EPISODE 349

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[INTRODUCTION]

[0:01:36]

FT: Welcome to So Money everyone. I'm your host Farnoosh Torabi, getting over a cold. It's just of those seasons I guess and also the fact that I do have a toddler living with me and he does tend to hang out with other toddlers and so my husband and I are constantly buying Kleenexes and cough drops.

I apologize for my little bit of raspy voice today but I cannot express just how excited, how honored I am to have with us today a very special guest someone I wanted to have on the show from before I was even live with So Money. I always had this running wish list of guests, and she was at the top and now, she is here, Sallie Krawcheck.

Do you know Sallie Krawcheck? If you don't know Sallie Krawcheck, you need to know Sallie Krawcheck. Maybe if you don't work in the world of finance, you don't follow business news regularly, you may not have come across her name but she is a force in this industry. Right now, she is the CEO and co-founder of Ellevest.

Ellevest is a soon to be launched digital investment platform for women and to me, Sallie has always been the ultimate pioneer for closing the gender wage gap and women's right in the work place and with Ellevest, what she's really trying to do is close the investment wage gap. Sallie is on a very public and professional mission right now to help women reach their financial and professional goals.

How can you not love that? She's also the chair of Elevate Network, a global professional women's network with thousands of members and growing and I am a member. Sallie serves as the chair of the PAX Elevate Global Woman's Index Fund which she recently launched and invest in the top rated companies for advancing women. Now, before becoming an entrepreneur, she was the CEO of Merrill Lynch Wealth Management and Smith Barney.

So she knows a thing or two about a thing or two and we want to talk about the gender wage gap. We want to talk about how women invest differently. We also discuss her own financial failures because she's had some and she is very generous with going down memory lane and giving us those stories to help us avoid the same mistakes. Ellevest is also a really exciting venture. She has a website for us that she mentions during the conversation that we can go to, to try it out and experience it firsthand.

So without further ado, here is my hero, Sallie Krawcheck.

[INTERVIEW]

[0:04:04]

FT: Sallie Krawcheck, welcome to So Money. It's a new day for this podcast. I feel like we are really elevating the conversation now. We finally have you on the show. I've been hoping to have you on for so long. You're one of my dream guest so thank you so much for sharing your time with us.

[0:04:20]

SK: Oh my gosh, it's my pleasure. I'm so happy to be here.

[0:04:23]

FT: You've been making quite the headlines recently. Is that fair to say?

[0:04:30]

SK: Oh, you know I sort of figure you live one life if you're not trying to make headlines, what else right?

[0:04:37]

FT: That's a great strategy and I am specifically referring to one excerpt that I came across in the New York Post. You are on the Betty Lou Podcast and Betty is a friend of this podcast as well. She's on the show and you were recounting your exit with Bank of America. What year was that, 2010?

[0:05:01]

SK: It was a while ago. I think it was 2011.

[0:05:04]

FT: 2011 and it was a very public departure and your quote was that, "It felt like a random act of violence." You felt like things were going great, the business was growing, your noses were clean as you said no scandals but you reorganized out.

Why do you feel it's important to share that story now and this was about five years ago, so how has your perception of that maybe changed and it can be very personal at the time? I've been laid off and when I felt my nose was clean too. But for you, how are you reflecting on this now, why share this story?

[0:05:44]

SK: Well, you know it's funny. The real reason I shared it is because Betty asked and so I was always happy to share it with her and I have to tell you as an aside, in one of these only in New York moments, a few days after it ran, I remember I saw it in the paper and I said, "Geez Louise," you know this happened as you've pointed out five years ago.

I can't believe it's in the New York Post and then a few days later, only in New York, I actually ran into the CEO of New York Post and had never met him before and I sort of teased him about it but I do think what it shows is there continues to be this fascination with failure and how do you pick yourself up? What's it like? What's it like to be reorg'd out publically? How do you cope with it? How do you work through it, which is exactly why I do talk about it.

Particularly for us females, I found that the idea of failure is so cloaked in shame. I had a friend who got fired not so long after I was reorg'd out and went to breakfast and she spent 70 minutes telling me almost blow by blow how she didn't get fired. That's how much shame she has but everybody knew she's been fired and I didn't care at all but we wasted that breakfast going through it and so the reason I talk about high public stumbles is because it happens.

