

**EPISODE 487**

[INTRODUCTION]

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**FT:** Welcome to So Money everyone. Thanks for joining. I'm your host, Farnoosh Torabi. It is no secret that social media has been taking over our lives in good ways and bad. For example, while social media can be a great way to share useful information, it can also be a huge time suck, right? And according to recent research, Americans, we're checking our Facebook, Twitter, and other social media accounts at a whopping 17 times a day. That translates into at least once every waking hour, if not more.

And one of the adverse affects of all of this, besides of course losing time, is that we can become envious of other peoples' lives. It's true, it's hard not to scroll Instagram, I'll be the first to admit, and once in a while think, "Wow, that person's got a pretty amazing life and I wish that was me." I've definitely fallen into the trap of also buying a pair of shoes I first saw on Instagram and just following the link and buying it immediately.

All this to say, social media can be costly and our guest today wants to help. She is Rachel Cruze and was on the podcast once before, episode 29, and is back to talk about her latest book, *Love Your Life, Not Theirs: Seven money habits for living the life you want*. And in our conversation we're going to discuss how we can focus on ourselves to filter the distraction on social media and ultimately learn to love what we have.

More about Rachel; she's a personal finance expert, a number one New York Times bestselling author of the book *Smart Money, Smart Kids*, a book she co-wrote with her dad, Dave Ramsey.

Here is Rachel Cruze.

[INTERVIEW]

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**FT:** Rachel Cruze, welcome back to So Money. So much has changed. You're a mom, new book. Welcome back.

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**RC:** Thank you. Thank you so much for having me back on. I so enjoyed last time we were together, so this is fun to do again.

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**FT:** Your latest book talks about the influence of these social media networks on our financial lives. The book is called *Love Your Life, Not Theirs: Seven money habits for living the life you want*. Did you have a personal experience with this where social media was just creating a negative impact on your perception of wealth or financial happiness? Or you saw others having issues with it?

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**RC:** Yeah, it was really all the above. You know, I was thinking back to my walk and my journey when it comes to finances and I was thinking, "What kind of keeps getting a snag in this seamless story that should be there?" and it kept being social media. Which sound silly, but it was true. I mean everything from if I got back from a vacation with my husband our second year of marriage, we'll be married seven years in December so this was a few years ago. But I remember coming back from that vacation and was on Instagram and I all of a sudden found myself on americanairlines.com to book another vacation because I saw all these pictures of all these people with their feet in the sand and the blue water behind them and I was like, "Oh my gosh, okay I feel like we need to do a better vacation next time." and I thought, "Rachel, how silly? Like you just got back from this."

So it was things like that that just kind of kept bubbling up to the surface and as I travel and talk to people, I find that. And I find that a lot of people, what that leads to is discontentment and out of discontentment comes, I believe, people spending money that they may or may not have, to

keep up a lifestyle that they think everyone else is living but they're missing out on. Because every post on social media is everyone's best foot forward. It's like the highlight reel, right? So if you sit there and look at all the new cars and the vacations and the redone kitchens and that's what you see all the time from peoples' lives, of course you're going to feel discontent. Of course you're going to feel like, "Oh my gosh, we're just not good enough." and so you just have to take a step back and put it in perspective just to remember that what you see on social media, it's not the entire picture.

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**FT:** It's peoples' front of stage, as I've heard. Not the back of stage.

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**RC:** Yes.

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**FT:** So what's the solution? You just turn off social media? How have you found a way to navigate social media in a way that's still healthy when it comes to your money?

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**RC:** Right because social media still can be a tool that we use and we can connect with people all over the world. So I don't want to bash social media, but I do think it's the vehicle which takes us down the road of comparison. So we just have to be aware that when we're on, what are we doing? What's our motivation? What are we thinking about? And just to make sure that again, we remember the entire picture of the story. That we don't know exactly what started beginning or what's even happening after that vacation with a credit card bill. We don't know.

