

EPISODE 289

[INTRO MESSAGE]

[00:00:33]

FT: Welcome back to So Money everyone. Thanks for joining me. I'm your host Farnoosh Torabi. Well ahead of introducing today's wonderful guest I have to quickly share with you the charity fund raiser and competition that's going to be going on all month here at So Money, the entire month of November, in tandem with a charity fund raiser/competition going on with Joe Saul-Sehy'ss podcast. Stacking Benjamins

To tell us all about that, I brought on Joe and Joe, here you go, take the mic, you invited me on to this little fund raiser of yours and I am excited but also a little nervous.

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JS: Farnoosh, I'm way excited that we're doing this together, we can raise a bunch of money for charity. And I love this, at the end of the year with Thanksgiving, for people in the United States, we end the month of November with Thanksgiving. And I thought, "What a great way for our community to help another community that might need it."

So we are going to be raising money for the Texas 4,000, which is a 4,000 mile bike ride that University of Texas students take to raise money for cancer research and cancer related causes. I know that they give a lot of money the M.D. Anderson Hospital, one of the premier cancer treatment clinics in the United States, in Houston Texas and then they also give it to worthwhile research or facilities around the nation.

We're going to be raising money at Stackingbenjamins.com/texas4000. It's cool because our organization Farnoosh, has a lot in terms of where the money goes, a lot in common with what you're raising money for. Talk about that for a minute?

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FT: Yes! Well thank you that was a nice transition. So I have chosen, your team here at So Money has chosen the largest student-run philanthropy in the world near and dear to my heart as well because I was a part of this when I was in college. It's the Penn State IFC Pan Hellenic Dance Marathon. It's affectionately known as THON and it's a year long effort to raise money and awareness for the fight against pediatric cancer.

It's raised over \$125 million for the Four Diamonds Fund at Penn State, Hershey Children's Hospital. Next year's THON, 2016 is what we are fund raising for now and that will be taking place February 19th through the 21st. It's a 46 hour dance marathon, I did it and I survived. It was life altering but of course it's for an amazing, tremendous, and important cause.

Thon.org/somoney is where you can go to contribute. I know it's high season for canning and this is a way to join in on the fun, anything you can do, know that it will be well spent. Over 95% of funds go to the families.

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JS: That's so great. And the rider that we're riding for, who is riding in the Texas 4,000, her name is Shelby Schreiber, her father was a single dad raising her Farnoosh and when she was in high school, he started feeling bad. Went to the doctor, it turned out he had terminal cancer and he passed away when she was just in high school.

Here she is without a dad and now she decided she's going to ride this 4,000 mile bike ride in honor of him. They spend no money on the bike ride. All the food along the way, all the housing along the way has donated too. So I love these organizations but, Stackingbenjamins.com/texas4000 and I hope together we can raise a lot of money.

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FT: I think we will. Thanks Joe.

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JS: Thank you.

[INTRODUCTION]

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FT: Well today's guest is the CEO of Grow Biz Media. It's a content and consulting company specializing on small business and entrepreneurship. Rieva Lesonsky has been consulting, meeting and speaking with small businesses and owners for nearly 30 years. Prior to this role, she was a senior vice-president and editorial director of Entrepreneur Magazine. That's actually how Rieva and I met.

I was working over at thestreet.com and as part of my job there, I was contributing an article to Entrepreneur every month about how small business owners and entrepreneurs might want to think about investing their money and how they get money for their businesses and all sorts of financial advice for the small business owner. Rieva and I worked closely on those pieces, developed a relationship, and I'm happy to say that we're still in touch and she's on the show today.

A little bit more about Rieva. She's nationally recognized. She's appeared in top news outlets including The Today Show, CNN, Good Morning America, Fox Business, Oprah — why did she leave that at the end? I would have started up with Oprah, among many other places. She regularly appears on MSNBC's Your Business and is the author of several books including the best-seller, *Start Your Own Business*. Rieva has also been named on Folio Magazine's, Folio 40 list, a small business influencer by small business trends and has been inducted in the Business Journalism Hall of Fame.