It happens to everybody. Maybe it's in the New York Post, maybe it's in the Wall Street Journal, maybe it's something that's happening in your own world but the shame around it we need to get rid of it. That's why when I talk about it, I'm pretty clear too that it can happen to you when you least expect it. It could happen to you when things are going right and that one in a way was an upfront to the way that I was brought up.

The way that I was brought up, you work hard, you get an A, you advance, you move on, play by the rules, do the right things and it was such a surprise to me. In some ways it wasn't because I knew the CEO, I knew I wasn't on that inner circle. I'm not an idiot. I could tell, but in some ways, I keep telling myself and my team, deliver the results, put into place a strong budget, beat the budget, do business the right way, grow the business, etcetera.

And on the day that I was invited to leave, I think or I know, ours was the only business that was growing and we were getting a share. There was a sense of you've got to be aware that sometimes even when you're doing everything right, you can stumble and you can get booted out and that's just the way that the economy goes these days. That's just the new way of doing business.

[0:08:18]

FT: Do you think the public is more fascinated by female leaders and their stumbles? I'm looking now at for example, Marissa Meyer. Ever since she stepped into Yahoo, I feel like people were looking at the time clock like, "It's only a matter of time before she is going to fail," and I wonder if that scrutiny is just proportionate to women. What do you think about that? Do you think that your public departure was so public and so discussed because you were Sallie Krawcheck and not Sam Krawcheck?

[0:08:51]

SK: It's funny that you say that, so a couple are a few thoughts. First of all, there is something about the law of small numbers. When there are a few of anything, those few are just more interesting and fascinating. I mean think about it, right? "Oh, there are a million folks who look just like this, who have this kind of resume, this kind of background, they're doing this kind of thing, a million of them. Let's talk about number 232,467."

That's of no interest, can you imagine that? No interest. You understand the press. If you're one of something, now that is fascinating and so it's so funny you bring this up because it wasn't two days ago that I actually said to my team, here somehow the financial crisis came up. One of the individuals on the team mentioned Erin Callahan. Who as you'll recall was the CFO of Lehman and got flamed broiled during the down turn and I turn to the team and I said, "They flame broiled her in part because Lehman went under but in part because she was a woman" and they said, "No, no, no" and I said, "Okay, name a single male CFO of a Wall Street Firm in the financial crisis, name one?" And nobody of course could.

So there is that interest that occurs and it can be a bummer. I had a group of women together on a panel for Elevate Network, that's a lot of the senior woman, everyone had a story about the press talking about what they wore, talking about their shoes, gamming them with fake praise, etcetera, etcetera, it can be a bummer.

The other way of looking at it which let's not forget is it can be a positive too, to bring attention to something that's important. To bring attention to a cause and to bring attention to a business. This is not all a negative; I used to think back in the days of research analyst as one of the very, very few females. People weren't going to remember me. Now, if I had pour a research, it will be remembered in a bad way but she did have that advantage of being one of the few that should stood out more.

[0:10:54]

FT: One of the things that you've been advocating and championing recently publicly is the gender wage gap as well as the gender investment gap, retirement gap, we're going to get to all of that soon. I really want to dive into that with you but personally Sallie, how did you try to narrow the wage gap for yourself as a woman rising the ranks on Wall Street?

[0:11:17]

SK: You know it's funny, I never even thought about it that way. I just did it I guess because I was one of only one or two females at my level at every point in time. I didn't know that, "Hey, gosh I better not negotiate for a raise because none of the women are." I wouldn't even have conceived of that. So I asked for the money and I wouldn't have imagined not asking for the money.

No, I actually found it harder intuitively to negotiate like a guy did. In fact, that Sales who was my mentor/sponsor when I started out as a research analyst, every six months he would work himself up into this enormous ladder and he would bound into our director of researcher's office, threaten to quit, asked for more money, bring in a job offer just seemed like a lot of energy.

I just wasn't able to get myself so angry all the time. I actually was really happy but I saw the behavior being modelled as if you don't ask, you don't get and so just as a matter of course, once a year make sure to sit down with my boss, talk about what our goals had been for me that year whether he and I agreed that I had met them or fallen short or exceeded them and had the conversation about money.

