

EPISODE 1700**[0:00:00]**

FT: So Money episodes, 1700. Working through financial stress and election anxiety.

*“**AE:** Think about what's in your control. I think to your point, fear lives in uncertainty in a place that it just can breed its beautiful imagination of the doom and gloom, and we don't want that. We want to live in, hey, what can you control? You can control how you vote. You can control your lifestyle. You can control how you decide to make the certain choices in your everyday living that will impact the world that you want to be seeing.”*

[INTRODUCTION]**[0:00:06]**

ANNOUNCER: You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[INTERVIEW]**[0:01:00]**

FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. Well, as promised, we're dedicating today's episode to financial stress and how it's being exacerbated by all the political uncertainty, whether you're having existential concerns or you're really worried about your bills, your debt, your income, your job security. We're talking about how to navigate financial stress and the election anxiety.

Our guest is Aja Evans. She's a licensed therapist who helps clients relieve money anxiety to achieve financial wellness. She has a new book coming out in December called, *Feel Good Finance*. Aja is a board-certified therapist, speaker and writer specializing in financial therapy. She's been featured in the New York Times, and she is a recurring guest on So Money.

She helps us to understand why the uncertainty in the political landscape is showing up in our financial lives. How to deal with that. How to cope with it. How different generations are working through the anxiety. How we can work together with our parents, with our nieces, nephews, grandparents, cross generational financial advice, and real practical steps we can all take following this podcast, feeling more in control of our financial lives and all that lies ahead. Here's Aja Evans. Aja Evans, welcome back to So Money. We need you.

[0:02:18]

AE: Thank you so much for having me. I'm excited to chat, lots to chat about.

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FT: I mean, on the one hand, it feels a bit presumptuous of me to be everyone's anxious about the election, and that's going to trickle into our financial lives, but there's truth to that, right? I want you to corroborate this for me. I'm going on a hunch here. I know there's data that says people are worried about their money, so financial anxiety is unfortunately like an evergreen topic, but in the context of an election year and this kind of an election, how is that adding an extra layer to our financial concerns?

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AE: Yeah. So, this is layered, as you can imagine. I have a biased opinion as a therapist, so it definitely is going to be even more layered. What I will say is that one, election years are always pretty anxiety provoking for people, because it is change potentially, and it's a lot of fear of the unknown. People want to feel settled. They want to know what is predictable and what's going to happen. You add the extra layer of everything that's going on in this election cycle on top of

what people have been feeling in inflation and just the economic status, and we have a recipe for people to be very, very anxious.

I am hearing about the political anxiety. I'm hearing about the financial anxiety. I actually was talking to a therapist friend recently, and they had mentioned, "Oh gosh, we're in the middle of an election year, and it is very difficult for therapists during this time, because there is so much added pressure and anxiety, because of the election." I am going to give you the big fact we're correct.

[0:04:06]

FT: Yeah. I mean, if there wasn't an election season, people would still be anxious, but let's take out the election for a second, because inflation at 3%, which is, we're almost at 2% here. I mean, although it doesn't feel that way necessarily, but the economic data, whether you're looking at inflation numbers, unemployment rate, jobs added. There are certain pluses in the economy, but consumers are still feeling, I guess anxious again, we're going to use that word again. But what is it about the financial reality of living in 2024 that is giving people anxiety? Then we'll talk about the election, but just looking at what's happening from a financial standpoint, macro, and how that's trickling into household stress.

[0:04:55]

AE: Yeah. I think the difference is that we have the ebbs and flows, if you will, that we have seen in the economy. It's not moving a wild amount, but it feels wild in the home, right? When we're thinking about the micro, it does feel like a big deal, even if it is small. If you're thinking about something as simple as like what does a gallon of milk cost right now compared to what it cost a year ago or two years ago? While that is one purchase, if you keep adding that up on a weekly basis, I think people are continuing to feel strained.

