

EPISODE 541

[INTRODUCTION]

[0:00:34.0]

FT: You're listening to So Money everyone, welcome to the show, I'm your host Farnoosh Torabi. Say, how much is your self-worth tied to your net worth? Do you even know what your net worth is? Our guest today is on a mission to help people, especially women, increase both their self and net worths. My friend Amanda Steinberg, genius founder of the personal finance website DailyWorth and the investment platform, WorthFM, has a new book out called *Worth It: Your life, your money, your terms*.

What are some of the silly stories we tell ourselves and society tells women around money? How is Amanda's unruly upbringing a big inspiration for the book's message? Also, what happened when Amanda got seated next to Oprah Winfrey at an event last year? All this and more. By the way, Amanda, this is her second time on the show. She was on So Money episode 40 a couple of years ago. Go back and listen to that if you'd like to hear more about Amanda's upbringing around money, her mistakes, her failures, also her big wins.

But right now, let's talk about *Worth It*.

[INTERVIEW]

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FT: Amanda Steinberg, my girlfriend, welcome back to the show.

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AS: So excited to be here again, thank you.

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FT: This time, wearing a new hat. You are an author and authoress. The book is called *Worth It: Your life, your money, your terms.* Why did you want to become an author?

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AS: I didn't want to become an author, actually. I just finally had a certain amount of material that needed to go into a book and people asked me the same questions over and over again, it just got to the point where I was like, "I've got to put this in a book."

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FT: The premise of the book, let's go right into it because you have obviously studied women's behaviors around money for so long as the founder of DailyWorth and also co-founder of WorthFM, a fantastic investment platform for women. So you know a lot and you say a lot about what women — where we struggle when it comes to money and why we struggle?

One of the big premises is that we tend to correlate our net worth to our self-worth but that can be problematic. So take us to that issue and what you see as being really the concern and how you want us to kind of retrain our brains?

[0:02:50.1]

AS: Sure. I'll actually take it back a little bit further just to share why I started doing what I'm doing. My background was in software programming, not in finance. What I found was that, even though I tried so hard to follow all the budgeting rules and do everything that I read about. None of it worked for me. I felt like I just kept getting cut off at the knees.

Then I started to become really interested in how we're raised, especially as women to think about money or not think about money and our struggle to engage with the subject, especially if we find it becomes problematic in relationships where there's power struggles and et cetera.

When I started DailyWorth, it was really about deconstructing all of the advice that was out there and figuring out what really, worked. The premise of worth it is where I deconstruct everything that didn't work for me and explain why. Then rebuild a totally new framework for how to think about your finances.

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FT: What's an example of something that we as women have been told time and time again that has been packaged as great advice but that you who found is really just the wrong advice?

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AS: Sure, let's just take budgeting for example. I mean of course budgets are highly logical but a lot of us struggle, myself included, to stick to a budget. Like I can't figure out how I'm supposed to categorize what I'm supposed to categorize and it doesn't necessarily impact when I'm standing in line at Target, whether or not I'm going to buy that shirt or not.

What I found was that — what I was really searching for in my deconstruction of typical advice like this was a new way to think about money so that it wasn't so confusing and overwhelming. One of the core foundational ideas in the book comes from something my mom used to say to me a lot when I was a child.

My mom was weird. She didn't impose rules on me, like most other moms did. I was allowed to eat sugar cereal while sitting in front of the TV for 10 hours and she never stopped me. I would say, "Mom, why don't you give me any rules?" She said, "Amanda, because I believe as your mom, I'm supposed to give you two things. Roots and wings. Roots which is knowing that you have the security of a family who loves you and wings, which is the confidence to do whatever you want."

She said, "I believe if I give you those two things that you will learn how to navigate the world most successfully." What I do in the book is I take that concept of roots and wings and I apply it to finance. What I talk about after we get through a lot of the interesting sociological and cultural

and my personal story, is I dedicate the whole second section to roots. Roots are the assets that help you create security in your future.