Now, one thing I will tell particularly your female listeners, it was so hard for me to do that I would blotch so badly on my neck that my director of research used to asked me if I was okay. I mean here I was trying to be very professional and very spaced and then I would just turn bright red.

[0:13:01]

FT: Turtle necks, that's what turtle necks are for.

[0:13:03]

SK: Yeah, that was exactly what I was going to say. I had to wear turtle necks. In a day when you just really didn't wear turtle necks in the office, that's how I got through it but I just did it. I just did it.

[0:13:13]

FT: And that's when you knew Sallie was going in for the big money that day, she was wearing a turtle neck.

[0:13:18]

SK: Yeah, perhaps. I haven't thought of it that way.

[0:13:23]

FT: I was in a conversation one time with Barbara Corcoran, you know Barbara? She and I were, we were being interviewed about, "Why aren't there more women running hedge funds, why aren't there more female CEO's of investment firms?" And Barbara just said it point blankly, "Those jobs are horrible". If you're a woman who's interested also in having balance and not even balance but just having also a family, having also a personal life, those jobs make it really hard to do that.

It's just not attractive and she goes that's why, "When we're starting our own businesses, do you feel like that's a fail of proposition now?" To say like as a woman, you should pursue a career in finance. You can have it all if you do that because the truth is, you really can't and if you try to, it's an uphill battle at least the way things are today. What do you think about that?

[0:14:15]

SK: Well, I think we have to be a little careful about the broad brushes because finance is a lot and lot and lot and lot different jobs. So investment banking, I was an investment banker in my 20's. I was a mediocre investment banker. I actually left when I became pregnant with my son and looked around and I was just sick as a dog.

I just didn't like it and didn't want to jump on the plane on short notice and have to fly to dash without having a suitcase, I just didn't like it so I left it and I thought that's not whether is a work-life balancing or it is not the life I want to live. Being a research analyst, being in a wealth management business, those two business, really quite the opposite.

So I have never worked as hard except for right now as I did as a research analyst. It's what we call a cell side research analyst. So I would analyze companies, write up research reports on them, share them with investors, the investor who are investing money for your listeners out there. I worked very hard but I had all kinds of flexibility.

The reason why I had all kinds of flexibility is I was writing research and so there wasn't a portfolio manager and investor in the planet who would ask me before they read my research was, "Was this written in the office or did you write this at home after your infant was asleep on Sunday night?" Nobody cared, obviously.

It was also very metric spaced and so as I mentioned earlier, my boss and I would sit down and talk about what we want to achieve. Did my recommendations go up, myself go down, etcetera, etcetera and no client owns me because you have so many clients, you don't have to jump up and down for one client which you have to do with investment banking.

It's the same with wealth management. The asset management, the Merrill Lynch's, the Smith Barney's that I had responsibility for and ran, financial advisers in those businesses can set their own hours. A lot of them will work like go out to dinner with a client at 9:00 and in the morning take their kid to school. I think you have to be parse through the different jobs.

Now frankly, there are not enough women in either research or wealth management either but it's not because of that balance. I've had other reasons for it. I think because the industry has done a poor job of branding itself as being an industry that enables you to not only make a living but to have a little impact on people's lives. Both of them do but you don't think about that when you think about those businesses and women really look for that in their jobs.

[0:16:51]

FT: You've already mentioned your mentor a couple of times now. How can young women in any industry identify the real mentors that are going to help them and I find that for me, some of the most important mentors I've had have been men and so does it matter if it's a female or male? Should you lean towards getting advice?

Because I think it's important to get the female perspective but what's your take on mentorship and how young people can find and identify those people that will ultimately help them advance in their careers?

[0:17:25]

SK: Right, well both are so important and we're having such an interesting conversation in this country about mentors and sponsors. So mentors being those people who will advise you and answer your question and sponsors, they are those individuals who will not only do that but will fight for you and so the gentleman I've mentioned earlier both answered my questions.

He also read my research, critic my researched and then very importantly, was in the room fighting for me to get promoted and my first promotion back at Sandra Bernstein where I was a research analyst, my first real promotion happened when I was six months pregnant, five months pregnant with my daughter. It's crazy, almost where I wanted to say, "You do realize?" And of course they did because I was humongous at the time.