I also think this is the elongated impacts of COVID, like people are living their lives a lot differently than we were before. People were not home the same way that from now. We're hybrid working. What does your commute look like? What doesn't it look like? I think the way we live is just very different than it was a couple of years ago. I don't think people in general have

come back to a balanced place after that, even though we have been hybrid living and going into work is the norm now, but I still don't think we have enough time to recoup from, hey, this is what the real changes look like. This is what it has looked like with the changes in my wallet and how I feel.

We still are dealing with really high cost of housing, really high cost of childcare. Those things are really complicated for people, especially if you were in a position where you were home with your children all the time during COVID. It might have been difficult to manage and working. now it's introducing, okay, the kids are older. What do they need? They may need to be at preschool or daycare, whatnot. Those may be differences than people were experiencing before. It's compounded, I would say.

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FT: For sure. What are you hearing in terms of how people are interpreting the results of an election, right, like who go one way or the other? How that's going to impact their finances one way or the other? What are the issues that seem to be most concerning? Like for example, if one candidate wins, what will that mean for childcare costs? I would venture to guess that childcare subsidies is higher on the to-do list for Kamala Harris. I mean, people say like don't get political, but politics, I'm sorry, impacts your personal finances. What are the issues that are on the ticket that could impact our finances one way or the other?

[0:07:30]

AE: Yeah. Well, I think especially when it comes to the people that I'm seeing and in my own life as well, like the things that people are talking about in my office, our childcare. Childcare is a huge thing. Majority of my clients are women. They are thinking about, hey, what does the paternity leave process look like at my job? Where I'm at? Maybe I'm not having kids right now, but I would like to have them in the next four years. What does that look like for me? What does it look like for childcare? How much is childcare? Will that shift? Will that change? How do I handle that? As well as student loans come up quite frequently. Student loans in debt. That is a big one for people and wondering like, I mean, you know.

We have lived through the cycle of, yes, we're getting places. There are a lot of loans that were forgiven for some people, but not all people. People really wanted to see some major, major, major changes. I think that is something that was coming up for people. I don't know how, what kind of issue it is now. I find that people are more concerned about like, hey –

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FT: Existential life.

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AE: Yes. Right. Like the bigger things.

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FT: Yeah. So, as a therapist, how do you work clients through the existential fears? There's like real fears like, how am I going to make ends meet, childcare, budget, my job? Some to some extent, the constraints are out of our control. The costs are out of our control, but we do feel like there is some agency still to be applied in those situations. We can make some decisions and tradeoffs, but if you're worried about climate change, or a regime change, or project 2025 is terrifying. There's just a lot that feels so abstract. I think fear loves to hang out where there is not a lot of information, but just a lot of negative outcomes predicted. So, what are you saying to clients who are living in that fog right now of doom and gloom?

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AE: Yeah. I mean, sometimes it's what I'm saying to myself as well. I would say first is think about what's in your control. I think to your point, fear lives in uncertainty in a place that it just can breed its beautiful imagination of the doom and gloom and we don't want that. We want to live in, hey, what can you control? You can control how you vote. You can control your lifestyle. You can control how you decide to make the certain choices in your everyday living that will impact the world that you want to be seeing. That's going to be really important.

What are your coping strategies that you use on a regular basis and do we need to add some more? That may be making sure that you're talking to your community, friends, family, anybody that's really important to you, that is going to be able to be supportive of where you're at, as well as making sure that you are getting outside. People don't realize that we don't put our screens down enough and go take a walk, and get outside, and breath some fresh air, and quite literally touch grass. That's going to be really important for people.

I would also say, when you realize that this is something that you are losing sleep over, ruminating over, thinking about consistently. That's going to be really important for you to get support. For my clients, they're already seeing me, which is great. But that might mean, hey, we need to see each other more frequently, so that we are processing through some of this anxiety. Are you doing everything in your control? Then sometimes for me, I don't mind, depending upon where we're at in our work, pushing back on my clients and asking them, "Hey, what is the worst-case scenario? Like, walk me through what the catastrophe would be." Let's role play what that might look like for them to handle it.