The three roots that I talk about most are having investment accounts, owning a home, and possibly owning a business. What I'm doing in this book, especially for women who think we're supposed to earn money, and then budget, and then figure out if we can save \$200 or \$300 ois I'm flipping the paradigm the other way around. So that first you're thinking about what assets am I building? What does it mean to invest in a home? When does it actually become an investment or how does a home also become a liability?

Because I had a home, put me deep in debt because I bought the wrong size house and had to replace all of the windows. It's about helping women not figure out how we're going to eek out here and eek out there but really get the whole big picture and then understand how all this different concepts play off of one another.

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FT: I like it because it sounds like you're really holding women accountable to a higher standard, right? Because if you're not giving them all the — you're not connecting all this dots for them in the sense that you got roots and wings but there's a lot in the middle where you could get lost but you're holding women accountable to a higher standard.

You're like, "You can figure it out ladies. If I give you the tools and I tell you where you can go with those tools. I'm confident you can get there." That's refreshing because I feel like so often we hear the advice that's catered to women, packages, this kind of, "Well, they don't know what they're doing, they're not very good at it, well let's get in there and micromanage."

[0:06:56.5]

AS: Right, exactly. It's just because you didn't have enough discipline or enough will power, enough self-control, stop buying those shoes, et cetera. Yeah. I'm holding to a higher standard and I'm explaining things to women that we don't necessarily talk about. Like for example, I

know a lot of women, we really focus on how much we're earning. We want to get to six figures, some of us want to get to seven figures.

As you know, earning is a femoral, it goes away and if you haven't built assets with that income, it kind of doesn't matter except at the moment at which you spent it. As a result, you know, in addition to holding them to a higher standard, I'm just connecting the dots around the single concept of net worth. Once you understand your net worth, it's not about whether you're \$100,000 in debt or have \$200,000 in your retirement fund, it's, what is your overall asset level? How much debt do you have, and are you moving the needle forward in terms of your net worth?

It gives it the conversation a far more cohesive, single point of reference so that whenever you get overwhelmed or confused, you just go back to what is my net worth and how am I moving that forward?

[0:08:03.6]

FT: So, "Raising your net worth, we must also raise our self-worth," you say?

[0:08:06.6]

AS: Exactly.

[0:08:08.1]

FT: That's the other part of it. Take me to that side of the equation? Self-worth.

[0:08:13.4]

AS: You know, this has been really interesting because I thought I was the confident person. As you can tell by my childhood that my mom let me off of my own devices and as a result, I got really good at navigating lots of sticky life circumstances and believed I had a lot and have a lot of confidence.

However, what I've observed in running DailyWorth is that there is this very deep, cultural conversation around what it means to be a woman and what it means to be feminine. And how that is better when you're also selfless. Women are valued for how much we give to others and we value ourselves in terms of how much we are for others.

Some may say it's innate. I don't believe it's innate, I believe it's something that's culturally conditioned and as a result of that, our ability to save and build net worth for ourselves is in deep conflict with how it is we think we're supposed to be.

That's where the rubber meets the road is you're going to intellectually understand everything in my book. But in terms of your ability to manifest actual security and investments and assets in your life as a woman means that you have to value yourself well enough that you are able to keep that money in the bank account when all these other bills are kind of nipping at it at the same time.

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FT: That begs the question, how should women — how should we change our mindset around money? Whereas maybe currently we're thinking of money as this source of X power, fill in the blank, you know? How do we shift our mindset so that we'd become more comfortable with earning more and believing that we're worth it?

[0:09:54.1]

AS: Yeah, you know, it would be hard to cover on this podcast because it's a process of learning about how you go about reprogramming yourself, but I'll summarize it. What I explain in my book is that we form our identities at a young age and as a result, we tell ourselves a lot of stories like I told myself, "I'm a spender, not a saver but I earn so much money that I'll eventually have enough." It makes no sense but it's something that I told myself.