[0:18:09]

FT: There's no going back.

[0:18:11]

SK: I know and I said, "Well aren't you worried?" and actually, I literary said to my boss, "Aren't you worried I won't come back from maternity?" He said, "I'm not worried at all" but anyway, you the individual should have both. An individual should have a male mentors and sponsors and female mentors and sponsors.

For us as females and for both genders, there are some things that are easier to discuss with your own gender. If you go up to a 60 year old dude and try to talk about work-life balance, he's going to look at you like you came in off of a spaceship from Mars. So there are different topics that you're going to feel comfortable discussing with different folks.

I would say that diversity should extend to people inside your company and outside your company. Those inside the company can fight for you, those outside of the company can advise you in a different kind of way. Now in particularly for women, I had Sylvia Hewitt from the Center of Talent Innovation over here about a week ago.

She does the most interesting research and always brings interesting research and she was telling me when she was here that women today have three times as many mentors as men, so the people who answer the question, so we're really good at finding those people to answer our questions but half as many sponsors.

So we don't have nearly the people fighting for us likewise, I've read elsewhere that men tend to have mentor and sponsor circles that are mostly male. Women tend to be mostly female. That's okay except the guys still are more in the position of power so we need to mix it up a bit and have both but finding those mentors absolutely.

Finding those sponsors is even more important, how do you do it? Invite people to coffee, ask them questions and I would also say recognize you're really bringing something to the table. I think in a way when we talk about this it sounds like you're sort of sucking these people dry. Well, if you're 28 years old, if you're 25 years old, if you're 35 years old, think about what you can bring to someone who's in their 50's and 60's. They have no idea what Snapchat is, I promise you. They have no idea, I mean they're barely…

[0:20:18]

FT: I don't know Snapchat and I'm 35. I mean I know but actually, my assistant is going to give me a tutorial this afternoon on Snapchat.

[0:20:25]

SK: Exactly. I mean heck, some of my buddies who I've been in business with for years aren't even on freaking LinkedIn. Like get with the program.

[0:20:34]

FT: There's no hope for them.

[0:20:35]

SK: When I was mentoring some younger women, they were really teaching me not just about social media but about entrepreneurialism and raising money. So I would recognize that you bring something to the table, be clear on what that is and share too. Just don't think of it as a one way street.

[0:20:52]

FT: Well speaking of entrepreneurship and raising money, you've reportedly raised about $10 million in funding to start Ellevest, which is a digital investment platform for women. Why did you want to do this and why do women need something catered to them? Why can't women just go to the Charles Schwab's and Prudential's and Fidelity's of the world?

[0:21:12]

SK: Oh, so you're going to blame the victim, I get it. Well look, I argued for a long time women didn't need any kind of offering for them because there's so much out there but in facts are stubborn things and women today are significantly underinvested in comparison to men. That's not true in the workplace 401(k) plans.

It is true outside the workplace and the numbers around this are startling and disturbing which is that if a woman has got her money into a bank account, a guy has got his money invested in a diversified investment portfolio. That woman is ending up hundreds of thousands of dollars, in some cases millions of dollars behind the guy at the time of retirement. The numbers are astonishing because of the compounding impact of earning let's say a 5% return annually versus 1% or today close to zero.

As a result of this, what really hit me for this, the real underlying reason behind it is one day, I was putting on my mascara in my bathroom getting ready for work and realized that the retirement savings crisis in this country which is so big and so ugly that we really stopped talking about it. And because all the solutions are so hideous like tax increases and entitlement cuts, sitting there I realized it's a woman's crisis. It's a woman's crisis.

We live five plus years longer than guys do, look at the nursing homes in the country is 80 to 85% female and retire with two thirds money of men. Part of that is the gender pay gap. Part of it is that we take more career breaks than men do because of maternity leaves and so on but part of it is what I just talked about which is the gender investing gap, which we just don't talk about in this country.

So rather than say, "Hey ladies, there are offerings out there for you, just go, invest like a man for goodness sake." Well, wait a minute this is about the last industry in which we don't recognize that tailored offerings can really make sense. The other thing that really bothers me here is that this issue of women under investing gets boiled down to this dated 1957-ish messages we've received that women are bad at math.

