

EPISODE 443

[SPONSOR MESSAGE]

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[ASK FARNOOSH]

[0:01:32.9]

FT: Welcome to So Money everyone. It is Ask Farnoosh time, with Sophia. Welcome back to the show and hope you're having a great Friday, kickoff to your weekend. Exciting news this week Sophia, we did a Facebook live session on Monday.

[0:01:48.9]

SY: We did.

[0:01:50.6]

FT: We lived up to our words, we said we were going to do it. If you've been listening consistently to Ask Farnoosh, you know that a couple of Fridays ago, we were reminiscing and we were thinking about how to kind of take this ask Farnoosh show on the road or at least experiment with Facebook. It was awesome, you guys really showed up for it, we had about so far like 1,500 views, it reached over 350,000 people.

Tons and tons of questions came through live as we were doing it. I think that means you liked these Q&A's. So really, thank you. If you joined us for that, we thank you and I think we're going to make it a more consistent thing because obviously it did so well. We think it would make sense to keep it going. So I think every Monday we'll do one and that way we can answer questions in the interim. If you have a really pressing question and you can't wait for a Friday episode of ask Farnoosh to have it answered, this can be a great opportunity to live get me while you have me.

Thanks for everybody for tuning in and for future listeners. We talked about, on this show a lot, that there are many ways to monetize your skill set right? That you can make money from what you do and then you can make money from what you know. What I do is obviously I speak, I write, I do podcast, I host shows and that's how I make money from what I do.

But I know a lot of things that I never really share with people that I think I consider myself an expert in other areas besides money and one of the most popular questions I've been getting on the road and just even people that I meet one on one is, "How did you, Farnoosh, get to be where you are? What was the turning point for you, was there something that you did consciously that led you to now this status of being kind of this go to expert for all things money and having all these income streams and really having this great platform?"

I think part of me is like, "Oh it just happened, I was lucky," but no, there was a lot of strategy. There was a lot of investment in people and resources and so I've been teaching people my path, kind of one on one. Last fall, through the beginning of this year I coached six people on how to launch a book successfully, market the book and then leverage the book to gain expert

status, to raise their platform to start working with brands, to get writing deals, to get speaking deals.

To really get out there in a much bigger way and it was called The Inner Circle, it's a very private coaching, consulting thing that I did. That ended in March and was wondering how to keep it going, coaching one on one, it's very time consuming for me, I really enjoyed it but not sure if it was sustainable. So I thought, "Let me do something else. How else can I continue to teach that makes sense for me but also provides a lot of value for whoever wants to be taught?" So you and I came up with the idea of doing a workshop in the fall of this year.

So stay tuned for that, Sophia and I are going to throw an epic summit, an epic workshop in the fall. If you're listening and you are an aspiring author, you have some expertise that you want to share with the world, you want to help the world, you want to get out there in a big way. You want to write a powerful, life altering book. You want to then use that book to then elevate your platform, to get out there in a bigger way, make more money and impact more people. I can teach you how to do that. I've been teaching people now for over a year.

The case studies are pretty incredible. I'm working on some of the material around it. If you're interested and you want to learn more, send us a quick note before this hits the world because I'm going to then open this up soon to my list but if you want to get in on this from the ground level, email us, send us a quick note, Farnoosh@somoneypodcast.com. This is going to be a very small workshop, it's not going to be 200 people, I'm thinking 10. Because I want everybody to get a lot of results in the tow days, we don't have a lot of time but I think if we keep it small we can make a huge impact on everybody's experience.

So if you're interested and if you're serious about this, and even if you already have a book in the works, you've already got the book deal, there's a lot of time still to make some key tweaks to how you market it, how you message it and how to ultimately stand out. So write in, farnoosh@somoneypodcast.com, we'll have a conversation and I'm happy to share this with people who are serious. So send me the email if you're serious, before I blast it out to my email list in a couple of weeks.

That's So Money right? I'm learning how to monetize my — I guess I can go out there and say it's an expertise. People have been asking me, "How did you get to where you are?" It's not a question I ever thought I would be answering so frequently but I'm realizing maybe there's some things I can teach and I practice it with six coaching clients and it worked. So now I think the workshop's going to be really, really fun and needle moving, as they say, for all that attend.

This week, Sophia and I, we're like knee deep in this now because there's no going back. I'm going to host this workshop, come rain or shine and we're looking at spaces this week, it's going to be very, very high end. That's something to look forward too as well. Anyway, Sophia, I've blabbed long enough, have you thought about your So Money Moment?