Some take aways from our interview; one, stop asking "why" and ask yourself "Why not?". Two, Rieva's best advice for brick and mortar business owners that want to launch successfully and finally, attention online businesses and brands, here's the one mistake that could affectively lose you 30% of visitors to your website.

Here is Rieva Lesonsky.

[INTERVIEW]

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FT: Rieva Lesonsky, welcome to So Money. My friend, I've known you since 2008, I think before the market crashed. We were working together on some very aspirational pieces for Entrepreneur Magazine where you were at the helm and I was writing about alternative investing and how as an entrepreneur you should invest your money and then everything went to pieces, not just our column but the world.

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RL: Yes.

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FT: Happy to know that you reemerged triumphantly and how have you been doing?

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RL: I've been doing so great Farnoosh. When I think about back then a lot, you and I both worked for traditional media companies as employees and now, not all that many years later everything has changed and I think we're symbolic of a lot of what's going on in the entrepreneurial world and good examples of how people can continually look at a situation and say, "Hey, I'm going to take control and emerge on the other side of it," in a lot better shape than you were going into it.

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FT: Exactly, just to give listeners some background on you, you were the editorial director and senior vice-president at Entrepreneur Magazine which is still around. It's a great magazine, you

had a great run there but then you had to move on. What happened and what was your first inclination? Because I see your trajectory as very meta because you're someone who is entrenched in the world of entrepreneurship as a content creator and as a content director but you yourself are an entrepreneur in that space as well.

After Entrepreneur Magazine, what happened? I know that they had a lot of restructuring there and you moved on. Were you sure about what was going to happen next?

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RL: No. In fact, it's a thing that happens in a lot of places. The owner's son was gaining more control. I didn't like the corporate philosophy anymore. I didn't like the company culture anymore and I thought, "I've been doing this for 26 years and I'm kind of tired of being on the outside of this. I'm making a lot of money for a lot of people, I am helping a lot of people get rich but what about me?"

It's that moment where you're like, "Okay, I can be an observer for the rest of my life or I can take control" and it's funny, I talk about this a lot; I took my first trip ever to Europe. I went with my sisters and my nieces. I was talking to them about what should I do? This is the big dilemma, should I just quit, what should I do? I was sitting outside the Notre Dame Cathedral because they were climbing up and there was no way my knee was going to allow me to do that. And I just was just sitting there taking in the magnificence of the whole scene and land. "Why not?"

To me, that's a big question that everybody should ask themselves. It's not about why, it's why not and if you can't come up with a really good reason why not, then just do it and so that's what I did. So I came up and went to talk with some of my top editors. We came up with a plan and started planning about how we would take our knowledge, our reputation and our skill set and do it for ourselves. And I finally quit in 2008 and so here I am, seven and a half years later and knock on wood, I always knock wood, and we're doing fine.

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FT: And that was the beginnings of GrowBiz Media right?

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RL: Yes, we started GrowBiz Media. And so what GrowBiz is, is we're a content creation company but it's all about entrepreneurship and small business. We create content for our own website, which is smallbizdaily.com. We do it for other small businesses websites, Allbusiness.com and Small Biz trends but we also do it for a number of corporations. Big ones like AT&T and Web.com and small ones like Funbox and Fundera.

It's really interesting that we get to cover the gambit. We do, we cover blogs and articles and eBooks and Tweet chats. We do a lot of eBooks for company corporations. For instance, we do four a year for them. We do one every month for Web.com. It's still about staying up to date on the entrepreneurial market on small business and figure out what people are doing and what they should be doing that they're not doing and letting people know.