Not true! We make better grades than guys do at school and as good or better than math that we need more financial education to invest. Well everybody needs more financial education but the guy doesn't stop the guys from investing or that investing in sort of a manly man thing. Women in fact are better investors than men. As good or better. This is true in the professional level whether it's a hedge fund manager or mutual fund manager, not that they're enough of them and it's also very true at the individual investor level.

So we've got this messages that come at us that tell us we're sort of dopes, which just aren't true from all sorts of media sources in the industry and so on. Now, there are tons of great financial advisers who do a great job with women but the numbers and I know most of them, if not all of them, they're fantastic but they're not enough and so we still have the gender investing gap. And finally, I just said, "If not me, who?" If I'm not going to do it, who the heck else is going to do it?

Because remember, you and I already talked about there aren't a lot of women who run Merrill, I did. There aren't a lot of women who ran Smith Barney, I did. There aren't a lot of women who've been in these positions who can understand the industry and understand that investing science, bring in the technology and then think about the problem in a fundamentally different way because what we're doing right now isn't working.

[0:24:58]

FT: What do you mean by tailored offerings? I suspect a lot of us also have to come with a dose of advocacy because what you just told me all these falseisms, this false messages can really impact your psychology and your perception of reality. So how does Ellevest, what are the offerings specifically, if you could share an example that would be to your point?

[0:25:21]

SK: Yeah, well so we haven't launched yet. So we're keeping it pretty under wraps but for your listeners, they can sign up for early access at Ellevest.com, but I will give you a couple examples. Watch some of the TV shows on investing, what do they remind you of? They remind you of ESPN, they remind you of sports programming.

You know, that's male. Think about how the industry positions its' success. It can be at it is about outperforming the market, doing well when a Euro outperforms the Yen. Are these conversations you're having with the women you know? And so, I sort of think about the buying for a car. A guy buys a car, he goes in, he loves to haggle and negotiate.

He loves the art of a deal, he loves to know all the details about the car, what are the pistons and I don't even know the words. And a woman walks in and want a more streamlined, more straightforward experience, neither good, neither bad just different. Right? The research is clear just different. And it's so interesting because we have taken that thinking and we've applied it to any level, any number of different scenarios.

But we just haven't taken it to investing and many of the firms out there you might say to me, "Well so and so has this newsletter for women and so and so has this," but what I found is that so much of that boils down to the Wall Street and investing firms have really posed the question to themselves as being one of, "How can we market to woman? How can we market to women?" Not, "Wait a second, there's some changes we can make to fundamentally serve women?"

And that's what we're doing and what's so interesting about it is it's not just my point of view, we're actually co-creating it with women who are in their 20's, 30's, 40's hundreds of women we've spent time with going through what works for them and what doesn't work for them. So stay tuned because I am happy to come back on and talk about what we found as soon as we're ready to share this fascinating stuff.

[0:27:37]

FT: Yes, well I think the timing is so right and you already have a built in audience here at So Money. We want to test drive this for you if we can and give you feedback. Sal, you majored in journalism and had a second major in poly-sci, right?

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SK: Yeah, back in the day.

[0:27:52]

FT: Was that right? I did a little digging.

[0:27:53]

SK: Yeah, I did.

[0:27:54]

FT: So, how did that lead you to Wall Street? I want to go down memory lane a little bit and understand where your head was at back in the day and maybe why you were fascinated by this industry to begin with?

[0:28:08]

SK: It's crazy isn't it? It wouldn't automatically lead one from one to the other and the bottom line is, when I was graduating from University of North Carolina in 1987, the job offers were either journalism, newspaper, write the obituaries literary make $12,000 a year or the industry that was hiring at that point in time like mad was Wall Street.

And you'd make $31,000 a year which will buy those phantoms is a fortune and move to New York. And so as I was talking to my father about this, he forbid me from moving to New York. I grew up in Charleston, South Carolina. I went to school at UNC, "No." So of course, I only then looked to move to New York.

It ended up in my thinking was that I would go for a couple of years, learn business and then come back and be a journalist and that of course didn't happen but what did happen is that the skills of journalism combined with the skills of being an investment banking analyst, combined to be a research analyst which is writing analytics, dealing with smart individuals and really sort of combined the two. So it was a great passport for me.

