EPISODE 596

[ASK FARNOOSH]

[0:00:35.9]

FT: Welcome to So Money everyone. It's Friday, July 7th, my mom's birthday. Happy birthday mom! Welcome to the show. It's Friday so we're going to take some time now to turn the tables, make you the star, answer your money questions and you've got a lot of them and some of you have actually voiced in your questions this week. Thank you for using SpeakPipe. I love this little tool, it's not super high tech but it's working.

People are able to leave their questions on the go. I hear you guys like on a treadmill sometimes, driving, multi-tasking, leaving your questions. It's fun to kind of get a sense of who my listeners are through their environments and hearing them on the go. Thanks to everybody who has been doing that, using SpeakPipe. But of course, if you don't want to use the audio recorder, you can just type it in, go to somoneypodcast.com, click on Ask Farnoosh and type away.

This week, I'm bringing back a guest on So Money who is also a former colleague and also a friend. We have Mandi Woodruff with us.

Mandi, welcome.

[0:01:35.7]

MW: Hey Noosh, it's so good to be back on.

[0:01:38.1]

FT: You hear that? She called me Noosh so we're really friends. This is like a legit friendship.

[0:01:41.8]

MW: Yeah, I know her real well. I'm in the Noosh zone.

[0:01:45.1]

FT: It's legit, it's real. Mandi, how are you? Congratulations on your recent wedding. I haven't talked to you in a while. What's up girlfriend?

[0:01:52.2]

MW: Good, well you know, it's like the post wedding budget recovery. So that means I don't have a social life for the next few months. No, I'm good. I'm just like getting back in the groove, we had an amazing honeymoon and sort of getting back to business as usual.

[0:02:07.9]

FT: You're really not doing much, this is really like reeling in from the wedding expenses, was it that much of a budget killer?

[0:02:16.6]

MW: Actually no, I was really proud, we paid for everything cash and everything was sort of paid off. What really killed me is the honeymoon. I didn't put as much work — I think after all of the wedding planning and like being so meticulous, I was just like, "Just get the hotel, I don't want to shop around," and we did 16 days in Europe. We did Italy and Barcelona.

[0:02:35.9]

FT: Woah.

[0:02:37.2]

MW: Yeah, that's a lot of days and I think my eyes were bigger than my pocket book in that case. We booked this whole trip and I think we just definitely spent more than I would have wanted to. But I mean, I think it was worth it, it was an amazing experience but just having come back from that, it's sort of like, "Okay, let's just chill out for a minute."

Also like, I don't know about you but I don't know, people don't really talk about, or at least I haven't heard people talk about this in their 30's but the more the friends around us start having like kids and getting married and I know we just got married too.

No one hangs out anymore and so financially and then just naturally, I kind of have just sort of been like focusing on work and not socializing as much. But I'm like, "Man, it's so hard to get your friends together now."

[0:03:28.5]

FT: It's hard.

[0:03:29.9]

MW: No one responds, it's sad. Do I need to have – basically my social calendar is like baby birthdays, baby baptisms, baby showers.

[0:03:38.4]

FT: We have a different – I mean, we go through this phases and when my husband and I got married and we moved to our current home, we live in an apartment building in Brooklyn and it seemed like there were two types of people who not only socialized but like, you don't' even – even just saying hello to one another in an elevator, the parents were in one camp and then everybody else was in another camp and you weren't allowed to say hello to parents until you had your own kids. It was that much of a divide, we felt like once we became a family and had kids, then we could suddenly have friends in the building and be accepted socially.

[0:04:15.5]

MW: You're like in the club now.

[0:04:17.3]

FT: Yeah. I think what it is, now that I'm a parent, I feel like time is limited as it's always limited. Everyone has the same amount of time but when you are a parent, when you have a chance to not be parenting, those days are few and further in between. You usually have to pay for childcare and if you want to go out and so you have to be really careful and purposeful in how you spend your time away from home.

Like tonight, my husband and I are going to go see Hamilton.

[0:04:46.0]

MW: Tonight? Oh my gosh, that's so exciting.