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FT: What should people be doing as somebody who's really at the forefront, you're creating the content, you're in the trenches, you've got your ear to the ground as to what's happening, what people are doing, what their pain points are. For our audience, what might be your best advice for somebody who is trying to get a business off the ground in this climate, in this market and we're talking — let's talk a traditional small business.

I think that a lot of times you think of online business and surely that's a huge segment, a huge market place but let's just say you're trying to get a regular brick and mortar business off the ground. How do you differentiate yourself these days? There has to surely be an online component to your business but any advice that's kind of timely and relevant to what's going on in the world today?

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RL: Yeah, I think the one thing you have to remember with a brick and mortar business is you actually have an advantage over online businesses only which people don't realize. There's been tons of surveys of consumers about how do you like to shop, or what do you like to do? What consumers want the most is to have the choice that's not a consistent choice.

Some days, they want to go into a store, some days they want to order online, and some days they want to go into a store and look at the merchandise and then go home and order it online because maybe in your warehouse you have more colors or sizes than what they are showing in your store. Or often, they want to order online and then go pick it up in your store and almost everybody wants to do returns in store if they order online.

If you have a brick and mortar or any kind of retail presence, no matter what it is that you're doing, you should have a very active online component because people like to do both. Sometimes it's about convenience, right? So new moms, right? You might be shopping at one in the morning because that's your window. You can't go in the store at one in the morning but you need that item pretty quickly.

You go online and you order it online and you can go into that local store in your neighborhood and pick it up the next day. I think that's really the key. It's about consumers today, no matter what kind of business you're launching, my number one advice is to realize you're not in control anymore, consumers are in control.

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FT: Let's turn it now to the online business owner who wants to make a splash. What's your advice in that space?

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RL: Whether you're online or not, the big thing is, everybody needs a website. I think finally, we've achieved some kind of — I mean we're not even close to a 100%, but I think most serious small businesses understand that they need a website. But now, we're at the point where you

need a website that's optimized for mobile. According to some number I've seen, it's only 30% of entrepreneurs whose sites are mobile optimized.

This is another area where consumers have just leaped ahead of businesses. Consumers are using their phones and their tablets to window shop, to actually shop, to place orders, again it's the convenience factor and there's all sorts of stats. I saw one last year that said, "If a consumer goes to your website on their smart phone or tablet and you are not optimized for mobile viewing, 30% of them will never come back to you ever whether they're on a desktop or not. They just get a very negative impression of your business.

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FT: Wow.

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RL: Yeah, I mean that's an enormous number.

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FT: I'm writing it down. I am mobile optimized for my website. Thankfully I don't sell a whole lot on there, if anything but still, the user experience is so important. My brother is actually a UX designer and this is his job. It's to make sure that the user feels good about the experience that they have online with your product, yeah. Wow.

[00:14:59]

RL: That's your reputation and then another 30% will immediately go back. Chances are they came to you from a search engine search, a Google search. They will go back to the search engine and go to one of your competitors. They don't have time. People shopping on their phones, they're not doing it because they have a lot of their leisure time. They're in a hurry, they want to see what they want to see and you need to provide that for them.

The other thing, I think that message is getting through but then people don't take it to that next step and they don't optimize their mobile marketing. They're sending an e-mail like a regular email newsletter or a promotion and it's not optimized for mobile viewing. Then the numbers are even worse and I am trying to remember the number, but it's something like 60% range of e-mails are opened on smart phones first.

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FT: That's true.

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RL: You see it, right? People on the bus or on a train or in line at the grocery store, they've got their phones open and they're like, "Okay, let me get rid of these so they're not in my way," or they're looking at it to see what they want to look at later or they want to buy something, whatever that is and if your e-mail is not showing up on their phone, they're just going to delete you. By the time they get to a laptop, your message is gone.

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FT: I still use my laptop for obvious things like the podcast, I'm writing long articles and I don't know, things that really take up a lot of time but I'll tell you what, I've got really good at writing long e-mails on my phone.

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RL: Yes.

