

EPISODE 688

[INTRODUCTION]

[0:00:34.1]

FT: Welcome back to another episode of So Money everyone. Thanks for joining me here. I'm your host, Farnoosh Torabi. Really happy to welcome back a former So Money guest; you might remember her; Mrs. Frugalwoods. I love having on former guests, especially when it's been a bit of time. It's been about two years, more than two years actually since she was on the show. Always love just catching up to see if your money mindset is still the same, what's evolved, what's your latest So Money moment.

I first introduced you to Mrs. Frugalwoods who was the blogger behind frugalwoods.com. It was back on episode 239. At that point, she was still hacking away at cheating financial independence, so that she and her husband could retire. They were hoping to retire in their early 30s. They did it. She's 33 years old today. They've officially reached that goal and also their parents to a two-year-old girl and have another girl on the way. They've left their jobs since we last spoke and have more or less retired.

They've moved away from the city life as well to a beautiful homestead in Vermont with 66 acres of woods. Mrs. Frugalwoods is also no longer anonymous. It was a little bit of an issue back then. They didn't want their colleagues and family and friends necessarily know that they had this tell-all blog. Now this is out. Now that she's achieved financial independence, she has inked a book called *Meet the Frugalwoods: Achieving Financial Independence Through Simple Living*. Comes out on March 6, but you can preorder it today.

We talk about how she and her husband are still sticking to their frugal ways as parents. The financial benefits of living in the woods and I ask her, "Where do you see yourself in 20, 30 years? What have you got planned? I'm curious. Do you think your savings will last all that time?"

Here is Mrs. Frugalwoods.

[INTERVIEW]

[0:02:42.6]

FT: Mrs. Frugalwoods. Liz, welcome back to So Money.

[0:02:46.3]

MF: Thank you so much for having me.

[0:02:48.6]

FT: Since we've last spoken, your daughter's grown up. You're actually just pregnant with your daughter at the time. She's now over two years old. You're expecting your second baby. You have another baby, your book.

[0:03:00.8]

MF: Yes. Yes.

[0:03:02.8]

FT: *Meet the Frugalwoods: Achieving Financial Independence Through Simple Living*. A lot has happened in two years. Let's catch up. I know that you were blogging anonymously largely and your transparency without – with the exception of you who are, your names and stuff like that, but you're very transparent as far as your entire financial adventure, logging your monthly expenses and how you are living on the path to financial independence and now you're there. Tell us a little bit about the last two years and how things have really built momentum.

[0:03:37.5]

MF: Last time we spoke, my husband and I were still living in Cambridge outside of Boston and really still in the planning phases of moving to our homestead in the woods. That has since happened, so we moved out here to 66 acres in rural central Vermont in May 16. We had our first daughter, and now we're just about to have our second daughter.

We became financially independent and left our careers in the city to pursue a radically different lifestyle. Much of what we've done is documented in Frugalwoods and also in my book. It's really the story of how we decided to start putting our time and our money towards only our highest and best priorities.

[0:04:27.7]

FT: Now as parents, your highest and best priorities are your children, I'm guessing?

[0:04:33.5]

MF: Yes.

[0:04:34.7]

FT: How has that changed your take on managing your money?

[0:04:38.4]

MF: Interestingly, I think in a lot of ways having kids has impacted us much less than I thought it would. We were very fortunate, my husband I that we were on this path to financial independence and extreme frugality before we had our first child. I think that made a big difference for us.

We really weren't trying to retrofit a lifestyle with kids into frugality. It was more that our child came to us during this time that we had already ingrained frugality into everything that we do. It was very much like, "Oh, okay. Well, we're frugal with everything else. Having a child is no different." In a lot of ways, she just became part of our lives and had very minimal financial

impact, which surprised us, because conventional wisdom tells you that kids are radically expensive.

What we found is that it's really not the case. One of the big things for us is that we don't pay for daycare. That is a huge expense. If you are both working outside of the home, you have to pay for daycare or a nanny, and that's unavoidable very expensive thing that you're going to be hit with every month.

In the absence of that, we found that just about everything else can really fit within our frugal parameters. We have used things for her, all of our nursery furniture, her clothing, her coats, her boots, all of that stuff is used, and it's either hand-me-downs, or stuff that I find very inexpensively at garage sales, or thrift stores, or clothing swaps. Her toys are used; a lot of them are hand-me-downs, or again they were 10 cents at a garage sale.

We found that we really have been able to incorporate frugality into our parenting. For us, the frugal mindset is also a mindset of simple living, minimalism and focusing on the things that matter to us. Ultimately, it's not about buying a lot of stuff for our kids, but it's about providing them with great experiences and spending a lot of time together as a family.

[0:06:46.6]

FT: Child care absolutely takes a huge – one of the biggest bites out of any family's budget, especially in the early years. I suppose if you don't have that to cover that, leaves a lot of money on the table. I am curious though about your social group. I know just from other people who've been on this podcast, one of the – what's helped a lot of people get out of debt, save more, live a life of smart frugality is surrounding themselves with the support of community. Do you feel like you have that?

As your daughter gets older, of course she's going to make friends, you're going to make friends with her friends' parents. They may live completely different lives and lifestyles and spend differently. Like it or not, that is going to influence at least to some extent, your daughter's perspective on money and may even put some pressure on yourselves. I'm just curious if you experienced any of that as parents in the new parent community.

[0:07:45.4]

MF: One interesting thing is move to rural Vermont, because just about everyone out here is extremely thrifty. We really feel like we found our people in a lot of ways, and we have just this amazing community of people here, and a wonderful group of young parents that we feel very fortunate to be part of; lots of friends with little kids.