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FT: I talk about that in the *Healthy State of Panic*. I know you have a book coming out called, *Feel Good Finance*. I think we should break and talk about it. Tell me a little bit about *Feel Good Finance*. We'll have you back, of course, in December when it's officially out, but what are some of the coping strategies that you share in that book that might be extra specially, catered to those right now who are in the cyclone of financial anxiety and politics anxiety?

[0:11:47]

AE: Yeah. So, in my book, *Feel Good Finance*, I'm really trying to make sure people understand where the roots are coming from of their money beliefs, and then how that shows up in their everyday financial behaviors. If you're feeling really anxious and you have the tendency to overspend and that could be, because of all the doom and gloom going around. I would say, okay, number one, please stop scrolling. You must stop scrolling, because a lot of people are spending money clicking the links and affiliate links and I'm here for it for all of our influencers,

but I want to make sure that my people aren't doing that kind of overspending without realizing they're trying to cope with their anxiety.

If you need to take a new cycle break, if you need to take a social break or set an alarm to make sure you put your phone down, we have to put our phones down. Connect with people is a huge one. Laughter, food is a huge one. If you are like, "Hey, I really just need to feel in community with somebody." That is a beautiful way to do it. Now, that can very quickly go towards overspending as well, because if you're anybody, anything like me, you have a tendency to say, "Oh, my goodness. I'm having a bad day. Let's go get takeout or let's go out to eat." But just being aware that there's a time when you want to be in community and there's a time when you are trying to make yourself feel better through just ordering out mindlessly. I want people to be aware.

Really taking the time to be aware of where their emotions are at. That could be mentally, where's your mind drifting off to? How does your body feel? Are you holding your breath? Have you not left your office or your house? Get up and go outside, like I said, important, taking deep breaths is going to be really important for people. I really can't stress being in community enough. I know I mentioned that, but I think especially during these times, especially when you're feeling really lonely, it's going to be really important to connect with people that you love and who love you.

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FT: Yeah. Disconnecting and muting the noise, the media cycle, the social media. If you want to avoid feeling stressed, easy tip, put your phone away. There is this headline about how Costco is selling this apocalypse emergency food bucket. It's like \$69.99 or whatever, \$79.99. But the food will last you 25 years. I'm thinking, don't buy this, because if that's actually something you need to access, we have bigger problems. Then like, will I have enough food to last me? You will – we're not going to make it. I'm sorry to tell you, like we have bigger problems. You might want to buy some running shoes.

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AE: A generator, maybe. Those –

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FT: A generator. I don't want to live with zombies. I don't want to be here for the post-apocalyptic world. I just don't. I've seen the movies.

[0:14:31]

AE: It doesn't look good. It's not something I'm really interested in, but to your point, there are a lot of people who, I mean, again, I would call it anxiety. Blame it on my day job, but who are really prepping for catastrophe? If buying the \$70 bucket of food that's going to last you forever when you hunker down, if that feels like it's going to ease your anxiety.

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FT: I'm going to share with you some perspective that I got recently from a friend who was from Canada, right? We were talking and I said, "Do you think this is like the time in the timeline where we're going to look back and go? We should have been moving to Canada. We should have been packing our bags and finding isolating ourselves in New Zealand. I don't know." She said, "You know, as a Canadian, I want to tell you that if America is sinking, a lot of other places are not going to be doing great either. America is the guiding light." I mean, if America's not doing well, Canada's not doing well. If America's not doing well, Europe's not going to be doing well. So, there's really not a lot of places to go.

Then the grand scheme of global human rights, and financial opportunities and freedoms. America, I know we have a lot of problems, but relatively speaking, it outpaces a lot of other countries in many regards. She's like, "Look, I'm not here to – I'm not like trying to say like America, the land of the free, but it is when you start to have – when I start to have these real, these are my existential thoughts, really, I mean, I'm like being honest with you. I'm like, "Am I going to regret not taking this moment to just get that out? Because you know." Then I think, "Oh, but it's such an elitist thing to do. It's such a privilege thing to do." But I'm like, my parents

left Iran in 1979, 1980, when they saw what hitting the fan. I'm so grateful for it, but they came to America.