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FT: That's what's easiest and accessible and it's a bit of a pain but my thumbs have gotten really good at it so, practice makes perfect.

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RL: Just the other day, I had my laptop in the living room and I was sitting there and I was doing work and then I took out my iPad and, because sometimes it's a lot easier to consume Twitter on my iPad. And so my husband came in and goes, "What are you doing?" because I had my iPad literary on top of my laptop. I said, "Well, it's a lot easier to do it this way. It's a lot quicker," and he just shook his head and laughed.

But the truth is, I didn't originate that. I'm not the only one doing that and so marketers need to understand that everything you do needs to be done with mobile in mind because that's what consumers are doing and they're doing it far more hours. They're on their smart phones far longer than they are ever on a laptop or a desktop.

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FT: Wow. Well Rieva, I love the idea of having you on the show not just because I want to catch up with you but because I really want to dig deep and find out, what is Rieva's money mindset like? What's your philosophy on the financial world, personally, and so let's start with my favorite question at the top which is, what is your financial philosophy? If you have to summarize it, you're the content queen so maybe you can condense this for us. Cause I know we all have a myriad of philosophies on money, but what is your favorite and your top money mantra?

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RL: Well, I think that you have to be bold but smart at the same time. Everything you do, you should have a cushion behind you and then once you have a cushion don't be cheap. Don't worry about, "Should I invest in smart getting campaign? Should I buy this new computer, or should I buy a business or go into business?"

You're not going to succeed by taking timid steps but you're also not going to succeed by just doing crazy things like, "Okay, I'm going to take my whole life savings and dump it into here." Because stuff happens! It really does and then your first idea may not work out so you have to

have that cushion in order to go back. Yo know what Steve Blank says about the lean startup and taking that concept of lean startup into growing your business as well.

It's all about figuring out what you did wrong and reiterating all in an endless loop. You don't have time to sit there and worry about, "Can I make the mortgage this month?" You need to have a cushion behind you and then just be bold.

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FT: I remember Barbara Corcoran once told me that what helped her in the beginning of building her business was, and she uses this term with a grain of salt but it has some truth to it, is that she would just throw money at things and hopefully something would stick. [Laughs]

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RL: Yes.

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FT: Meaning like you said, I mean she wasn't giving up her mortgage money to try a new marketing tactic but she was willing to invest and take chances on things. I mean you only know so much when you're starting a business. You're going to lose money. If you don't, I dunno? Does that ever happen or if you don't, it's going to happen at some point. It's going to happen, you're going to make mistakes and hopefully you will sooner than later so that you can learn and pick yourself up.

But she — I will never forget what she told me, "You've got to throw money sometimes at things and you have no idea what's going to happen but you have to have faith and it doesn't mean that you don't have to do the work but starting a business, you've got to spend money to make money".

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RL: She's absolutely right. If you're not going to spend, if you're not going to try, it's all about trying, it's all about experimenting. That's what entrepreneurship is all about. If you're not comfortable doing that, then there's other options open for you. You can be an employee. I mean I would never put down their millions of millions of perfectly happy employees.

You might look at a franchise which is a hybrid. Right? So you're responsible for some things but it's a much more secure environment. You're not coming up with brilliant new marketing campaigns on your own. Corporates are feeding that to you. There's other ways to do it but I think that if you don't try the new stuff, you'll just never grow because I think the one thing that's really different today is the market is changing so quickly, just so quickly and the demographic groups have long previously been overlooked and have a lot of economic impact.

And as you have to look and it's like social media. Right? 10 years ago, like who cared? It didn't matter. And now, you have to look at who are you serving, what's your market and where are they? I just read the Piper Jaffray report — I love this report. It comes out twice a year on the teen market, and you think about teenagers and they have a lot of money of their own to spend but they also get their parents to buy them things or go some places or do some things, so you want to be able to reach them.