[0:07:31.5]

SY: I have. This week I think was a great week in terms of reconnecting and spending some time with friends and family. Of Course I feel like schedules, especially after July 4th I find your days and your weekends just completely — they fly by and so I think this week was really great in terms of just being able to spend time with some really good friends of mine and family.

I had dinner with three of my really close girlfriends from high school and we try to get together. You had mentioned last week with your friends, just once or twice every couple of months and it's bitter sweet because one of my really close girlfriends is going off to med school in a couple of weeks' time and then another one is most likely moving out to San Francisco.

I cherish those moments that I can have with some really good friends who are so supportive and just a great resource because it's really important and so valuable to have those interactions I think. So I would say that was my So Money moment of the week.

[0:08:37.4]

FT: Good for you. It's important. Life gets busy, we forget to really give back to our friends and when we're older, if we haven't maintained those relationships, life won't feel so fulfilling. You may have gone on to really excel in your career and financially but if you don't have the right people around, it can feel very lonely. It's important to nurture those relationships now.

All right. Let's go to the mail bag and I've already snuck in and I checked out the first question and I'm like, dying to answer this. So go ahead and tell us what it says.

[0:09:18.1]

SY: All right, so the first question is from Meg and she wants to know your thoughts about gift giving culture because she says, although she tries her best to change the gift giving habit of people around her, she feels that it's just inevitable that she's going to have to end up buying gifts for people. She's planning a trip to visit her family in China next spring and gifts are one of her biggest expense.

She spends about two to \$3,000 on gifts and she feels obligated because not only does she only go every couple of years but it turns out into some sort of family event every time and her parents tell her that she's not only has to bring gifts for her family members but small gifts for family friends and neighbors. So she just wants to see what your thoughts are on gift giving culture?

[0:10:04.5]

FT: Can I relate or what? I mean I remember growing up, my parents were Iranian and my mom and dad would go to Iran when I was growing up, there is definitely gift giving culture. People who perhaps have family overseas, especially in countries that are poorer than the United States, I think we can all agree as Americans that people think that we live in the lap of luxury here that money just grows on trees.

Literally, I just interviewed, and you'll hear this soon. A woman who emigrated here from India. She says that prior to coming to the US, her idea of America was that literally money grew on trees. We're all running around with the silver spoon in our mouths, that everything's great, we're the most powerful country, blah, blah, blah. When in fact, that is not the case, it's a huge myth.

Here is a few things that I would do Meg if I were you. If you're close with your parents, you just tell them, this is expensive for me. Two to \$3,000, it's a lot of money and maybe they don't realize that. Just being really, matter of fact with your mom and dad so that they don't put this unnecessary pressure on you to get gifts for this people of sixth degrees of people like family, family's friends, friends of friends, and then neighbor's friends and dogs and cats. You need to set boundaries.

One of the things that my parents eventually did as they were traveling overseas, because it adds up. Not only the gifts but your flight and what not. So they would just get gifts for the kids. Almost like Christmas time, right? You're thinking about, "How am I going to set boundaries? I got a million family members, how do I do this?" Perhaps it's just a immediate friends and family or immediate family and the children.

Because the children are really the ones that, their eyes light up, they really look forward to that and it could really just make their day. Then even then, you don't have to really go crazy, you can go to the dollar store, planning is key here. So if you know you have a trip coming up, say in the year or in nine months, you should start keeping your eye out for gifts now. Every time you go out, things go on sale throughout the year. So you want to be able to take advantage of those discounts as they arise as supposed to just two weeks before your trip, you're cramming in all this gifts. Of course you're going to end up spending more.

So it's really about planning, it's about being honest with your family and saying, "This is expensive, I can only budget so much for gifts." You have to be the biggest advocate for your money Meg. As I say on this show all the time, no one cares more about your money than you. If you're going to annoy some people because you didn't bring them gifts when you came from China, you coming to China is the gift. Hello? You're making this big trip, this long journey, you're spending a lot of time there and that should be enough.

I mean, culture aside, let's just be real. Would they rather you go into debt or would they rather you be financially afloat? And I think that you need to just be upfront with your parents and hopefully they can make this easier for you next time. Stand up for yourself because no one's going to suggest this to you, you need to be the one to really lead this and say, "I'm drawing the line, and if this is something that I have to do all the time, then I can't come every time. I'm going

to have to reduce my trips. It's either you see me less or I come more frequently but with fewer tchotchkes in my luggage." Hopefully they're understanding, they'd rather see you more than just get some ridiculous things than just get material items that doesn't lead to happiness.

All right Meg, good luck to you and I totally relate and I hope this has helped anybody listening who is in the same shoes.