[0:04:47.1]

FT: Yes, have you seen it?

[0:04:48.2]

MW: Yeah, I got it for my husband's birthday last year but I bought tickets like eight months in advance.

[0:04:54.3]

FT: Yeah.

[0:04:54.9]

MW: Oh, you're going to love it.

[0:04:56.7]

FT: People love it. There's not one person that doesn't like this show.

[0:05:00.4]

MW: It's like the only, and I go to a lot of Broadway shows, it lives up to the hype. I can't over hype it because it's going to be as good as, you know, as good as the hype that is warranted.

[0:05:10.9]

FT: Gosh, I'm so excited. Yeah, this is our one big outing. It's our combination wedding anniversary gift, my Valentine's Day gift, all these gifts wrapped in one. We have to get like all this childcare for the day and for the night, and guess what? We're not going out for the next six weeks. That's probably what's going to end up happening, or the whole summer? We'll see, depending on how dinner goes.

[0:05:33.6]

MW: Yeah, I totally get it. I think I've learned how to know my limitations as a childless friend to all my friends who have babies now, you know? I know my place basically and when not to sort of chime in and when to understand when I don't have babies to worry about.

I think it's like, it's just, you know, it's natural but it's also, you do sort of feel that shift and you're like, "Okay, things are different." I guess you have to wait a few years till the kids can take care of themselves and then you know everyone can sort of be out more.

[0:06:04.7]

FT: I don't know about you but I also feel like my friend circle got smaller when I entered my 30's. Not just because I got married and had kids but because I feel like you collect a lot of friends in your 20's, it's your time to be social and you kind of have the friends that you don't love but they're fun to go out with and then life gets more serious and more settled and time is super valuable, you really start to differentiate and figure out who your real friends are, who you would rather not spend time with. It works itself out sometimes that way. Hopefully you don't have to ghost anyone, although I have done that.

[0:06:43.3]

MW: It's my least favorite thing people do. I've absolute done that. My problem is and my husband has as many great friends as I do and it's really annoying because that means it's harder because there's so many more people in our social circle than before. I mean, I got lucky in that sense, I think it's great, he has such a great support system. But yeah, it's a pro and a con sometimes. Especially around wedding season. Seven weddings this year.

[0:07:11.0]

FT: All right, woah! My head just…

[0:07:12.8]

MW: I have a whole wedding budget.

[0:07:14.4]

FT: …spun around. Seven weddings?

[0:07:18.3]

MW: Yeah.

[0:07:19.5]

FT: I don't even want to go there.

[0:07:20.1]

MW: Two of them are going to be international.

[0:07:22.4]

FT: Oh no. I mean great, but oh no.

[0:07:26.5]

MW: Yeah, that's my travel now, weddings and baby stuff, yeah.

[0:07:31.3]

FT: I'm glad I never had that many friends to go to seven weddings in one year. I was never that popular.

[0:07:37.2]

MW: I should have shed them sooner.

[0:07:38.6]

FT: Yeah man, ghost it. Where were we? Let's go to our questions, we have three SpeakPipe audio questions in a row, the first is from David from Denver Colorado, let's listen to David.

[0:07:50.4]

David: "Hey Farnoosh, my name is David, I'm from Denver, Colorado. I had a question for you actually about paying off debt. I wanted to see what the breakeven point is for using a no interest balance transfer on a credit card. For example, if you carry a student loan at 7% and you want to take a no interest balance transfer and you pay 3% upfront, I was curious if you can walk us through maybe the math you would use to calculate, how the interest rates are similar or if one is a better deal than the other.

For example, I imagine if you paid 3% upfront, it's probably equal to paying something like 3 point something percent at the end of the year. Or as an annual percentage. I dodn't know if you would have some time to be able to explain that to people so they can tell when it makes sense to take a balance transfer to pay off a credit card or not.

Anyway, big fan of the podcast and thank you very much. While I have you, I also heard you mentioned that you were interested in having people on to co-host an episode with you and I would really like to do that. I'm working on my CPA license right now, I did one other podcast, the Successful Side Gig and I really enjoyed it. I thought maybe you might still be looking for somebody.