So you just have to kind of take it as it is, and I always say that gratitude beats it all. I mean in a heart filled with gratitude, there is no room for discontentment and comparison. So being grateful is huge, and I started something, it's so simply. But in the mornings when my phone

alarm would go off, I used to take my iPhone and sit there and scroll through Twitter, and Facebook, and Instagram and text messages and emails. And so now what I do is I click the Notes icon on my iPhone and I have a gratitude list.

So every morning I try to type down two things I'm grateful for, and that's the very first thing I do. So for me, that's just a good perspective, a good exercise to start my day being like, "Hey, here is what I'm grateful for." Because it's amazing, when you are grateful, I believe it's easier to be content, which helps you quit the comparisons.

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**FT:** You talk about this #blessed humble brag in your book. Tell us about that.

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**RC:** Yeah as I was just writing this book and thinking about the ways we use social media, I came across a friend and she was like, you know, it was something like, "In first class, enjoying this flight to California #blessed" and I was like — so I clicked on the #blessed and I start, you know, all I saw were vacation pictures and I got a guy with six-pack abs and he was like, "Good workout today #blessed," and I'm like, "What?"

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**FT:** Are you blessed, or are you bragging?

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**RC:** Yeah, totally. So it was kind of this — it almost seemed like, not for everyone, but for most people I was looking at I was like, "Gosh, it seems like this nice way to be like, "Look how great my life is, and I am just so blessed." It's like a humble brag kind of thing. So yeah, in that chapter I talk about, just focus on the true blessings of life. I mean the things that not everyone has to see, not everyone has to know, but the things that truly make you happy in life. Whether it's family or spiritual life, whatever it is, that's the blessings in life. There's nothing wrong with

first class airline tickets or going to the beach. I mean there's nothing wrong with any of those things, but we just again have to keep it in perspective that sometimes the #blessed can be seen as the humble brag.

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**FT:** On the other side of the coin, I mean the Internet is such a wealth of resources for so many things. Used right, used responsibly I think that the Internet, the fact that we can share things with so many people, whether it's our goals or our financial budgets or plans. I mean there are so many apps now where they're incorporating sharing aspects to their technology because studies have actually found that when you publicly share or announce your goals, you announce that you want to get out of debt, it actually does work to your advantage.

So what have you found are the best practices using the Internet to help you with your financial goals.

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**RC:** Well I think it's something, if you feel comfortable and I think everyone's at different spots, but yeah if you do have something that you're trying to do, whether it is like, "Hey, monthly budget meeting, I'm doing it, I'm going to try this every month." Or getting out of debt, whatever it is and you feel like that's part of your story that you want to share, then absolutely. Because it is great accountability. If you put something out there that almost is counter-cultural, something like getting out of debt, people are going to ask and when they see you in person they may be like, "Oh my gosh, I saw you posted this. What is that about?"

So yeah, I think that there's a part, and everyone's going to be different so that's a part of your story. Absolutely, share that, because those eyeballs are going to be on. And that's the positive influence of the Internet, and it's something I think, if that's what you decide to share, hey that may motivate someone else to do something great and motivate someone else to be wise with their money, where we see so many of the negative sides. Being that positive influence, absolutely. If that's what you feel like you want to do, 100% I would say there is a lot of positivity in that arena.

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**FT:** And take it for what it's worth, but a So Money guest on this show, Tom Corley, he wrote a book called "Rich Habits". I think your father, Dave Ramsey, also featured him on his radio show.

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**RC:** Oh yes.

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**FT:** He has found, so take this for what it's worth, that in all, people who spend less time scouring the Internet are richer.

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**RC:** Shocking, right?

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**FT:** So, a little bit better for your pocketbook, also a bit better for your mental health.

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**RC:** Right, and your relationships as well.

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**FT:** Relationships, right.

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**RC:** Yeah, I think that the overall health of who you are as a person probably will be amplified in good ways when the Internet isn't — when you're not so consumed and looking down at your phone 24/7.

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**FT:** What were some of the newer things that you had discovered along the way in writing this book that you hadn't quite tackled before?