Now, there's lots of rockiness in between because you've noticed I've said, I came to Wall Street in 1987, literary six weeks before the market crash of '87. I twas actually so funny, I was thinking the other day, my brother was a senior at Chapel Hill and ended up on the freaking floor of the New York Stock Exchange on the day of the crash like Forest Gump. He was like Forest Gump and I remember he came back and he said, "Boy, it's busy there," and I said, "Well, duh, brother Johnny."

[0:29:59]

FT: Yeah, run Johnny, run. It's the crash.

[0:30:04]

SK: It was so funny.

[0:30:05]

FT: But I guess as tumultuous as that period was, it made you maybe even a little bit more fascinated with the whole system.

[0:30:17]

SK: Well, it did. I don't think I really realized what was going on. I'll tell you what I did though which is an interesting lesson at made the risk reverse. For you listeners, I'm sure they'd know about this idea of anchoring which is the first experience where you lose much larger than subsequence experiences.

I really just viewed crashes as this thing that could happen which tend to make me more risk aware and for so many of your listeners, having come of age and being aware at the time of the sub-prime market crash and crisis of '07-'08. It can keep people in a crouched defensive position which is good sometimes but over the long run has shown not to be the most effective way to grow capital.

[0:31:07]

FT: Man, I wish I had you for like three hours Sallie. I have a thousand questions for you and I think I would love to ask you some more questions that I ask a lot of my guests on the show now where it's where a lot of listeners like to turn on the volume here. It is: What is your number one financial failure?

We asks this of all the guests. People might have seen your departure from Bank of America as a public failure but to you, it wasn't a failure. So personally, what is something that you can identify as, "This was a financial failure and here's how I worked my way through it?"

[0:31:41]

SK: Well, I don't know that I worked my way through it. My biggest and most costly failure was right before that market crash of '07-'08. I remember meeting with my financial adviser. Now, I had no idea that the crisis was coming but as I mentioned, I was pretty risk aware, of talking risk, thinking risk.
And I remember I was working at the city at the time, I was running Smith Barney at the time, living at New York at the time and sat down with my financial adviser and said, "What happens if

there is a market correction?" and we looked at my investment portfolio and we stressed tested it. I said, "What would happen if the market went down 30, 40, 50, 57%," as it did.

By the way, I actually got the exact numbers but that kind of correction. We looked at the portfolio and said, "Whoa, ugly, no fun," bad afternoon, but okay. What we failed to do was to continue the train of thought. So what we didn't do was look and say, "Okay, what would happen to the stock of the bank I was working at where I had un-invested stock if there was a market correction of that size?

Well guess what we found out, the answer? And the answer was that the stock would go from $52 to less than one but that was actually my biggest asset. It wasn't my investment portfolio so it was a major fail. But stop for a second, wo what happens to my employment possibilities if that occurred? Well, we know what happened there too. Out of the job.

What happens to my husband who's also in the financial services? What could happen to the real estate? So we have built up a portfolio at the time and what we really didn't realize was everything was pointing in the same direction and that was completely fine when things were going up but it was not so fine when things are going down.

So what I would urge your listeners to ask themselves is this question which is not just, "Do I have stocks and bonds in my portfolio and what will happen to them?" But, "Am I a stock or a bond? What happens to me? What happens to me?" Because for most of your listeners, their biggest asset is not their investment portfolio.

Their biggest asset is themselves. Put in financial terms, the biggest asset is the net present value of their future earnings. So to take an example that's not me, if you are a tech startup person, your future earnings could be quite high, it also could be quite volatile. You're going to want to have a more conservative investment portfolio.

If on the other hand, you work for a utility company. Your earnings are going to be pretty stable overtime. You work for the government, they are pretty stable so you could afford to take more risk on your investment portfolio. So my biggest mistake was stopping the analysis before I got to my biggest assets which were the stock and my job.

[0:34:38]

FT: Right. A little short sighted perhaps but you're right, that's the conventional wisdom.

[0:34:44]

SK: Dumb, dumb.