[SPONSOR BREAK]

[0:14:50.7]

FT: Whether you're a small business owner or a huge corporation, I've got one word that will transform the way you communicate, Igloo. Igloo Software is a modern cloud based internet software that acts as a central meeting place, connecting three things: people, information, and processes.

So whether you share files using programs like Dropbox, SharePoint or Google Drive or you have conversations using Gmail, Outlook, or Slack, it's all integrated. You can post files, share content and collaborate with anyone all in just one browser window and without leaving your Igloo.

With no servers to maintain, automatic upgrades and 100% cloud based system, you'll wonder how you ever got a long without it. If you go to Igloosoftware.com/somoney, you'll get a free trial at Igloo. Up to 10 users can use it for free, forever. Visit Igloosoftware.com/somoney to improve the way you work today.

[CONTINUED]

[0:14:50.7]

SY: All right. So the next question is from Susan Lee. She has some money from a home sale that she wants to invest in real estate and she asks, "Where do you recommend holding money short term for anywhere from one to two years. Is it worth putting into an index fund?"

[0:15:07.9]

FT: No, no index fund. I think for money that you need in the short term, and that means less than three to five years, you don't put that in the stock market. As much as I am a fan of index funds, that's a long term strategy — 30 years for retirement. In an index fund, you're still following the market. Anything could happen in the next one to two years and you're not going to have time to recover.

So this is money that you need, right? Put it in maybe just a high interest bearing, checking account, you could put it in a CD for a 12 month CD or 24 month CD to get a little bit more interest. Would not do anything risky with this money and I know index funds are relatively less risky but still in this situation for one to two year withdrawal rate, I think you want to keep it as liquid as possible.

All right, what's next?

[0:15:55.9]

SY: All right. The next question is from Taylor. Taylor says that her mom took out a parent plus loan to get her through school but once she graduated, they started to realize that payments weren't really manageable so they deferred for a year. Now that the year is almost up, they don't know how to get the payments down. So she wants to know how she can help out her mom, she asks if it's possible to have the loan put in her name?

[0:16:20.8]

FT: As far as I understand, parent plus loans can be refinanced, can be transferred as well to the child's name. Go and talk to the loan issuer and ask about possibly transferring the parent plus loan into your name and that means that you're going to now be responsible for paying back the loan.

One resource online that I like is Studentloanhero.com, and that's actually where I confirmed this. If transferring the loan into your name, it is something that you think could alleviate a lot of the stress, it's part of the quickest thing to do, talk to your lender and hopefully you can make this happen.

[0:16:56.4]

SY: All right. So the next question comes from Tyler. He is 29 and he's been with his current organization for about four years now and last fall he went back to school for his MBA and will graduate next May. But ultimately he wants to get into consulting. He says that you mentioned Todd was doing consulting and he's curious how to get into the field. He also says that he's looking for new opportunities and his company has contributed toward the tuition for his MBA, and therefore they require two years commitment after graduation from his MBA program or he has to repay the \$15,000 that they've put towards the tuition. So if offers do come in, does he negotiate the \$15,000 as a signing bonus to give back to his current company, for paying his tuition or should he count on this as an expense to leave his company?

[0:17:52.2]

FT: Well if you get a job that you are so excited about, like I said, I think it was on the Facebook chat or last Friday that rule of thumb, a good rule of thumb for anyone who is looking to just advance quickly in their career is to always be circulating your resume, always be updating your LinkedIn profile, you just never know.

I think that your answer will rest on how excited you are about this next job offer that you're going to get some day. The quality of the new job offer. If you're really excited about the experiences that you're going to have at this new job, an experience that is going to be unmatched to what you have at your current job and you can negotiate \$15k in a bonus, then great.

As far as how to get consulting gigs? The way that Todd did it, and now he's working full time for a company but between school and now working full time, he was consulting. He actually went back to school, not full time, but he took a very intensive nine week program at a place called

General Assembly. It was to learn how to do UX Design and there, he was able to meet classmates, meet his instructors and through them, network and through the school, network to find gigs and to find consulting gigs. I think the lesson there is you want to tap into a community, maybe go back and take a course but you got to find your people, right?

So that they can connect those dots for you, make introductions. You can't just sit at home and hope the consulting gigs are going to come and sit on your couch. You have to go out there and meet the right people and talk about, talk up what you're doing and you know, if you want to start a website to kind of about a landing page, to highlight your skills and to have a contact, a way for people to contact you, that's the first step, that's a good first step. All right, I think we have time for one more question.