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**RC:** Sure. Well the first book was with my dad, Dave Ramsey, and it was *Smart Money, Smart Kids*. So we really unpacked for parents specifically, what does it look like to raise your kids to be money smart? So my perspective was kind of as the kid, if you will, and dad's was of the parent. And so for that book I really looked back in my childhood and looked back, "Okay, what's made me who I am today? What were things mom and dad implemented that changed the course of my life, that helped me get to where I am and the knowledge that I have and able to practice that out tactically?"

So for this book I really was looking at the present part of my life and to say, "Hey, what are things I'm dealing with?" Because there was stuff that I was struggling with. You know, I'm a natural spender at heart and I do not like doing a budget necessarily all the time.

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**FT:** Dave Ramsey's daughter is a spender and doesn't like doing budgets?

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**RC:** I know! It's a shock, right?

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**FT:** News flash!

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**RC:** Yeah, I know, I know. So I kept bumping up against these hurdles, whether I was like, "Oh, I don't want to sit down and do the budget, or whatever it is, on social media wanting to book another vacation, whatever. So as I was writing the book I was like, "Okay, if I am struggling with these things, probably other people are too. So as I was travelling and talking to people, things kind of kept bubbling up to the surface and one habit I talk about in the book, because I go through seven money habits for living the life you want.

I love the idea of habits because it's this idea that it becomes second nature to you and we all have money habits. Some are good, some are bad. But if we change our bad habits to good ones, and our good ones we amplify even more into better healthy habits, that becomes really second nature in who we are when it comes to our money. So I love that idea that it's just your muscle memory taking over at that point, and so going off that idea, there was one habit called "Talk about money even when it's hard".

And as I was talking to other people, just this topic of money to even say outloud and have discussions with, whether it's with your spouse or your kids, or friends, or family, can be very tricky, very, very awkward. So that was an interesting habit to kind of research and walk through just this whole relationship aspect of money. Because it's so real and it could be so damaging if it's not done well.

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**FT:** In your personal experience, what's been really hard to talk about with your partner?

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**RC:** Well thankfully Winston and I, from early on, we've talked about money. And so we've kind of had, that communication has always been there. But us agreeing on where money was going



wasn't there. So for months and months as we were first married, we didn't budget together. We kind of just did our own then and then suddenly we looked up and as Dave Ramsey's kid, you know, I knew in my mind you have to budget together when you are married. This will eliminate so many money fights and money problems, and so for Winston and I we finally were like, Winston was really the one that was like, "We need to sit down and do a budget," and I was like, "Ugh, you're one of those." Like, "You're one of those people."

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**FT:** So boring.

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**RC:** Yeah, and so we did and the first month was just horrible, I'll be honest. Because I went to Target, like the black hole of goodness, and walked in. Who knows what I spent. I think we budgeted like \$50 for food. I mean it was just really, it was pretty much a train wreck and so we kind of fought and bickered and figured it out, and then the next month we did it again though. Because we were like, "No, we're going to keep at this." And so it got a little bit better and a little bit better. So thankfully that's become a habit in our marriage is doing a budget every month together and I think that has eliminated years and years of stress and worry and fights.

But gosh, those first few months, I mean I remember going back to that and as I was writing out this habit I can remember those emotions. Because it's very awkward and it's almost vulnerable to be like, "Here's what I bought and I bought eight travel shampoos, and I don't know why, but I wanted to and now you have to see that I did that."

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**FT:** Oh my god. I'm a sucker for travel-sized anything.

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**RC:** I know me too. Oh my gosh, it's just so great. Contact solution that comes with three little squirts, I'm like, "Yes, count me in."

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**FT:** It's so cute.

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**RC:** Yeah, totally. So it is, and that's what's going to be difficult for people that haven't talked about money in their marriage for a while, but it's a habit I — it's so hopeful because I want people to know, when you talk about it it can be awkward at first but you push through, you will find a new level of unity within your marriage unlike anything else. I mean it's amazing. When you can agree on your money and you can agree on where your money's going, you're agreeing on your goals, on your dreams, on your fears. You really are unified on this subject and so that's what's exciting to me is I know what the by product does. Even though it can be hard and awkward at first, pushing through that and pushing through those weird conversations, the flip side of that, it's amazing the unity you'll feel with your spouse.