Thank you very much and talk to you later, bye.

[0:09:14.6]

FT: All right, well David, follow up with me as far as cohosting, I would love to learn more about you, email me, farnoosh@farnoosh.tv. Tell me a little bit more about yourself, why you'd like to cohost and I open this to everybody. I'm starting to have cohosts every Friday. Mandi obviously is my latest cohost, but I love picking from the authentic listener who we've never met, we don't know each other, we're not friends but you love the show and you'd like to test the cohosting waters and come on the show with me and if you love money, even better.

His question, Mandi, I mean, he's really giving us some homework, here right? Just quickly, I did follow up with David to get some more numbers out of him. I wanted to know a little bit more about the situation. He mentioned, Mandi, that this is a five year personal loan that he's dealing with currently and he's interested in a two year balance transfer offer and that transfer offer, as he said, carries at 3% upfront fee.

Did happen to do some math because I knew this question was coming at us. Did you do any math?

[0:10:14.1]

MW: Of course I did yeah, actually.

[0:10:14.1]

FT: Of course you did.

[0:10:15.6]

MW: Actually, Magnify Money — well I stole our own…

[0:10:19.2]

FT: Everybody, Mandy works at Magnify Money, which tell us about Magnify Money.

[0:10:24.4]

MW: Yeah, I'm the Executive Editor for Magnify Money, it's a personal finance startup. It's been around for a few years now and basically, it's one of the best destinations if you're shopping for credit cards or personal loans and you want to find out where are the best rates, what are the best options for me, what are the pros and cons. That is how Magnify Money started.

I came on last year to bring in journalism and start doing more personal finance news and coverage, which has been really fun. But one of my favorite things that we have are these tools and these calculators. So I definitely tapped our personal loan calculator for David's question for sure.

[0:11:03.3]

FT: What did you find? I did some math but I'm curious, since I'm not a robot, you have the robots at Magnify Money, you have the calculators. What did the robots find out?

[0:11:12.5]

MW: You're really testing our systems here. He's asking about balance transfer, which I'm really excited about because actually, my husband, he just did a balance transfer for, he was about to — this zero interest rate on this furniture card that he's had. Pre-Mandi, pre-data error being with like a personal finance recorder. It was going to – the introductory was going to be over and he needed to – he was like, “Where are some zero percent balance transfer options for me?” So this is all fresh for me.

One of the first things he asked about just like David is, “How do I figure out if it’s a good deal when I’m going to get charged a percentage upfront, which many balance transfer options do?” For him, he’s asking about 3%. Right off the bat, on the $12,000 loan, if that’s the balance, that’s $360 he’s going to get charged off the bat if he takes a balance transfer offer that comes with a fee. I don’t know if you know this though, but there are some balance transfer offers that have no fees and that’s where I would say, that’s the first thing I’d recommend to David is look for a balance transfer offer that does not charge you that nasty 3%, 5% upfront fee.

I actually know a really good one, this is the one my husband used, it’s the Barclaycard MasterCard. It is 0% for 15 months and no fees, no balance transfer fees and it’s awesome. The only quit pro quo is that you need to have pretty good credit like over a 720 to qualify. But that’s probably one of, if not the best balance transfer option on the market right now.

[0:12:55.4]

FT: I agree. I also like Chase Slate’s card. I work with Chase Slate so that is a shameless plug. But truly, they’re great too, they’re one of the gold standards in this category because of the no fee. But you usually do need, like you said, really good credit and also, you sometimes have to make the transfer within a window in order to qualify for the no-fee. So just read the fine print.

You’re right Mandi, $360 upfront if he goes with this 0% interest balance transfer. The thing is, he’s asking about like a breakeven point at which point you know, if you were to start paying interest, at what point is he basically paying as much interest on the 0% balance transfer than his current loan? Here’s the thing, David, if you’re going to do this, imagine that you have a two year clock deadline. Your plan is not to continue using this card after the two year period where you’re getting 0% interest because after that, likely, the interest rate will jump to whatever the current market rate is, it could be 15, 16% sometimes higher.

