think Sallie Krawcheck was the one that said, "Even look at the jargon that's used. It's always like sports references, even the bull and the bear symbols."

I don't think it's been accessible to women for a very long time. Think about it. We couldn't even get our own mortgage without a partner, a male partner signature, until recently. I think it's a lack of comfort with the jargon, the tools, the financial literacy that's out there. Certainly, there are so many resources out there where you can start, whether it's your podcast, which I think is excellent, or online tools.

I get it. When you're a business working person, as we both are, sometimes you don't want to be doing the research on a Saturday morning. So find someone, find an expert that you're comfortable with and book an hour-long meeting with them and just be like, "What don't I know? What questions am I not asking? What do I need to know?" This stuff, the jargon, makes it seem complex. But it doesn't have to be on a very basic level.

Honestly, once you're comfortable with the language, the terminology, the accounts available to you, you probably will want to be more a part of it. I've seen that. I've seen single women clients who came and said, "I have no idea what I'm doing. I have to do something." I swear, many years later, they're teaching their friends what a 401(k) is. I think it's truly just that this hasn't been passed on generationally between women. It's always been passed generationally between men. So it's not that people don't want to do it. I think people don't know where to start, don't know what questions to ask.

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FT: Yes. Just start. Just find one person, one person you can talk to. It may not even be – it could be a one-dimensional relationship where you're just listening to this podcast, and you're learning through this person's interviews. To go back to Maggie's essay, I want to read this next part of her essay, which is like the aftermath and her coming to this understanding that her financial life matters. She needs to take control over her financial literacy.

She said, “From that day forward,” which is the day that she had that episode with her husband and the divorce,” I was determined to become the adult I wished I had been in my marriage to be the CFO of my own life.” “It's empowering to know what's in my accounts,” she says, “Even if I don't always love the numbers.”

“My short-term alimony ended a couple years ago, but I'm still receiving child support. It helps, in addition to my income from writing, teaching, editing, and public speak. It's empowering to pay my own bills and see where the money is going. It's empowering to meet with my financial advisor, even if my outlook for retirement is grim. The stress of knowing is preferable to the stress of not knowing. At least, if I have the information, I can act on my own behalf.”

This goes back to my book, *A Healthy State of Panic*. It's like which fear do you favor? Do you want to be the person who's afraid of the unknown? Or do you –

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MJ: How bad it could be, right?

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FT: How bad it could be. Or do you want to be afraid of the certainty?

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MJ: The reality. This is my reality. I now know it. What changes can I make to change it?

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FT: Exactly. You can create a plan. A lot of people want to know, when am I ready to work with a financial planner? This is an open-ended – I feel like I want you to answer this. I know you're a little biased, but I do refer people to you, and I trust you. I want to know how you think a

relationship between client and financial advisor works best. What's the roles and responsibilities of each person and when you are actually ready?

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MJ: You also have to define what does a financial planner mean to you, or what are you looking from a financial planner. I think the industry's changed so much over the last 25 years, I'll say. Prior to it was like you couldn't buy your own stocks, bonds, mutual funds yourself. So you had to go to "a financial advisor." But, really they were brokers, right? They bought you an investment, you paid them a commission, and that was that. That's the way you were able to do it.

Now, there are so many things that you can self-invest or self-plan. If you are a self-starter like that, go that route at first and see how it works out for you. Certainly, it's not as expensive, right? I would say a financial advisor in today's day and age, the way I define myself, is not just someone who manage your investments but someone to truly help you and empower you to be the CFO of your life or maybe to be that CFO for you if you want to outsource it. That includes running a financial plan, which means what is your entire picture? What are all of your goals, the small and the big ones? What are we going to do to achieve them and working together to achieve them? Really, a coach in many ways.

Then if you are also going to invest with that advisor, those investments should align with your values, your goals, your financial plan, not just, "I want to make as much money as possible," right? Though, of course, we all do. Who doesn't? But we have to make sure we're investing you in line with what you value.

I think for somebody that's hearing this saying, "Yes, I've tried to do it on my own. I'm not really sure if I'm successful in it. I don't really have a plan," that could be a good time to speak with an advisor. Again, I think an honest advisor is going to say, "You know what? You are doing a great job. Keep going." Or, "You know what? Here we can help you, and here's how." You want them to be a fiduciary, so putting your interest ahead of theirs or their business. You want them to be really transparent about fees, right?

I've had people come to me saying, "I have no idea what I'm even paying." So our practice is feed-transparent. That's one of the first things we talk about, just so we all are on the same page. I never want someone to leave me because they didn't know what I was paying or they were paying. I think it really just depends on where you are in your life and in your financial picture.

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FT: Thank you for that. The point about fees is important. I think people are afraid to ask even. Never – you don't assume because I think we hear like, "Oh, it costs this and it's always this percentage of your underlying assets." But I feel like it's worth having that conversation to see if there's flexibility or what we can do because if I was a financial advisor and someone comes to me, and maybe they're not wealthy yet, obviously, that's why they're here. They're trying to build the wealth.

I'm not going to shortcut them. I'm not going to dismiss them. I'm here. This is a potentially decades-long relationship. So to be able to meet them where they're at is not just in the interest of the client but also the financial advisor who's looking to build those relationships and those long-term client relationships.

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MJ: Absolutely. I think that you're right. Ask the question. I've had many moments where I thought, "Why didn't I ask them what their fee was?" I have to go back for different services and ask. It should be one of your top questions. Somebody who's certain in their value that they can provide shouldn't be swirly about it either. Then always, always, always get everything in writing, especially if it comes to making payments for any professional. Don't just take a verbal or a handshake as enough. Get it in writing. If it's not in writing, it's never been said. That's my father-in-law. That's one of his pearls of wisdom, and it sticks with me.