I don't know if there's a country that you can go to that you're going to have that same narrative, like we left America to go to, and then we lived happily ever after. I was appreciative of my Canadian friend for reminding me of that. That's my one offer to anyone in the audience who's having those same feelings, like you don't have to buy one-way tickets yet anywhere.

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AE: Right. I really appreciate that perspective, because I think it adds like the complexities of like the global situation, right? If America really isn't doing so hot, and you're like one-way ticket out. That is complex, right? We're not just saying like, "Hey, some people are leaving now." They're like, "Hey, I've had it. This is it for me. I'm out of here." That's okay. But to your point, like if it is at a place where there is mass exodus and people are leaving, then we also do need to be looking at, "Hey, how was the world dealing? What are the impacts of where America is going? Is that also happening somewhere else?"

I appreciate the perspective, because sometimes when you are worried about your rights and worry about your safety, you make decisions. I'm here for people feeling like they're making the decisions that are going to be best for themselves as well as their family and that safety. Right now, for some people, that's that moment is now, and that's okay. But just having the perspective that is your moment right now, and how is everybody else doing?

[0:17:53]

FT: Yes, yes. God, comic relief helps. We were talking about this at, I think, our coffee the other day, where I was like, I want to post something about funny headlines, and I'm going to be pursuing an apocalyptic election year. That at the same time, I don't want to sound like I'm taking anything lightly, but this is how I cope through a lot of my anxiety is I try to find the funny, even if it's just for a brief period. It helps to reset and gain perspective and also maybe connect with anyone else, right, over this shared sentiment of doom. But then you get back to the work and try to come up with solutions.

I read a study recently that looked at stress and financial anxiety. I think it was Motley Fool, and they are echoing everything you're saying in terms of the levels of anxiety. Over 50% of respondents to their financial stress anxiety and mental health survey said, "Hey, I'm stressed. I'm anxious. Three or more days a week, actually." The leading causes of that were their worries over standard monthly expenses, and of course, those unexpected costs. What I thought was interesting is they broke it down generationally. When you look at Gen Z, versus Gen X, versus millennials, versus baby boomers, the levels of stress are very different. Can we guess who's the most relaxed?

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AE: I can tell you it's not. I can tell you it's not.

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FT: It's mom and dad. It's the boomers. Okay. They reported the least financial stress. Only 9% said they feel financial anxiety every day. Must be nice, must be so nice. But they do feel in solidarity, they feel financial anxiety from unexpected costs more than any other generation likely due to being on a fixed income. Of course, health care is like this big wild card in retirement, but as far as how the generations can work together, like especially now we're living in multi-generational households, like the kids are still living with their parents and grandparents. Gen X is taking care of their parents. There's a lot of blending of the generations right now under one roof. I'm just imagining all those different levels of anxiety around money.

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AE: Oh, yeah.

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FT: How do you – what's your advice in those contexts?

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AE: I mean, there's so much, because a lot of times when people are talking about living with different generations in the same house, we also have to be talking about healthy boundaries, because that comes up when we're talking about families a lot. I would say like making sure you're establishing your healthy boundaries around what are your needs? What are the family's needs as a whole? What are the house needs? That's going to be really important. Then we can talk about the financial aspect, which would be what is the family's goal? Understanding what role does everybody play in the family's goal? I think that's going to be really important. It also can manage expectations.

I know a lot of younger generations feel the pressure to show up for their family in a way that they are scared they're not going to meet. When I have been at speaking engagements with graduate students, they're really concerned about, am I going to be making enough money to make sure that I'm building wealth at the same time as taking care of my parents? Because I know my parents don't have retirement in the way that I might be setting myself up for.

They're kind of dealing with a little bit of the sandwich generation of, "Hey, how do I make sure that my kids are okay? How do I make sure my parents are okay at the same time?" That's where we go back to those healthy boundaries, right? Are you going to sink your ship? Because you're trying to make sure the whole entire, like ship of the family, the fleet is afloat. For some people that answer is going to be yes, and that's really difficult. For some people that answer is going to be no, but feeling really solid and understanding that, "Hey, I'm going to help out as much as humanly possible without sinking my ship at the same time."