[0:34:45]

FT: It's the conventional wisdom and I'm not happy, but it does make me feel better to know that someone like Sallie Krawcheck at your level also wasn't able to foresee the demise of the markets. That this was truly something that in many ways crept up on us although there were some guys like from the Big Short, who knew it was going to happen.

[0:35:05]

SK: There are always some guys. You know maybe next time they should tell everybody.

[0:35:09]

FT: Yeah, right?

[0:35:12]

SK: But you know the truth is, there's always some guys. Remember, if you go back to '87 Elaine Garzarelli foresaw the crash of '87. But then she didn't foresee the next and the next and the next. So there's always going to be some folks who see it but the truth is, a successful investment strategy is not based on being the one who sees it, it's by really staying, getting in and staying in and averaging into the markets overtime.

[0:35:38]

FT: All right Sallie, let's do some really quick rapid fire So Money fill-in-the-blanks. This is when I start a sentence and you finish it and then I'll be sad to say goodbye but thought this would be fun to squeeze in. All right, if I won the lottery tomorrow, let's say you won power ball, a $100 million bucks, the first thing I would do is _____.

[0:35:58]

SK: Keep doing what I'm doing. I would invest it into Ellevest and to growing that business right away and I'd be right back here tomorrow morning.

[0:36:08]

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

[0:36:13]

SK: Delivery services. It's the difference. When I — this isn't very rapid fire, but when I was younger I remember moving to New York, my sister in law is living in Atlanta, I got everything delivered and she spent our the weekend driving around the suburbs picking up dry cleaning and so on and I knew I was going to make it through and I knew she was going to end up quitting, so it's the delivery services.

[0:36:37]

FT: Do you ever think of what your time is worth when you think about outsourcing? There's actually an equation.

[0:36:44]

SK: Yeah, there is an equation which I've never used but the most valuable thing, each of us has its own time and we need to be really where they're spent and learn to say no much more than we do.

[0:36:56]

FT: How about this? My biggest splurge, I mean I spend a lot of money on, I maybe feel a little guilty about it but you know what? You don't care, you love doing it.

[0:37:04]

SK: The Real Real, I love spending time on that site and buying gently used designers — do you know The Real Real?

[0:37:12]

FT: I don't know The Real Real, teach me.

[0:37:13]

SK: Oh no, this — oh my gosh, they should start paying me commission by the way because this is a designer resale site.

[0:37:24]

FT: Oh my gosh, I'm on there right now.

[0:37:24]

SK: You've got to go, you've got to go, you've got to go. By the way, I am buying most of my clothes from there and then I re-sell there too. You've got to, I'm telling you.

[0:37:32]

FT: So Sally Krawcheck buys consignment?

[0:37:34]

SK: Yeah, all the time. That's financially savvy.

[0:37:37]

FT: Good to know. All right, one thing I wish I had learned about money growing up is _____.

[0:37:43]

SK: It does not have to be a source of conflict. It was the only thing my parents fought about and getting it to a place where you don't have to fight about it is worth a lot.

[0:37:55]

FT: Have you fought about money in your personal life? Did that actually ever come to fruition?

[0:38:01]

SK: Yeah, now we can't do rapid fire on this.

[0:38:04]

FT: Yeah, I know, this is chapter two.

[0:38:05]

SK: You know what? It's really part of the reason I kept working. I saw that was the only thing that my parent disagreed on and I am telling you the fights, sorry mom and dad if you're listening, the fights were so big they would hide under the bed and I thought, "Never, never, never." So no, I don't. I don't.

[0:38:24]

FT: I can relate to that too. How about this? When I donate I like to give to ____ because _____.

[0:38:33]

SK: Causes that support women and children because the ripple effect is so significant and so positive.

[0:38:40]

FT: And last but not the least, I'm Sallie Krawcheck and I am So Money because _____.

[0:38:47]

SK: I'm So Money because I'm not just talking about the impact I want to have on the world. I and my team are taking action on something that matters to me and that could be positive for society, which is closing the gender investing gap.

[0:39:03]

FT: And we all look forward to Ellevest. Please come back when that is live. We'd love to share that with our audience. Thanks so much Sallie Krawcheck.

[0:39:11]

SK: Thank you. I'm so glad to be here. Take care.

[END]