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**FT:** And that's it. I mean it's no secret that couples usually have differences over money. One's a saver, one's a spender. I mean studies have proven that time and time again, opposites do attract. So the trick is not to dwell on those types of differences but rather, like you said, find that common ground, find those goals. Take money out of the equation at first and just talk about why you're in the relationship to begin with; your shared values, your shared goals, and hopefully that will kind of give you the motivation and the reminder of why being good with your money is actually important.

[SPONSOR BREAK]

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**FT:** Need a website? Why not do it yourself with Wix.com? No matter what business you're in, Wix.com has something for you. Used by more than 84 million people worldwide, Wix.com makes it easy to get your website live today. You need to get the word out about your business, it all starts with a stunning website.

With hundreds of designer made customizable templates to choose from, the drag and drop editor, there's no coding needed. You don't need to be a programmer or designer to create something beautiful. You can do it yourself with Wix.com. Wix.com empowers business owners to create their own professional websites every day.

When you're running your own business, you're bound to be busy, too busy. Too busy worrying about your budget, too busy scheduling appointments, too busy to build a website for your business and because you're too busy, it has to be easy and that's where Wix.com comes in. With Wix.com, it's easy and free. Go to Wix.com to create your own website today. The result is stunning!

[INTERVIEW CONTINUED]

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**FT:** Going back to the social media discussion, outside of the Internet we also have friend circles and we have relationships with people who also may be bad influences because they're not the best with money. Or they're very flashy and we're trying to be more conservative with our money, they're the friends who always want to go on the fancy vacations. How do you reconcile that? I mean it's not easy to say, "Just ditch your friends."

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**RC:** Yeah, I mean I would say just having healthy boundaries in your relationships. And I think over time you're going to gravitate towards people who value what you value. And sure, it's going to be all different scales and not to say you want to hang out with everyone that's just like you. That's not the point. But I think naturally, you are going to enjoy your social life more when you're around people who value and see life pretty much the same way you do. And so if you

are someone who's uber conservative and you're a saver and that's naturally how you are, almost could be borderline cheap for some people, you know? Like that's who you are. You being BFF's with a girl who's constantly spending, constantly out there, overtime it may, not that you're never going to be friends with her, but she may not be your go-to friend here in the next few years and I think that that's okay.

So again, healthy boundaries. Not that you're going to shut everyone off that doesn't have the same money habits as you. By no means am I saying that. But I think over time, as you mature as a person I think you start to gravitate towards people who value what you value, and those who don't, you can almost see like, "Hey, I don't know the story behind them." I had a friend for instance, she was a teacher and he had a great job and he actually lost his job and so they were living on her salary for close to a year.

Twice I had seen her in these expensive new yoga pants and I remember being like, "Okay, I'm good friends with her, I know what those cost and on a teacher's salary," I'm like, "I can't believe that they're spending all this money on these pants." I told my husband that, I'm like, "That's just so irresponsible. They have a mortgage to pay and all this stuff." And so turns out that her classroom moms had gotten together and bought her two pairs of these pants, and so there I sit on the backside and I'm like, "You know what? It's none of my business necessarily how she ended up with those."

So that was learning for me to be like, "Hey, I don't know the full story," and unless you're best friends with them and you are in a deep relationship and you share those kind of things, that flashy friend that you may have, you don't know the flip side of it. Yeah maybe they're going deep into debt to do these things, or maybe they worked really, really, really hard and that's where they're choosing to spend their money. So there's a point where it's like, "You know, it's none of my business." But over time I think you are going to gravitate towards those who value what you value.

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**FT:** Yeah, I stopped judging a long time ago just because, you're right, you don't really know the back story. Unless it's someone that you're intimately friends with and you know all the stories

and they've come to you and asked for money, meanwhile they're spending like there's no tomorrow. That is different. But you're right, you never know what tradeoffs they're making in their personal life. Maybe they bought that with points, maybe they got it as a gift? So there's a lot of — we've got to give them the benefit of the doubt.