And we always say to entrepreneurs, "Well, you can't do all the social networks at once so figure out where your customers are," which is still true but figure out what your customers influences are is also true. The number one social media for teenagers is Instagram. It's not Snapchat, it's Instagram. Number two is Twitter, which I found fascinating. Snapchat was in third place, Facebook was in fourth and a little pretty far down from there.

It's about, okay you might have to be on Facebook to market to the parents but you might have to be on Instagram to market to the teens, it's a balance.

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FT: There's Periscope and there's, what's that other thing?

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RL: Meerkat or something?

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FT: Oh my gosh, there are so many things. It's a video chat room now, I forgot what's it called, it starts with a B. I got invited on and I'm like, "No!" I have to put my foot down at some point. I mean, I just made my Instagram public like a year ago. I was private, what a mistake now I'm realizing because apparently, that's where everyone is headed and eyeballs.

I just got Snapchat much to my chagrin, and my brother who's 24 was like, "You got to get on Snapchat. I love sending you Snapchats". I'm like, "I like to keep my photos". I don't know about you but I'm not into this fleeting moment. I want to take a picture and savor it but anyway, that's because I'm old.

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RL: No but I think that's interesting because to me, they're saying to business owners, "You need to be on Snapchat," and I'm not on it. I am on the one with the B, Blab.

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FT: Blab, yeah.

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RL: Yes, kinda interesting. I will tell you that.

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FT: So shall I waste time on Blab too? Okay.

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RL: I would do it. I think it might help you. We did one last week and its fun. It's really kind of fun. It's sort of like open mike night and they come in and ask you questions the way you frame it. But for Snapchat, I don't understand how businesses can really benefit from a message that goes away.

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FT: It doesn't stick, yeah it goes away. I don't know, I don't know. Yeah I'm with you on that one. Well Rieva, what's a money memory growing up as a kid. Where did you grow up by the way and what's some pivotal financial memory that you had as a kid?

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RL: I grew up on Long Island in Huntington in Suffolk County at a time when it wasn't as developed as it is today, a nice word.

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FT: Good catch.

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RL: Yeah, when we moved there, we were the first neighborhood, built on some farmer's ex-potato fields surrounded by other potato farms and my high school was across the street from a cabbage farm and on the farm are gone today. But I grew up there, still at the time an hour and a half into the city, into New York. So I think I kind of had the best environment to grow up in. I was out in the boonies that was working itself towards the suburb, becoming a suburb and yet, I had access to New York City just a train ride away. So I think that that was perfect.

My dad was a small business owner, so money was always tight. That's my big money memory, it was one small store but we started the store before the malls came. He didn't chose to put his store in the mall when the malls opened. When I was in college, he had to close his store

because people weren't shopping in the neighborhood anymore. Now, we're back to the future where sort of now, people are shopping in the neighborhood again. Where in the 70's, people just stopped. They stop going in the neighborhood stores.

So that memory is very bad. Closing down the store that you had for over 20 years, that's just devastating to anybody and then he had to go and work. He had a men's clothing store, so then he went and worked and became the manager of a big corporate store in the mall. And I sat there and I can remember — this is before I knew anything about entrepreneurship and I was sitting there thinking, "I don't get it. So you didn't want to go to the mall, and now you're in the mall?"

So I just think to my dad — the mall was new. It was a different concept and he was just too scared to embrace that. It was the fear of the unknown. I think being of his generation, he wasn't ready to embrace that.

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FT: No, I don't think anyone prior to 1980 was really into entrepreneurship or maybe even 1990.

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RL: Yes.

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FT: Entrepreneurship has been around obviously since this country was built and prior to that obviously but I'm talking in US histories since this country was built, it was built by entrepreneurs and still is. But I think that this idea of leaving your corporate job and doing something on your own was not advocated. At least, it wasn't in my generation, not in my household.

Not that people were against it but there is so much fear around it. It was like, "Why would you ever leave a company that's going to give you a pension and insurance and a guaranteed

paycheck?” But obviously, you go through one economic cycle and you’re like, “Oh, you know what? I’m better off on my own.”