That is very, very difficult for people. That's very, very difficult for communities of color, because we are so used to paying the respects to the elders and making sure the family is okay first. I am sometimes going against what family's culture has looked like in terms of like, "Hey, make sure you're okay financially." But it's really, really important, because if you're the only one working, which for some people may be the case, the only generation that's working, if you fail, if you are burnt out, if you can't show up to work, if you're sick, then everybody is sinking and that's not good either.

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FT: Yeah. We've had guests on so many who've talked about this personally, Gigi, the mentor, the financial mentor, who's a Mexican American and has broken ties with family members over this, but she had to create boundaries. She had student loan debt, she had cost of living, and there was an expectation that she was going to financially provide for her elders. When that wasn't possible, there was a desire, but it wasn't actually possible, because there's only so much money. There was no understanding around that. I feel for those kids, those young adults. That's not fair to them. I hope that – advice to the boomers. Give your kids some grace.

I also think there's such value in having access to an older person in your life to give you again that perspective, that context. I know that we don't want to hear it sometimes, like I have a brother and I'm 10 years older and I'm that person in his life in some ways. He's just like, "Stop." I get it. Like I'm like, "Oh, we got interest rates on homes. It's 7%. It's crazy." I'm like, "Do you remember when mom and dad bought a house and it was 11% or 15%." He goes, "Yeah." But then he puts me in my place. He said, "But their incomes were much more relative to the cost of a home, their incomes, there was a smaller gap. They made whatever they made and they could buy a house. Also, the house was a \$100,000."

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AE: Right. It looked very different. You're right.

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FT: Very different in terms of affordability. But I love that we have that communication, that dialogue. He teaches me. I teach him. I think I guess the bigger tip is, is take advantage of these people in your lives with various histories and life experiences to help with the anxiety.

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AE: Yeah. I would also say like talk to each other about it, right? Like talk to –

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FT: Which is one thing couples are not doing. I wanted to talk – couples are not talking. They're hiding. They're avoiding. There's a Wall Street Journal article about partners hiding their spending and their big purchases and that's a manifestation of anxiety and fear, right? Around money.

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AE: 100%. I would say, we all know that in America, divorce comes up quite frequently and money comes up when we're talking about divorce. What I would say is most of the times it really is about communication. It really is about having those conversations with your partner before you're engaged, before you get married, when you're engaged, when you're married, like continuously having conversations about money and giving each other grace. The same way that we want to give our family's grace and we want our families to give us grace. We also need to give our partner grace and ask for it in return, because a lot of times we are dealing with a lot of money baggage and money stuff that we don't realize is showing up in our financial behavior.

Having those conversations to be clear on, “Hey, this makes me really anxious. When I'm anxious, I do X. How can I be supportive of you when you're in that place? How can you be supportive of me when I'm in that place?” So, just being really honest with each other about what you need.

[0:25:43]

FT: Yeah. My husband and I are having a lot of talks right now around just the uncertainties around the fall. As someone myself where I don't have consistent income, there are some things that are consistent in my business, other things are not. All the money matters. So, what I've done, and I recommend this to anyone in the audience, I know it's a little scary or a lot scary. It maybe, it's like fighting fire with fire, but look at the numbers, like have you actually looked at your financial reality, the budget?

I know budgets can create more anxiety, but I do think there is a reward in just an initial review of your money, your cash flow, your savings. Take inventory of these things, because what you may find on the plus side, it can be like, “Oh, I’m actually better off than I thought.” Then if not, you can at least start to fill those gaps. So, one thing that I’ve committed to is knowing what’s coming in from an income perspective for the rest of the year. The things that I know are certain that, because I booked them, I’ve signed the contracts, still it’s uncertain, because we know, the contracts don’t always work out. But let’s be optimistic.

I am going to put aside what I need for this year for the remainder of this year, but I’m saving a big chunk of it for 2025. Just in case 2025, January rolls around, and everybody’s in a, we’re in a weird place, or I just don’t want to get out of bed for a while in January. That I can bank on that money. That is unique to what I do. I have revenue streams. I don’t have a single employer. No one can really lay me off.