[0:10:23.4]

FT: It's an alternative fact.

[0:10:26.1]

AS: That's precisely what it is, it's an alternative fact and there are things we don't — you know, I also told myself a house is an investment, because I didn't realize how much of the house mortgages actually interest and how you're not even building equity for years and that then their crash happens and then you need \$30,000 with the windows replaced and suddenly your house is worth \$300,000 less than what you paid for it. I didn't know that was true or possible because I thought a home was an investment.

Then there are the ideas you have about money in general. "Money is a sign of greed, money doesn't create happiness. I only need enough, I don't need more than enough. I'll never have enough." I mean, it goes on and on and when you start to realize that you created those stories that they're not true, we can often times find the opposite to be true at the same time, which eliminates its truthiness.

Then you get the freedom to experiment with trying on new stories and new narratives. I am now a saver, I'm a great saver, I never thought that was possible because I thought that that just wasn't "me" and that your "you", your hard wiring isn't actually hard wiring it, it's malleable.

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FT: You wrote this book over the course of probably a year or two as it takes with traditional publishing and because I know you and I know that during that time, you were also launching your own — a second company, WorthFM, which is an investment platform for women.

What maybe discoveries that you make about yourself, financial discoveries that you make about yourself or any kind of mindset that you had around money that you recognized that only came out through — sometimes when you write a book, you have a lot of epiphanies about your own life and the way you think and what you believe in. So any kind of like realizations like that?

[0:12:15.0]

AS: Yeah, the biggest one is you'll see, if you go to moneytype.me which is a personality assessment that we developed with a psychologist in California to really help understand how our strengths also have certain sabotage patterns associated with them. The biggest realization for me was that the industry is really steeped in this idea of creating goals and then setting plans to reach those goals. I love creating goals, I'm a big believer in goal setting, not everyone is. I would say probably about 50% of women don't feel comfortable or are attracted to creating goals.

Then if I miss that goal, it's not motivating for me to them when I reach that goal. I decide it's the goal's fault and I ignore it. I've got this rebelliousness in me. So the biggest aha moment was realizing that there's lots of different ways to be motivated and stay engaged around your money and it's not just about goals and plans and if you go to moneytype.me, you'll see our personality assessment there and you will see what your unique money personality is and what that means to you.

I mean really just to get super practical I need so much more in my emergency fund than I ever have but I don't think that was necessarily a new realization. I've always known that, I just take on so much risk in my life and I run so fast and I am building all these companies and doing all this stuff and I'm a mom with two young kids. So it's just amazing how fast money just goes out. So really focusing on my liquidity as much as my long term investments.

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FT: I'm on moneytype.me right now and I'm on the assessment page, I can't wait to take this because I don't think I've ever thought about these questions before. Let's you and me compare ourselves, let's take the first three. So the first one is: I am slow and methodical when it comes to spending money on big ticket items. Is that totally like me, a lot like me, sometimes, not really, totally not me? That's sometimes me.

[0:14:19.7]

AS: That's sometimes me also.

[0:14:21.0]

FT: Slow and methodical.

[0:14:21.8]

AS: For big ticket items. For small ticket items I'm fast.

[0:14:25.2]

FT: I mean, for a car obviously not going to buy it on a whim but it depends on the price point. Okay the next one: It's hard for me to enjoy my money when I know others have far less than me. If I don't answer this with the way I think I should, I sound like a terrible person, but that's not really me.

[0:14:41.3]

AS: No, you're not a terrible person at all. Yeah, definitely, there's no right or wrong way to answer it and it's really a tool just for you. Don't worry about how you — there are no wrong answers. So no, it's good because you can't, we're not God.

[0:14:58.4]

FT: I mean I contribute, I donate, I try to do my part. But at the end of the day I work hard for my money too so.

[0:15:05.7]

AS: Totally.