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RL: That’s right. You know what? And you’re absolutely right and considering I started working at Entrepreneur Magazine back in the late 70’s, I have that seat right at the front lines. I was where you cross that line as a journalist where I was basically an advocate as well for small business and watching it grow and watching it evolve and that was exactly right.

People were doing it in the 80’s but nobody was really boasting about being an entrepreneur. Not a lot of people understood what that meant and the difference between owning one store and owning a chain of stores. It was the 90’s that the word and the occupation, if you will, came into and really became popular and that’s when people started going, “I can do this”.

Part of it I think was driven by all these minorities in women who had been excluded from corporate life and then in the 80’s were told, “Oh you want to be equal, go get your MBA and join the corporation,” and they did. Then the recession at the early 90’s, they all got fired and so they’re like, “Okay, what am I going to do?” And they started businesses. I think that’s really what made it happen.

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FT: A good kick in the pants.

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RL: And then the .com, yes.

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FT: Yes. Hey, there is always a great story at the other end of the layoff.

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RL: Yes.

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FT: There always is. I speak generally but you know what I mean.

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RL: No, there is because it's motivation right?

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FT: It is. What's your number one failure Rieva? Like a financial failure that you experienced perhaps it was as you were transitioning to start your own business? Maybe it was even earlier in your life? But tell us a little bit about the dark side.

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RL: When I started my business with my partners, I decided that I was trying to be noble I guess and I can go and not take a salary because we didn't have that much money. Right? And so I didn't take a salary for two years or maybe two and a half years and I depleted my savings and that was just stupid. It was absolutely stupid, don't ever do what I did. I mean I'm really telling everybody who's listening, don't do that! Which is now I say make sure you have a backup. Thank God, I didn't lose anything. I didn't lose my house or lose my car, I didn't run out completely out of money but I ate into the financial safety net and that's not a smart thing to do.

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FT: What did that resulted as far as your ability to live your lifestyle and spend? Can you paint the picture a little bit?

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RL: Well, it was obviously harder to spend. Travel, vacation travel basically disappeared. I hadn't had a vacation in probably since the year that I started my business. We went away and we had a trip up then and I don't think we've gone anywhere really since and it also leads you to — I hate to say no. There are proposals that I get that I really should say no to that even though they're paying, when you look at the time invested, it's not worth it.

But those early seven years ago, it was like say yes to everything because you want to keep that money coming in. So I'm trying to train myself to think about it differently and I will tell you, I am actually not really capable of doing that on my own. I'll often run this idea by my husband and go, "Okay, here's what it is. Here's what we're doing," and he'll just say, "No, just say no. It's not worth it. It's not worth your time, say no."

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FT: I love saying no. I love saying yes but also — I just said no to something that I actually committed to for months, I said I would do it. And then I got closer and closer and closer and I thought, "What have I done? I can't do this," it was going to require leaving for a week, leaving my kid, leaving my life, which is we're under renovation. And then I thought, "Wait a minute, I can say no, and I'll end up disappointing people. But in a year, I'll look back and think I'm so glad I did that and maybe they won't talk to me anymore, the organizers," but we ended it very amicably and I never do this sort of things but it was just one of those life circumstances and I was like, "I can't do it."

And as soon as that lightbulb went on where I thought, "I can say no because it's my life and my health and my happiness," I just felt like a weight had been lifted and so much happier. I was skipping all the way home even though I knew I had to write that really devastating e-mail to the organizers and say, "I'm not going to be able to do it." But they understood ultimately.

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RL: No and that's exactly right. When you think about it, that's why we started businesses to begin with, right? So we can be in control of our lives. If we work for a corporation and they said, "You have to go do this," you have to go do it and that's because it's your job. But being entrepreneurs, we get to define what our job is and what we must do.