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FT: You said something earlier, Maggie, about if you are that partner in the relationship who feels in the dark and you want to get these things in order, get this answered, get involved in the meetings, how do you do that emotionally? That's really hard. I think talking about money and then also inserting yourself financially in a relationship when that hasn't really been your disposition, your role, or your expectation, it can feel like it's coming from out of left field. How can couples do this? How can the person do this in the relationship so that it doesn't blow up?

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MJ: Yes. I think it has to be coming from I statements versus you like, "You've hid this from me, or you have all the passwords." It could be as easy as, "Hey, I listened to this great podcast, and it got me thinking. I don't actually know where things are, and I just want to be more involved in our financial picture. Where do you think that's good places to start? I think a good place is maybe I can just attend our next financial advisor or our next accounting meeting."

I think coming at it – I mean, that's genuine. That's authentic. That's soft. Again, if your partner responds poorly to that, you got to dig into that because most partners I see want their spouses involved more. They just similarly don't want to push them. "Oh, they're tired. They've had a long day. Maybe they just don't care about this, and we're kind of dividing and conquering here." I've seen people say that, and it's gone really well. Their spouses are actually thrilled because it's kind of a lot of pressure to have all of the finances on one person.

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FT: Yes. I will be honest and share a little anecdote about when I was first married, and I felt that way. I felt so – I kind of had a discussion early on when we were – I think we weren't even married yet. We were living together. We had bought this home. We were planning our wedding, and I was making all these decisions. He had kind of deferred to me. I was interested in making all the decisions, frankly.

It got to a point where I was like, "Hmm, I'm all alone on this island of breadwinner." While I feel confident in my ability to make good choices, I don't want to make a mistake and be the one holding the bag. I don't want to be the only one responsible for the upsets and the failures either

because there will be some. I want all both of us be accountable for all of the good and all of the potential bad. So I presented it like that. I was like, “This is a lot of pressure.”

Then what it led my husband to reveal was that, “Yes, I get that. To be honest, I've been a little passive because as someone who makes less, I felt as though maybe my vote or my veto power wasn't as much.” Interesting, right? I think that was so honest of him to share that. It's not a gender designation. I think money does symbolize power in our culture and then when you bring that to a relationship, which I think is a mistake, but here we are. We tend to think that whatever we make, it's like a measure of our power in the relationship. Whoever is making less is going to maybe feel that way, and as a result silence themselves, not speak up, not feel empowered.

If that's you listening, I want to tell you like I don't care if you're making zero dollars outside of the home. Your time, your thoughts, your inputs, your goals, all of it matters equally to your partners.

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MJ: Farnoosh, we – it's always amazing because I feel like we have these kindred paths like daughter of immigrants. Our money stories are so similar and same story here. I'm a financial advisor. Naturally, my husband who's in biotech, he has his PhD in biology, he's like, “I default to you because this is your job.” Similarly to you, I'm really tired of doing my job all day, and I would love some mutual input in our decision-making.

We had a very similar conversation. We both have those monthly meetings now together. This is true of anyone who's married to someone who owns their own business, too. That's really complex, and your business might be worth X. But that's not all necessarily available to spend tomorrow. I think that's something. If there's listeners out there whose spouses have their own business, definitely dig into the business and understand how much is the business actually bringing home. Are there any debts involved? You may feel that things are going very well, and I'm not saying they're not. But it might be that you're not as liquid, or the money's not as available to you as you think.

I think that's where we came from where he was like, "You're an advisor. You know what you're doing." It's not wrong, but also he need to understand what our business looks like because in the end, it is our business in the sense that he's supporting us in a different way, while I'm growing this.

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FT: Yes, a great way to look at it. Maggie, tell us how we can learn more about you and find you.

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MJ: Sure. Our website is johndrowwealth.com. That's J-O-H-N-D-R-O-W wealth.com. So there's two Ws in a row. Follow us on social. We post every day. Hopefully, it's a great way for you to learn little tidbits. We try to keep it short and sweet and easy to digest. Then if someone wants to email me directly with questions, I'm Maggie, M-A-G-G-I-E, @johndrowwealth.com.

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FT: Thank you so much. Thank you really for indulging me.

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MJ: No. I mean, like you said, we direct message each other. I think it started with tradwives, which you did a great podcast on that, and then this message. Your book's been phenomenal. I've been reading it, too. All in all, definitely passionate about this topic and so happy to hear you have a platform to talk about it.

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FT: Yes, yes. Well, until next time. Thank you so much.

[END OF INTERVIEW]

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FT: Thanks so much to Maggie for joining us. You can learn more about Maggie at johndrowwealth.com. I've also linked the New York Times piece in the show notes. Thanks to everybody who has signed up for the So Money Members Club. Today is the last day to sign up, and we have already reached capacity. But I've left the door open for any last-minute folks who want to join us and get in on the financial action.

We have two workshops planned for you this month. I'm going to lead two workshops on how to earn more money in 2024. You can get access to last month's sold-out investing workshop. We also have a live office hour this month where you can drop in, drop by, and ask me whatever is on your money mind. This is going to be happening every single month; new workshops, live office hours, and so much engagement within the community. It's really exciting to see. You can go to somonemembers.com to check us out. Today is the last day to sign up.

I'll see you back here on Wednesday, Valentine's Day. Until then, I hope your day is So Money.

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