You want to be able to get out of this debt, right? Get out of this loan and so take advantage of this two year period where you're paying no interest. Yes it's going to cost $360 to do it, but I looked at how much interest he's paying if he sticks with the current loan, did your calculators get this? $2,256 in interest.

[0:14:25.9]
MW: That's exactly what I got too yeah.

[0:14:27.0]

FT: Bingo.

[0:14:28.7]

MW: Right off the bat, we know that he's potentially saving close to $2,000 by going with a balance transfer rather than sticking with this other loan.

[0:14:38.1]

FT: The caveat is his monthly payment's going to go up, right? It's going to go up to like $500 a month on this 0% balance transfer, if he does want to pay enough so that he's done in two years.

[0:14:49.4]

MW: Yeah, I hope, I mean, I feel like if you're going to do a balance transfer, that's got to be the goal and I think a lot of people who do balance transfers, they sort of see them as a band aid and, "Okay, I just want to like get this off my back for 15, 18 months."

They do it and it feels great and they have the sense of like, "Yes, I'm free." But you're not really free, you're just sort of swapping out one debt for another debt. We get tons of questions like you know, "This balance transfer is about to expire, I haven't finished paying it off, what's going to happen?" You're right, if you don't pay it off within that time.

You're kind of going to be back to square one because you're going to start getting charged that super high interest rate.

[0:15:28.7]

FT: Right. So if he's already qualified for this card, I say go for it, David. Because again, you don't usually take people with bad credit if you've gotten accepted, that means you've got good credit and I'd really love to see you debt free in two years.

Yeah, would love to have you cohost with me, just email me. Let me know a little bit more about yourself. That's farnoosh@farnoosh.tv. Alright, Mandi, thanks for your calculators there and let's move on to Rey, she's a 47 year old female who has some questions about saving money, she's got a goal to buy a home one day, let's hear her out.

[0:16:05.0]

Rey: "Hi, my name is Rey, I'm a 47 year old African American female with only $40,000 in a pretax retirement account. I do have a frozen pension but because those aren't guaranteed, I don't consider that when I look at overall net worth.

I'm investing 15% into retirement, I earn $60,000 a year give or take and I do have an employer match but that's not part of the 15%. I currently owe $25,000 on a vehicle with no other debt. My concern right now is I only have $1,200 in cash in a savings account and I don't have enough money or any money for a down payment on a home. I don't own a home as you can tell from my last statement, and I'm trying to figure out what the next step should be.

I'm sure if you're aware of what the average African American household only has a net worth of $12,000 and I want to break that cycle. Should I be focusing on increasing my emergency fund to maybe six to 12 months? But if I do that, that means I can't afford to also focus on putting money aside for a home or would you just focus on paying off the vehicle debt?

Any suggestions or guidance would be greatly appreciated. Thank you.

[0:17:29.7]

FT: All right, I don't know Mandi? It sounds like she really needs to build up that emergency savings before anything else happens.

[0:17:34.6]

MW: Yeah, I mean, this is sort of the pickle I feel like a lot of prospective homeowners are in like you feel like you kind of have some money set aside but you have all this crazy big goals and you're not sure where to start.

One thing I immediately did when I heard her question is think about her debt to income ratio because when you are thinking about applying for a mortgage, that's the first thing a lender's going to look at. I mean, that is the number to beat all numbers because it's going to tell them whether or not you can qualify for most mortgages.

You know about the TCR right? You guys bought a house?

[0:18:13.1]

FT: Yes.

[0:18:13.7]

MW: Yeah, this is basically the debt to income ratio. Just tell the lender, so this is how much debt you have each month that you have to pay off and here's how much income you have. In most cases, it has to be under 43% for most mortgages, it can vary by one or two points.

[0:18:31.5]

FT: Which is actually quite high I think to be qualifying for a mortgage but that's just my two cents. I think banks can actually be a little too lax. Yeah. I mean, when you get prequalified, they're like, you qualify for all this money and you're like, but you know I have to pay that back right? That's not something that I actually want to do.