There’s a lot of other concerns that I don’t have to concern myself with, but to the extent that I can control our spending right now and our saving right now. We are going to go into higher gear with saving. We just are – we’re not going to go and travel, like we normally do in the fall. Just because, we weigh this. We’re like, is it better for us to spend the money and travel? What would bring us more calm or is it to have that money in the bank right now? This is a personal calculus, because for some people, like traveling is going to relieve the stress. It’s great for us, we know, like – we only have two small kids. It’s not really a vacation. Maybe we’ll just hunker down, stay local, and just reassess once the election is over, and then decide if we’re going to do something extravagant or invest in a wand, like a vacation.

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AE: Right. I think that’s really important to take the time to evaluate for your family specifically. What I’m hearing you say is that, “Hey, we really value stability and security, and we want to make sure we’re okay. We want to make sure that we have the funds just in case anything happens, that we need to do something. We have some money set aside just in case. If we want to use it later on, when we feel calmer, then we will.” I think that’s really important for people to, again, communicate with each other about what do we need to feel safe? What do we need to do to feel comfortable and stable? That’s going to be really helpful.

This is what comes up all the time with my clients when we're talking about any financial crisis. Looking at your plan. For you guys, if you're spending the time like, "Hey, we're going to stack some extra cash and feel cozy with our cushion, and we're going to go from there." That is your plan, knowing that if anything goes on, you have the cushion, you're going to work your plan. I think people, if you're having a really hard time and feeling really anxious, what do you need to do to feel more secure? What do you need to do to feel more stable? then how do you execute on that now, so that you feel like you have a cushion.

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FT: Do it. Make those boundaries. Say no to things. I realize I don't have to max out my retirement account every year.

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AE: Right.

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FT: I know that's a good thing. I want to do it, but if I'm stressing over money, you got away the pros and cons. You just have to commit that like the following year, you're going to get back on that way again. But if you have debt, and you have been maxing out your 401k every month, and you have credit card debt, I would say, maybe ease on that 401k maximization and pay off some of that credit card debt. It's not ideal, but what will make you sleep better at night tonight, not in 30 years, but tonight, because that is important sometimes, but to commit them to getting back into the habit of long-term investing, but just giving yourself more permission, more grace, putting the phone away. Thank you so much. I look forward to having you back. We'll talk about things in the aftermath of the election.

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AE: Oh, my goodness. Thinking about that. That's wild. Who will we be?

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FT: Who will we be? I don't know. It's anyone's guess.

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AE: Hopefully, calmer. Will say.

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FT: Hopefully, hopefully.

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AE: Hopefully, less anxious and hopefully calmer.

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FT: In some ways, look, I don't think it's a secret. The audience knows I'm not into Trump, but maybe it's just like I'm always trying to find the silver lining. I'm like, well, if the canner that I don't want wins, at least then we just know what the situation is. We can start to plan around that lunacy. Then he can't run again, so there's that. This is just, like again, this is my own thought bubble. These are my thought bubbles. I'm just trying to find, I'm trying to reckon with this, really. But I'm going to keep faith. I'm going to vote. I'm going to encourage others to vote. We're going to keep positive. We're going to get the word out. She has raised in a record amount of money in a very short period of time. I'm not going to stay quiet. That's important too. Let's not give up.

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AE: 100% and take care of yourself and give yourself the space to rest when you need to rest and to shut down when you need to shut down. That's okay too.

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FT: Aja Evans, thank you. Your book coming out, it's available for pre-order. Everybody, *Feel Good Finance*. I cannot wait.

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AE: Thank you. Thank you so much for having me, Farnoosh. This is great.

[OUTRO]

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FT: Thanks to Aja for joining us. To learn more about Aja, go to ajaevanscounseling.com and her book, *Feel Good Finance* is available for pre-order. Check it out. I'll see you back here on Friday for Ask Farnoosh. In the meantime, I hope your day is so money.

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