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**RC:** That's right.

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**FT:** But you brought up debt, which is another tenet in your book that you try to give people some direction with. What are some new ways to navigate debt? I mean debt is like this old story. It's this crazy four-letter words. We hate it, we know it stinks, we never want to be in it, but we end up in it. So have you found any new strategies or updates ways for people to either shift their mindset around debt or just to tackle it?

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**RC:** You know what I found is the common sense way of approaching your money, it works and it may not be new and flashy but it's worked over decades and decades and decades. And it's a point where you have to say in your life, and what I've done is draw a line in the sand and say, "No matter what, I'm not going to go into debt." And it may sound extreme, that may sounds crazy to some people, but that's how I, not only was brought up, but that's how I choose to live my life today. So the habit in the book is "Steer Clear of Debt".

So in it I do walk through tactical ways from credit cards to debit cards, all the above. But the overarching principle to me is a pretty absolute one. It's very black and white that no matter what, if I don't have the money, I'm not buying it. And that does mean that I'm going to have to have patience and save up and pay for things. You know, it may take me a little bit longer but it's worth that to me to not owe someone something. Everything from a car payment to a credit card bill at the end of the month.

So it takes a lot of planning and a lot of attentionality but man, once that becomes a habit in your life and you live like that for days and months, weeks, years on end, that becomes your go-to solution. That, yeah it may be hard at times but listen, it is what it is. If I don't have the money I'm not going to buy it. So for people that have found themselves in debt and it's like, "I just keep going back to it, I don't know why," there does have to be a point in your life where you say, "I am sick and tired of being sick and tired."

70% of Americans are living paycheck to paycheck, according to the Wall Street Journal. People are struggling and a lot of it has to do with these payments that they can't keep up with. So when you get to a point in your life where you say, "I'm done." that's where you're going to say, "I'm going to make a change and I want to do something different." So for everyone that may be a different point in their story, some people may never get there. For those that I've talked to though, gosh, it's amazing the freedom financially, emotionally, spiritually, all of the above, that comes when you don't owe someone something.

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**FT:** Well you were raised with certain principles growing up obviously, as a kid in the Ramsey household. What are you going to continue to teach your child that you learned, and what are some new things? Maybe, what are some things you are going to change in terms of how you were brought up financially?

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**RC:** Sure, well I think one thing that my husband and I both definitely agree on and something that's near and dear to my heart is the idea of just work. Just good old fashioned work. So growing up I was never given an allowance. We were always given commission. So if you work you get paid, if you don't work you don't get paid.

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**FT:** Brilliant!

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**RC:** I know, right? It's such a sock. Such a shock. So for me though, I'm like, "God, what a good my parents gave me." I didn't always like it at the time, obviously. Not every kid loves to do that dishes and, "I can't wait to go out and do yard work," you know? But that was definitely not me. I just think, you know, gosh what a foundation and something not to be scared of. Of just, "Hey, sometimes you have to get in there and you have to work hard for what you want."

So that principle foundation I think works in every part of my life now. Not only financially, tangibly coming to work, but I look in my relationship and my marriage that it takes work. To have a good marriage you have to be intentional. You have to work at it. Being a mom now I'm like, "Oh my gosh, it's going to take work." And the older she gets, and now she's starting to talk, I'm like, "Oh my gosh, this really is a human that I'm raising in this world. It's crazy!" And so being a good mom, it takes attentionality, it takes hard work.

So that principle, just in every area of my life, I'm so thankful that my parents instilled that. So that's definitely something that I'll instil. But it's so funny, when I look back and I'm like, "You know what? When I was 14 years old I got my first checking account and I bounced three checks the first two or three months I had my account." And I look back now and I'm like, "Oh, well there's something different." Bouncing checks isn't really even a thing anymore. No one writes written checks that much.

So having to navigate online banking and that kind of thing as Amelia gets older and teaching her that, that's going to be definitely a new thing that I've had to kind of learn on my own because growing up it was checkbooks and check registers.