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FT: Right. What about success Rieva? Talk about your So Money moment to date.

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RL: Wow, my So Money moment to date. I think going back a long time when I was still an employee, my biggest amazing moment was actually buying a house. I think that every generation thinks they're not going to be able to afford a house and circumstances, you know I bought my house a long time ago. And when I walked in there the first time, I was like, "Wow, it's a house and it's mine. I own a house," and I'm very lucky that I own a house in Southern California, which is appreciated tremendously.

So I think that it's just understanding what hard work can get you whether — some people may not want a house. Some people might want to travel, they might say to me, "Wait, you haven't taken a vacation in seven years, what's wrong with you?" So I think that being an entrepreneur gives you the ability to define your own So Money moments to make them what you want them to be, to make them what's important to you and not worry about what anybody else thinks.

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FT: I love that. How about habits Rieva? What's your top financial habit that helps you continue to have a good grip on your money?

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RL: It's a 401 or a Roth, you know an IRA. It's about, like I said, when I went without the money, I stopped contributing to my retirement plan and it just like three months ago, my partners and I

said, "What are we doing? You know we're not getting any younger," so we're going to start doing that again. So I think that's really important and a big change for me and I'm trying to think of — it maybe happened 10 years ago where I pay my credit card bills often full.

I try to use credit cards for everything because you get rewards. So you pick a card where you get stuff for using it and then I try to pay the card off in full where my first years of, many years of charging I didn't worry about that. I didn't realize that interest rate adds up and it adds up and it adds up. Now, it's very rare that I carry a balance and if I do, it's never for more than two months.

[00:36:37]

FT: So I'm the same way. I actually have a few credit cards, one for business and one for personal and then one for travel, which I got all excited when I opened it and I never used it. But my credit score went through the roof when I opened up that credit card because I had a really big line of credit and instantly, my credit score is now over 800 because of it. Anyway, side bar.

Okay Rieva, let's do some So Money fill in the blanks. This is when I start a sentence and you finish it. First thing that comes to mind, don't try to overthink it.

If I won the lottery tomorrow, let's say a hundred million bucks, the first thing I would do is _____.

[00:37:18]

RL: I would remodel my bathrooms.

[00:37:23]

FT: Really?

[00:37:24]

RL: Oh my God, I talk about it every day.

[00:37:26]

FT: As oppose to buying a whole new house with new bathrooms, I mean you've got a hundred million bucks?

[00:37:30]

RL: Oh, a hundred million bucks, maybe I'd buy a whole new house but I'd still have to fix the bathroom so then we're going to sell this one. That would still be the first thing I would really do.

[00:37:39]

FT: Rock on, bathrooms are important.

[00:37:42]

RL: They are.

[00:37:43]

FT: The one thing I spend on that makes my life easier or better is _____.

[00:37:48]

RL: Technology.

[00:37:51]

FT: Technology, what kind of phone do you have? Did you upgrade yet to the iPhone 6S?

[00:37:56]

RL: No, I have the iPhone 6 Plus, just the plain old one and I'm thinking I don't need — the S did not excite me that much. If I hadn't had a six already, I think it would have but I'm good with that. I'm a big, big believer in making sure — I don't wait for my computer to slow down, I actually replace it every two years and I make sure that I have the very latest software because that's productivity, that's efficiency, that's money. Your technology is money and a lot of people don't realize that. That's where they pinch their pennies and to me, that's wrong. That's insanity.

[00:38:36]

FT: Yeah, absolutely. My phone today for example, my iPhone, I am a couple of generations behind. I have the iPhone 5 and it just died. I couldn't tap, I couldn't swipe, I couldn't do anything except press the button and it's because they have it upgraded to the new OS but I'm due for a new phone anyway. So I'm going to have to tackle that.