Still in 2017, I think banks are over lending but anyway, that's another conversation but you're right, I think that in order to present yourself as a stellar borrower especially for a mortgage, you want to have great credit, you want to make sure that you have a nice savings cushion that's on top of the down payment that you're going to bring to the close.

Take this time to really beef up your cash reserves and I think saving 15% into retirement's pretty good, I think that's – you just keep status up there.

[0:19:26.4]

MW: That's amazing actually. 15%, I mean, that's like – I think more for what most people typically spend. You know, some mortgages, I actually reached out to a loan officer who does some writing for us and some mortgages require a couple of months cash reserves anyway. You want to go into a lender's office already having money in the bank in a cash reserve fund and — I don't know, I feel like saving for a down payment at the same time you're saving for your emergency savings, what I do because we're saving for a house too so I have a separate savings account, I have my Ally account and then I just opened up another savings account under Ally.

I am contributing to both at the same time. Luckily we sort of hit this 12 months mark for our savings and now we've sort of put everything we're putting into that account into our down payment account now which has been for me, it was good to actually put a label on it and then sort of setup automatic savings so I wasn't forgetting about it and using that money for more Hamilton tickets or anything.

[0:20:29.7]

FT: Well you actually Segwayed us quite nicely to our next question from Nicole. She has a question and we'll listen to her in a second about how to compartmentalize her money. Is there a way to overdo it? Let's listen to her question.

[0:20:43.5]

Nicole: Hey Farnoosh, my question is about managing money. I am a super micromanager, I secretly love to rearrange all my money whenever I get it, I have three different banks I use with seven different accounts in total where I put money for savings and vacation and frequent bills, long term wants.

I even have a bank account for my dog and whenever I tell anyone about this, especially the dog part, that I have a bank account for my dog, everyone laughs. But I just wanted to get your take on what you think about managing money, do you think I'm getting too into it or if you have any other tips and look forward to hearing your advice.

[0:21:30.2]

FT: All right, seven different accounts, you just finished talking about Mandi how you have an account within an account. I think there's something to be said about being able to visualize all the different ways you are managing your money, having a bucket for this, a bucket for that.

But at some point, does it become a little overwhelming? I think that's really what she's asking here, is there a way to streamline this but still you know, still end up with saving as much as possible.

[0:21:56.3]

MW: This is totally me two years ago. I had seven savings accounts. I was like crazy about it.

[0:22:02.6]

FT: Wait, seven bank accounts across all different banks or…

[0:22:06.5]

MW: I had seven savings accounts, there were several Capital One 360 and then I had a couple at Ally and then I had my like Chase account, I was all over the place. I still kind of am but I've shifted to where just having two savings accounts at Ally because for me, I don't know, at that time in my life, I needed to watch every penny and I wanted to have super specific savings accounts for different goals on things.

It was good for me then, I had time to manage it and I enjoyed it, it sounds like she enjoys it too, I was really nerdy about it. At this point in my life, it just doesn't really, it's not working anymore you know? I merged finances partially with my husband now when there's just a lot going on.

For us, it was easier just to put everything in one bucket, now we share our Ally accounts for emergency savings and the down payment savings account. For me, it's really just, at this time in your life, it works for you to have seven accounts, whatever works for you but I think most people will just get maybe burned out and just want to simplify things which is what happened to me.

[0:23:18.2]

FT: Yeah, this is a really personal question and so, if it works for you Nicole and you're not feeling this is cumbersome or hard to track, if this is working for you, it's working for you. Congrats on finding something that works for you. There's no rule that says that having seven different accounts across three banks is bad.

The only time I would say that's not a great idea is if you are someone who is not organized, kind of is forgetful, is a little all over the place and so you might not track your money that wisely but also maybe there's a bank in there that's charging you a lot in fees, could you get rid of that bank and maybe substitute with a different bank that's more fee friendly.

If you feel this is working for you and is helping you save better and more, then stick with the program. I think there's nothing wrong with that and as your life transitions and as your goals change, maybe you find you don't need as many accounts and you can switch it up after that.