[0:15:06.2]

FT: I should be given that privilege, and then the next one is: I take pride in having good taste when it comes to what I spend my money on or where I spend it. Gosh I don't really have these intense feelings. I would say that sounds sometimes me.

[0:15:28.4]

AS: Yeah, for me that's not me at all.

[0:15:30.6]

FT: Not you at all?

[0:15:31.5]

AS: No, that me at all. I have very poor aesthetic taste and that's why I wear black all the time and I dye and cut my own hair.

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FT: You cut your own hair?

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AS: I do cut my own hair.

[0:15:44.4]

FT: That must save you so much money.

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AS: It does. I dye my own hair, I cut my own hair, and you know what's so funny? The reason why I cut my own hair is once in a while I will go to a salon because I will have a big event or

something and they can never tell that I am the one that's doing it and I figure if they can't tell then I'm all good.

[0:16:04.0]

FT: Right, if they can't tell then your money was well kept in your bank account. This is a really cool survey. I encourage everybody to go to moneytype.me, you might learn a few things about yourself and Amanda, you've been very busy. I mean, you're always busy and good busy starting companies, writing books. You were on Oprah; you met Oprah! How was that?

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AS: You know it's just...

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FT: I ask everybody who's been on the show who's met Oprah how that goes.

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AS: It's just Oprah. I said to her at the end...

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FT: Just Oprah?

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AS: I know I'm kidding, that was highly sarcastic. I was sitting next to her and I was in a room with a bunch of other people as well but I happen to be seated right next to her and I turned to her and I said, "Hi Oprah, I'm Amanda Steinberg," and she said, "I know. I'm the one who invited you here." I almost passed out. I didn't know that. That was kind of all I really said to her.

[0:16:55.5]

FT: Yikes, I think that would make me really sad.

[0:17:00.5]

AS: I know, I wish I could have offered her something like, “Do you need some financial advice?” Oh wait, no I think she you’re actually doing way better in that category than I am. I’m kidding.

[0:17:09.7]

FT: Yeah and I guess we all might think about what we would say to Oprah if we ever met her one day, but of course it never comes out the way we would have imagined. Well, congratulations on that. I mean your life has really taken on a new — it’s like you’re an entrepreneur but now you’re becoming very much a face, a public face to your advice. How do you like that role? Do you like playing that role?

[0:17:33.3]

AS: I’ve got to be honest with you, I don’t love it only because it’s not a motivation for me. The motivation for me is just like my deep frustration and heartbreak over how many brilliant, amazing women struggle with women and the impact that that has now or will have later on in their life. Whether or not Amada Steinberg gets credit for impacting their life doesn’t really matter to me. Interesting, I might have some self-worth issues possibly.

It doesn’t happen but what I would have learned over the years, I have so much fun on stage. I can just get up in front of thousands of people and without a script and perform and it’s fun, I realized that I have this talent, which furthers the brand so I do it and I am learning to love it. I just was speaking to earlier to someone named Glennon Doyle Melton who is one of my idols right now, oh my god.

[0:18:25.6]

FT: Yeah, she — I think she has gotten a lot of press lately. Tell me why again.

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AS: She has her book *Love Warrior* out.

[0:18:37.5]

FT: *Love Warrior*, right. Her husband was like a sex addict or something?

[0:18:44.1]

AS: Yep. Yeah it's a pretty fascinating story and her voice is so unbelievable and I forget why I was telling you this — oh because she has such an extraordinary voice, and she uses her voice to really speak the truth about what's going on in the world politically for women as humans, as republicans, as democrats, etcetera and I find myself just like pounding on the table with tears in my eyes when I listen to her speak and of course, I would love to be someone who is able to move people that way.

And so if I can shift myself, if it feels like I have to stand up on stage and be a finger wagging person telling people how they should save and invest their money, that to me feels pedantic and just not what I aspire to. If I can develop a voice like she has then I will be really excited about my personal brand growing.