[0:19:43.4]

SY: All right. So the last question comes from Caroline, she's a dental student in Boston and she says that when she graduates in two years, she'll have about a half a million in grad school debt and she's already paid off her undergraduate loans. But she's spending as little as possible right now and wants to know if there's anything else that she can be doing until she graduates to help pay off her debt. Then she wants to know, how do you look for the lowest interest rates?

[0:20:12.5]

FT: Wow, \$500,000 in grad school debt. Yikes. Fortunately you're entering a career where it's pretty high salaries. Dentist can make a lot of money especially if you get into braces and orthodontics. You could be making a lot of money eventually. Oh gosh. So great to hear that you paid off your undergrad loans, at least that's out of the picture. I think before you graduate, you want to talk to the loan officers. If you have an office at school where you can talk to some people that are very resourceful or helpful, I think that's great. Make those connections and get some information before you graduate.

Understand what your loan payment is going to be upon graduation month to month. I think that is something that I discover very few people know when they're in the midst of school and they've got this loans and they're worried about repayment. That's why I ask them, "What's

going to be the repayment? What's the month to month repayment?" They don't know. So you've got to know, then you know what your obligation is and you know whether you're going to be able to make that payment or you're going to be struggling and if you're going to be struggling, you want to look in to things like refinancing, reducing interest rates, consolidating.

There is a website called Sofi.com. Check it out, that's an interesting resource, it's a relatively new company that's just growing so fast, they're helping student loan borrowers refinance their loans and consolidate. So if you have a public and a private loan, which normally you cannot combine, they can help you combine them and find a low interest rate. What's really important for you to do now, between now and graduation in addition to of course looking at all your options and getting informed is also making sure that your credit stays strong.

So check out what your credit score is, pull your credit report because if you want to be in a position to earn low interest rates on a student loan, on anything, you need good credit, you need a good track record. You need to show that you're able to pay back debt on time and that you are a faithful borrower, that you're keeping low balances on your credit cards, that you're paying your bills on time, preferably in full every month. So if you've got credit cards, make sure that those are being maintained in good fashion and that you're not falling behind on other debt.

So the fact that you paid off your student loans is probably helping you — your undergraduate loans. That's a good sign, you can pull your credit report from annualcreditreport.com for free. For your score, sometimes your bank will be willing to give it to you for free, you want to look for your FICO credit score. I have partnered with Chase Slate and that's a credit card and as part of their offering to those card holders, there is a credit dash board that's free that all card holders chase like card holders can have access to online. It provides you with your credit score monthly, FICO credit score for free.

In addition you get all of the information that is driving your credit score, the good, bad and the ugly so that you know what you have to do to fix your score personally. So that will be my advice, get informed, know your options, connect with somebody in the loan department at school, know what your debt's going to be when you graduate, have a sense of how prepared you're going to be and then as far as looking into refinances and things like that, check out

Sofi.com and also make sure your credit continues to be in good standing, because that will again put you in a great position to demand those low interest rates.

[0:23:46.9]

SY: There's also a second part to her question and she just wants to know, what are the best financial books out there? She's been reading as much as possible recently and she's already read rich dad, poor dad. Millionaire next door and she's even ordered one of your books.

[0:24:00.4]

FT: Oh well thanks, I appreciate you ordering my books. I mean of course I was going to mention that. *You're So Money* and also *Psyche Yourself Rich* I think is a good book for given what you're experiencing currently in life. I'm a big fan of not just books but blogs. We've had a lot of great financial bloggers on this site, Mr. Money Mustache, just go through the podcast.

I think you're going to be really enlightened by all of the guests, especially the financial bloggers. So you can search by "blog", "financial blogger" on Somoneypodcast.com and you'll be led to a ton of great online resources that are free. Books are great too but why not check out the free resources as well? I would start there.

So that's a wrap. Thanks so much Sophia.

[0:24:43.3]

SY: Yeah, of course, thank you.

[0:24:45.0]

FT: Again, if you're interested in joining our very, very cool workshop this fall on how to take a book and build a brand around it, email me, Farnoosh@somoneypodcast.com. I'll send you some information around it and you can be one of the first to learn before we blast this out to the list. But I'm really interested in just getting high highly motivated people to really make the

experience worth every penny and I'm really excited about it. I'm looking forward to really putting it together.

So again, reach out if you're interested and if you want to ask a question, you can go to somoneypodcast.com, click on "Ask Farnoosh", but of course stay tuned for Facebook live. I think every Monday we're going to start doing this or at least once a week and we hope to see you there next time. Have a great weekend everyone and I hope your weekend is So Money.

[END]