All right, good advice Mandi. Ken, we just finished talking about real estate. He and his wife are also looking to buy a home in the next few months but he says his wife is about to reduce her work schedule from full time to three days per week.

She's staying with the same employer and she'll still be getting paid but it's for a smaller amount. He wants to know, will lenders look at this as kind of unstable employment and therefore not count any of her earnings towards their eligibility?

Can I just say, because I bought property a few times now and I've done it mostly as a freelancer and talk about unstable employment. The most important thing when you have someone applying for a mortgage who doesn't have say, super consistent paycheck, a consistent track record of employment is that you have your tax returns from the last I would say three years whereas typical borrowers with average jobs maybe asked to only have the last two years of tax returns. Your wife may require to have three years of tax returns.

She may also want to ask her employer ahead of time, get proactive, ask the employer, her boss or HR to write a letter that says that even though her work schedule has been reduced, she's a valuable employee, we love working with her and basically write a letter of recommendation but like we talked earlier, most important is that you have savings, that you have good credit and that you have a job too.

If you have a job and she has a job even though she is making a little bit less but you're not trying to over borrow, I think that will all go into consideration and hopefully work in your favor. What do you think Mandi? You cover real estate a lot or have covered real estate a lot in your work as a financial reporter.

[0:26:10.0]

MW: I do, yeah. Actually this is another question I ran by my favorite real estate guy who writes for us and he's a loan officer by day. That is his day job and he says that they do consider part time income as long as just like you said Noosh, as long as they had pay stubs and even a letter from their employer talking about the average hours that they work and their hourly rate then she should be good to go.

He actually seemed like it wasn't really anything to worry about. Also sometime I read before that the lenders or loan officers will look at an average of your income over the last two to three years and if she was working fulltime prior to this change, this recent change then I think she should be in good shape and if her husband is earning an income too then, yeah I don't see any reasons why they would have any problems.

[0:26:59.8]

FT: Yeah, I mean it's one thing if she's not working and you want to borrow and co-borrow and it's a loan amount that's maybe a little more than you can handle of given the instability that's another situation but I don't think this is anything to be really insecure about. Alright, last but not the least, we have a question from Regina and I really love this question but I'll let you tell us what it is Mandi.

[0:27:25.5]

MW: Okay, so Regina has a question that I think a lot of people have these days which is, "What the heck are these things called index funds and what is the best way to go about investing in them and is there any way to avoid fees?" I think people it takes – I feel like four to five years before this big nasty personal finance topics really start to sink in with people and I have been writing about index funds forever since the recession.

You know, as a safe broad way to diversify your investments and get into the market and so it's really exciting for me because I've been getting a lot of questions from people about who are interested in finally figuring out what index funds are and interested enough to maybe change the way that they're saving and investing to incorporate more of them. I love index funds, the easiest and I'm just going to speak from personal experience.

But the way that I invest in index funds because I've always had regular jobs with regular incomes working with companies that I have a 401(k), I've set up a target date fund. I've invested through Vanguard and to a target date fund which is essentially a set it and forget it type of investment account. It is tied to the year that you retire and they essentially make your investment a little bit more conservative the older you get, the closer you get to retirement.

So I am 29 and I think mine is 20, I'm in the index that the target date fund is tied to 2055. So as I get older and if I continue to invest in this target date fund, they're going to automatically shift my investments for me and they're also really low fee. I'm pretty sure my expense ratio and that just means at the cost of what it costs for them to manage your investment for you. I am pretty sure mine is 0.1, 2% or something which is good.

I think most people say sort of under one percent is the place you want to be. So there definitely are low fee options out there. Vanguard is where I invest through but other brokerages have target date funds or index fund portfolios too like Fidelity, Charles Schwab is another good one.

[0:29:39.9]

FT: And also the robo-advisers, you know Betterment, Wealthfront, Ellevest, Charles Schwab has a robo automated investment platform. People don't like the word robo. People in the industry don't like the word robo so I'll spare that.

[0:29:54.8]

MW: It's efficient I think it is.