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**FT:** And that pain was, at the time it was a mistake but looking back it was a good thing to go through. I worry about the future generation. I worry about our current generation. So much has gone paperless, which yes, is super convenient and I'll be the first to admit, I hate writing checks, I hate to go to the ATM and take cash out. I just want to pull out my card and swipe or now dip. But there is that psychological benefit to using cash once you see it leaving your wallet.

It's like just that little reminder that money is limited and you need to make choices with your money. How do you recreate that for the new generation? Or how do you continue to instill that value when there isn't really anything that — there's no handling of money?

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**RC:** Yes. Yeah and that's what's hard. I think you hit the nail on the head when you said that it is inconvenient to have to go to the ATM, but I still do that. I mean I still go to the ATM every month to get cash out.

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**FT:** So just be inconvenient is the thing?

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**RC:** I mean yeah there is a sense where it's like, "Hey it is," but the life lessons, especially that you learn not only within yourself but I think that your kid sees, is that it's not a magic card that you swipe. Because you just think, you know, at the store when you have a credit card or even a debit card, you're swiping and then you get the purchase and you keep the card. There's no exchange happening. And so for yourself to experience that exchange and for your kids to see that, man it is powerful.

So I think there will be times where it is inconvenience but I would say, bring them into that conversation as much as possible. And I talk about this, especially with giving now. Back in the day I would watch my parents write checks when they would give to something or someone and I would see that happening. But now a lot of it's electronic and so even our giving can be detached from us and who we are. So it's an inconvenience to write that check once a week if you give to something, but man, that feeling of doing it, that's what changes you.

So there are some inconveniences, but overall I think every now and then going to that inconvenient place because it's good for you and it's good for your kids to see.



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**FT:** I'm doing that with my son a little bit, going to the grocery store. He's only two, but he's understanding that you can't just grab something and start eating it in the store. You need to hold onto it, wait in line, I give him like \$20 or whatever and he gives it to the cashier. He probably doesn't know what money is, but I'm trying the visual experience of exchanging this for that. Then when he gets older he'll realize that that's actually money that I had to work for, that we're making choices. I think that's something, you're right, you can't take that away from anybody. Those experiences that you have with your kids. They're going to be a little bit different than when we were younger, but they're still memorable because they're sharing it with their parents and there's a little lesson that goes along with it.

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**RC:** Absolutely.

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**FT:** Do you think that now as a parent, you know, your first book you said you wrote it from the child's perspective, your dad wrote it from the adults perspective on kids and money. Looking back at that book, what would you include in the parent section now that you're a younger parent in a new generation?

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**RC:** Wow. I would, I think I would hone in more, and we did a chapter on it but I think I would integrate it even more so, of the emotional side of money. Again kind of going back to this contentment conversation. Because I think as the years go on, I think the more mentally discontent we can become, because we get a window into everyone's life because of social media and other things and technology's only going to grow more and more and faster and faster. That I think adds character as a part of who we are, being content and teaching your kids contentment, which starts with gratefulness and starts with being humble.

Those kinds of things I think play in so deeply into our money conversation. Again, because I think when you're content and you learn that from a young age and that's the heart condition of who you are, I think it's so much easier to build good money habits upon those. And so that would be one thing is looking at more of the character side of my child and how that ties into money and not just focus constantly on the dollars and cents, which is important and I need to know that knowledge. But looking at, "Hey, who you are is important because money is a magnifying glass. It makes you more of who you already are." So raising good kids who become great adults is the goal, and great adults in every area of their life, but definitely with their money.

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**FT:** Delay their gratification.

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**RC:** That's it.

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**FT:** If there's one thing you can do.

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**RC:** So difficult, but it's so key.

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**FT:** Make them wait for it.

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**RC:** That's exactly right, yes.

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**FT:** Alright, Rachel Cruze, thank you so much. The new book is called *Love Your Life, Not Theirs*. Really great to connect with you again and hope you have a great holiday with your family.

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**RC:** Thank you, Farnoosh. I so appreciate it.

[END]