[00:39:00]

RL: Get it, you know I have to say that I was interviewing a guy who runs an IT company last week and he gave me some really valuable advice that I never thought of — so an IT repair company. He does, small business as his clients and he said that one of the things that he sees particularly in small businesses and he deals with mostly creative business so a lot of the work at home. He said, "Nobody has ever backup for anything".

He said, "You come from a corporation and if your mouse breaks or your keyboard breaks, you call IT and in a minute, you have a keyboard". He said, "Keyboards are cheap, everybody should always have a spare on the shelf. It's not like the technology is going to get old but if you're working at midnight and your keyboard breaks, you've got nowhere to go." He said, "Have a keyboard on the shelf, have a mouse on the shelf, cheap technology you should always have a spare," and I thought, "That's really smart!"

[00:39:58]

FT: Yes, I learned that the hard way. My cord that connects my microphone to my laptop which is like a \$5 USB cord conked out and I went to the store. I thought it was a software problem and I thought I had to get a new computer and a new mike and the guy is like, “Your cord’s dead and it’s \$2.99,” so I bought five because it happens.

[00:40:19]

RL: Exactly.

[00:40:20]

FT: Because with a daily show like mine and I coil up the cord and I’m throwing it everywhere in my purse and my back pocket so clearly, it’s not going to last more than — you get what you paid for.

[00:40:30]

RL: Exactly, always have a backup.

[00:40:32]

FT: I live by that as well. My biggest splurge that I spend oodles of money on but I love it and I wouldn’t have it any other way is _____.

[00:40:41]

RL: Make-up.

[00:40:43]

FT: Yeah?

[00:40:44]

RL: [Laughs] Isn't that horrible? I always have to — I'm like, "Oh, this is new. I have to try it. Oh, a new mascara, let me try it!" And it sounds like it's trivial but when it's a \$30 here and \$50 here but I'm not going to give it up. Actually, my biggest splurge is my hair dresser and not that he's expensive but I have to go a lot.

[00:41:06]

FT: It's an experience, it's a luxury.

[00:41:08]

RL: Yes.

[00:41:09]

FT: Going to the salon is not just getting your — like men go, they get their hair wet and cut and they leave. And now, even for men, my husband goes to this place and they offer him a drink and you know?

[00:41:21]

RL: They're getting the experience.

[00:41:22]

FT: For him it's like, anytime when he's not home, I think, dealing with — not dealing with but our son's 16 months. Getting away, while we miss him, it's also like, "Oh, I can actually take a break now". Even if it's just running an errand or getting our hair cut, we savor the time.

One thing I wish I had learned about money growing up is _____.

[00:41:51]

RL: To be a better saver.

[00:41:53]

FT: Yeah, you grew up, sort of money was tight.

[00:41:57]

RL: Money was tight and I was never really taught the concept of saving. I think they must have lived paycheck to paycheck. Or not paycheck, because you know, my dad had his own store but it was tight and I just wish that I had learned earlier on the concept of why it's important to save and always have a contingency planned.

[00:42:21]

FT: When I donate, I like to give to _____ because _____.

[00:42:24]

RL: I like to give to causes that are really personal to me and unfortunately, my dad died three years ago of Alzheimer's. For a while, I was giving a lot to Alzheimer's. In our company, we donate a \$100 a month to a charity and we'll rotate that to see what's top of mind.

One of my partner's son has autism, so we give to autism. My sister just had a short bout with cancer so we started giving there. I mean she's okay, thank God, but I try to make my donations personal so I feel like I'm helping not only people I know and love but other people in that same position.

[00:43:16]

FT: Yeah, it's that connection.

[00:43:19]

RL: Yes.

[00:43:20]

FT: And last but not the least, I'm Rieva Lesonsky, I'm So Money because _____.

[00:43:24]

RL: Because I love helping people make money by starting and growing their businesses.

[00:43:34]

FT: And you are a prime example of that. Thank you so much Rieva. It's such a great opportunity to have you on the show.

[00:43:41]

RL: Thank you Farnoosh. It was great to talk to you!

[END]