[0:29:56.8]

FT: Yeah, it's efficient and it's low fee. The caveat being that you don't really get to talk to anybody about your investments like you may with a financial planner but in that case obviously you are paying more but they specialize in exchange rated funds, index funds. So you are paying a lot less per investment than you would maybe anywhere else where you might be convinced to bulk up your portfolio with all these other different kinds of actively invested funds.

By the way, now that the fiduciary role is being phased in, anyone who gives you advice regarding your retirement plan whether that's a CFP who's always been governed by the fiduciary role or anybody else, they have to always put your best interest first. Meaning they have to present you with options for retirement, investment options, investment products that are not just suitable but actually are results driven, are not expensive.

They are not making crazy kickbacks and commissions. They can still make a commission but they have to disclose it to you. So now you have a more sense of like, "should I really go this route" but that said, you should still do your due diligence and ask. If you are going through a planner or even just through your 401(k) at work, if they're making recommendations for you, you should ask them what are the fees, how do you get paid.

Don't take it for granted, just a little public service announcement because it is pretty recent that this fiduciary role has started to really make its way into the industry and by January hopefully everybody is adhering to this rule.

[0:31:36.1]

MW: Yeah, this is major because I don't know if you've ever been in the position where you've left a job and you are ready to roll over your IRA to a new one or you're retiring and that's where they're really at, the DOL, the fiduciary role really comes into play. People who retire for the financial industry, this is a huge opportunity for them because they're like, "Oh great, these people are going to want to transfer their IRA over to potentially our account.

So that's the opportunity that they have is to stick you with funds that like you said, get them the best reward and it maybe not be best for you. I am really excited about this rule, fingers crossed that nothing is going to happen before January and it moves full steam ahead. I am excited for that but one thing I'll say is Regina, she hasn't mentioned how old she is but if she's wondering about index funds and wants to start investing.

She doesn't say if she wants to invest for a retirement or not or what her goal is but just start as early as possible and you'll be surprised. I mean I had one of my accounts at my first job in New York, I actually left it where it was because I didn't roll it over. I finally did it this year, seven years later, but this year we had a great market and I without even touching it or doing nothing, I've gained $6,000 this year.

[0:32:54.6]

FT: Whoa! Nice.

[0:32:55.7]

MW: Just because it was sitting in an account that I opened when I was four or five years ago and that was just opening a target date fund, getting those index funds and setting it and forgetting it.

[0:33:06.6]

FT: Mandi, it's been so fun geeking out with you over money. Thanks for coming on the show and tell us about your podcast.

[0:33:13.2]

MW: Yeah, absolutely. First of all, thanks for having me on, always nice and my podcast is called Brown Ambition. It comes on iTunes, wherever you listen to your podcast. It's called Brown Ambition again, it's a conversation between me and my best money friend, Tiffany "The Budgetnista" Aliche and it's like on a reverend take, it's two girls, two women talking about finance and career.

This week, we had an amazing guest who you know, Lynnette Khalfani-Cox our favorite, the money coach.

[0:33:42.5]

FT: Yeah, love her.

[0:33:44.3]

MW: She came on and we talked about real salary negotiation tips like no BS, what are some actionable ways you can negotiate and then Lynette shared a story about her daughter and how her daughter lost a few thousand dollar college scholarship and the really brilliant way that her and her husband decided to deal with that. So we like to have fun guests on and answer people's questions about money and finance.

And again, it comes on every Tuesday on iTunes or you can check us out at brownambitionpodcast.com.

[0:34:14.8]

FT: Love it, congrats to you on that show. I remember when you launched it, it's come a very long way and I'm a big fan of Tiffany who's also been a guest on this show and Lynette has been on this show, really excited for you guys and how do you like podcasting? Do you think it's going to be something that's going to be around for a while at least your involvement I mean?

[0:34:32.6]

MW: We started this podcast two years ago. It will be two years officially in September as just something fun and a fun way to connect with other people like us who want a fun way to talk about money and career and honestly, it's been so rewarding. We didn't go into it with any sort of expectations of how many people would download it or any expectations of making money off of it and I still haven't even monetized it even though I keep saying I'm going to look into it.