[0:19:43.2]

FT: Well I can see that. I mean, money is dollar and cents but it's really a lot more. It's more about your mindset, your perception and views on life, and politics and society, and everything in between. So having those conversations essentially is having conversations about money but it's more exciting and it's more, I feel like, more memorable. It really hits home further that way.

[0:20:09.7]

AS: Yeah.

[0:20:11.0]

FT: Your mom gave you roots and wings, now you are a mom of two. Is that a similar path you're taking, a parenting path? Are you also doing the laissez-fair approach?

[0:20:23.0]

AS: Yeah and my son, it's interesting, he's not happy about it. He's always like, "Mom, we need more rules." No seriously, I remember feeling that way but then of course I try to implement them and then he ignores me. So I'm like, "Well, you said you wanted more rules and now you're ignoring me. So I guess we can't have rules." No, I mean obviously I have certain rules because they're healthy to create boundaries, especially for children.

But yeah, I don't worry about screening time. I make sure that he has all the right — I make sure that he's thriving, I make sure that he's learning, I make sure that he is advancing and I would change my philosophy if I saw he was suffering or struggling or not thriving. But yes, no I've definitely taken on my mom in my parenting approach.

[0:21:09.1]

FT: Talk about WorthFM too. Last time you were on the show I think this was just a seed of an idea because you were on a couple of years ago. So has it evolved, where are you now with the platform?

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AS: Yes so we are in market. We just took our waitlist down a few days ago so you can go there and you can set up an account and it makes me really happy because it doesn't look and feel like all of the other investment platforms out there that follow the goals and planning paradigm. Not because I think goals and plans are bad. It's because I know that they don't resonate and

engage with most women and so what we did is we tried to take all the big issues we saw women's struggle with when they weren't able to totally follow through with their ideal financial situation to the way they wanted to and implemented that into a platform.

I'll give you three examples of how it's different from other investing platforms. The first is that we give you three accounts automatically. So you don't have to pick which accounts you want, we give you a savings account, an investment account and a retirement account. All you have to do is deposit \$50 in one.

The second thing that is different about it is, yes, the performance of your portfolios of course are very important, but that's not the focus of the platform. The market's going to go up, the market's going to go down, you know, everything's indexed ETF's, it's essentially going to track what many of the other robo advisers that have a similar portfolio strategy are going to do.

What we're doing is we're really starting to focus on your whole net worth because if you are putting a lot of money into your retirement account but you're not putting enough into your savings — ha, ha, sounds familiar — then as a result generating credit card debt, your net worth is actually going down even though you're investing because of the cause of that credit card debt.

Now, people don't really understand this so what our system is looking is going to eventually do is automate this entire experience so all you have to focus on is saving and we focus on the right way to distribute it for you.

[0:23:08.2]

FT: Got it. It's really encouraging people to continue to have that big picture view, that going back to net worth. Got it.

[0:23:16.2]

AS: Exactly. It's the top down view.

[0:23:18.2]

FT: Amanda, congratulations, so much going on and we're really excited for *Worth It*. I know you crowd sourced the cover image and I'm really happy with the one you went with.

[0:23:29.5]

AS: Yeah, you know...

[0:23:30.0]

FT: My two cents.

[0:23:31.4]

AS: My publisher wanted me to have like my hands on my hip and look like the power woman. I was like, "No, no, no. I want to be warm and accessible and look like we're sitting around a campfire having a conversation."

[0:23:41.6]

FT: Yeah, you want to be you.

[0:23:43.3]

AS: Yeah, exactly.

[0:23:45.4]

FT: It's so great to hear your voice, congratulations again and come back and let us know how things progress.

[0:23:52.0]

AS: As long as you let me on, I am right here. I appreciate you letting me onto your platform and I hope that all of you listening today have learned something or are inspired by a new way of looking at your finances.

[END]