But for me, it's really just enjoyable and I think because I am not in it for the money. It's been fun for me and I edit it and I produce it myself. We don't have people helping out and I've kept it really simple. So for me, it's not that huge of a time suck but we only have one episode a week. So I'm going to keep doing it as long as we and our listeners keep growing. I think we're up to, I don't know, this is probably going to sound so small to you but up to 50,000 downloads now every month and that's a huge growth from what we had even last year. No, we're trying but for like a low –

[0:35:41.8]

FT: You publish once a week?

[0:35:44.2]

MW: Once a week yeah.

[0:35:45.7]

FT: That's a lot of people, that's like 12,500 people listening every episode, that's phenomenal. Every month, no you are doing very well.

[0:35:56.4]

MW: I'm really proud of it so for me, it's fun. It's like a hobby and I think the hard part is when you really try and make money off of it and that's where it can get maybe not as, I don't know, difficult. I don't know, you tell me.

[0:36:12.7]

FT: Definitely a sponsorship already. I think you're ready to make some sponsorship money if you haven't already.

[0:36:17.4]

MW: No, we just started. We had a pow-wow a couple of weeks ago to start talking about that. So if you have any advice I'm all ears because –

[0:36:25.2]

FT: Maybe we'll do it after hours, a so money conversation with you on that, yeah. I think you're ready. I think that's a very strong following and I'm sure your audience loves you a lot and there's a lot of engagement. So that's important and I would start with this, I would start by measuring your audience, sending them a survey and just asking them about who they are, what their interests are, how often they listen, how much they make, where they live.

Just get to know your audience because ultimately, when you work with sponsors they're going to want to know really who's the audience and you probably already have a sense but to really know definitively based on getting back a 100 or 200 survey questionnaires.

[0:37:09.7]

MW: Well that's a good idea, yeah. I have a good guess, our audiences is – they are so vocal and so responsive and they email us all the time and I don't know, it feels really intimate and we have a really good loyal following which I love and I don't want to jeopardize that or tweak or fiddle with the format of the show too much but honestly, if we make money off of it, all I want is just to hire someone else to edit it and do all the nitty-gritty stuff so I can have my Monday nights back, you know?

[0:37:37.4]

FT: I think podcast listeners by now understand that it's this labor of love. They're getting all this amazing content for free, right guys? Right gals? Right this amazing content for free, if you need to slip in a 30 second ad and you're not charging your listener, I mean you have to be able to do this and make it work for you and if that's what it's going to take then I think that's allowed. I think that is something that your listeners will reconcile with and maybe even appreciate because it's a sign that you are growing and they helped you get to this place.

[0:38:12.3]

MW: Yeah, it legitimizes a little bit. You know some people are actually raising money themselves like just putting up donation tabs on there.

[0:38:17.6]

FT: If you do a kick starter, yeah I mean you could just ask your listeners to donate a dollar. If all your listeners gave a dollar, I think that could be enough to help you get an editor.

[0:38:29.2]

MW: Yeah, I am really happy with that and kudos to you too. I am so excited to see So Money continue blowing up.

[0:38:38.9]

FT: This is why I have you on the show. It's why I have co-hosts now on Fridays. I want to try to take it to the next level a little bit. I'd love to have a so money series on the web where we actually do video but you know, I'm one person and if anybody out there has bigger plans for me and wants to help me, lift me out of my little wee work office here or sometimes my bedroom when I podcast. I'd love to go and do this on a bigger stage and just get it out there.

I think these conversations are so important just like the conversations you have on your podcast so we'll see.

[0:39:15.3]

MW: Yeah, live shows.

[0:39:17.1]

FT: Live shows, alright Mandi thank you so much. I feel like we forgot that we were still recording but we are.

[0:39:24.4]

MW: Oh you guys are still there? Okay.

[0:39:25.4]

FT: Still there, thank you so much. Wishing you all the best, hope we don't go so long without reconnecting but you know, you got married, I had a baby, life happens.

[0:39:35.5]

MW: Totally, well I am excited to reconnect at any time, have me back any time.

[END]