It's the type of town where we don't have a restaurant, we don't have a movie theater, we don't even have a stoplight. All of our socialization is done at each other's houses, or at the library, or at the town center. Everything out here is a potluck, even weddings are potlucks. This is like a very much our way of living and it's just a fantastic place for us to raise our kids, because there's a huge focus on spending time outside. We do lots of hiking and playing outside, playing in the snow, taking our kids to the creeks and the ponds together.

In many ways, I feel like we lucked out because we have this community of people who really values similar things to us. What I would say as a counter to that is that we do want our children exposed to the broad diversity of cultures and ways that people use money. I know that that will be part of our lives going forward.

For us, it's really a question of deciding what we value as a family and then just teaching our children, well this is the way that we do things. Other people are indeed going to be things differently. We have a flexible approach. It's not as though we spend zero dollars on our child. For example, she goes to preschool now two mornings a week at the little local Waldorf preschool. That costs us around \$200 a month.

It's not a huge expense, but it was a decision we made, because she was just so ready to get out there with her buddies and do arts and crafts. She loves going to preschool, and for us that's a values-based spending decision, that's in alignment with the things that we want for our kids.

I think when we keep that at the forefront, our philosophy of parenting and money management, while making sure that we're doing what our kids want and need to do.

[0:10:05.3]

FT: That's great. I would give you more credit than just say you lucked out. I mean, you chose this area probably knowing that you're not going to be stranded with people who want to always eat out and buy fancy cars.

[0:10:16.9]

MF: It's true. Actually, we did do a lot of research and that's how we landed on Vermont as our retirement destination, because we did do exhaustive research into it. It's very interesting when you live in a place where there is no take out, there are no restaurants. It does change the social dynamics. I find it makes us a much more tight in the community.

[0:10:41.1]

FT: Your book, Meet the Frugalwoods, largely probably based on the blog. Is there anything additional new bonus material that's in the book that blog followers and fans can get on top of the experience on the site?

[0:10:55.9]

MF: Yes. The book is totally freshly written. It's a brand new take on our story. I did not recycle blogposts. That was really tempting as I was rewriting these chapters 18, 20, 25 times. It is a newly written piece. It's really a retrospective of all the decisions that my husband and I made to reach financial independence.

It's much more about our mindsets and the shifts that we had to go through in order to accept the life we've been living this very standard life in the city, working 9 to 5 was not fulfilling for us. Acknowledging that ultimately, we made the wrong decision in pursuing these careers, that we wanted to make this radical departure. I don't think there are a lot of examples of people doing that, following a successful career and then say, "Actually, I really just want to move out to the woods."

Coming to terms with that myself and being with okay with letting go of some of those traditional metrics of success was an integral part of the journey for us, and it's a lot of what I talk about in the book.

[0:12:12.4]

FT: I probably asked you some of these questions the last time you were on, but so much has changed; you become a mom, you've become a publish author, you've moved, you've officially reached financial independence, you've moved out of Boston. Is your husband also retired too?

[0:12:28.5]

MF: It's interesting. I find retired to be a funny word, because we both still work in ways that make money, because we enjoy doing it. I like to say we're financially independent and we choose to work; writing and writing the blog. My husband does software engineering work, because he enjoys doing programming.

Our lives are sort of a balance of this work that we do on computers and then work that we do out on our land, and then of course parenting, which is an ongoing unpaid labor of love.

[0:13:05.6]

FT: What was life before kids? Who knows?

[0:13:07.5]

MF: My gosh. I know. What do we even do with our time? I have no idea.

[0:13:13.0]

FT: Watch more Netflix. I don't know.

[0:13:14.7]

MF: I guess.

[0:13:15.8]

FT: I suppose we should just call retirement financial independence, because that is a lot more attractive sounding at least. What I was saying is that last time you were on, I asked you some questions about probably your money mindset, your financial philosophies, your wins, your failures, your habits. I'm just curious if things have evolved since we last spoke.

If you can indulge me, I would love to revisit some of those questions and just see where you're out now. Starting with your – I suppose your money mindset, your financial philosophy. What is it today?

[0:13:53.0]

MF: It's interesting. I think I'm a lot less focused on money now and a lot more focused on the way that I use my time. At the outset, working towards financial independence was very much a money game for me. I was thinking about how much we were saving. We were looking at our earnings, always thinking about our investment and if we were doing the right things.

Now, so much of that for us is on autopilot. We have a pretty straightforward asset class and a pretty straightforward portfolio of assets. We have a rental property, we have low-fee index funds, we have 401Ks from our W2 jobs and I have a sold 401K, 529s. It's a pretty straightforward breakdown and most of that is really just automated. I don't put a lot of thought into that.

For me, this has really become much more about simplifying my life now and simplifying the things that I allow to take up my time, because I went through the whole process of only spending money in ways that I wanted to. Now the focus is, "All right. How am I going to use my life only in ways that I want to?" It's a great privilege that I have that I don't have to work. I try to only take on projects and only do things that bring me fulfillment and that I think will have an impact and will allow me to do good work.

[0:15:26.9]

FT: When we last spoke too, you were trying to keep yourselves pretty anonymous. Now that's all over. What's been some of the interesting stories that have come out of you guys being more transparent about your story from friends, colleagues, family? Can you share one interesting experience, just from maybe someone coming to realize, maybe that they've been following you and didn't know they knew you.

[0:15:57.7]

MF: Yes. I have had that happen. I think what's interesting is I've always been really open on the blog about our thought process and who we are without revealing our names and our faces. In a lot of ways it was almost anti-climactic when our names and faces came out. Because everybody said, "Well, we already know you."

I think what's interesting is I don't really lead with the Frugalwoods things in real life. For me, it's my passion. I am deeply connected to advancing financial literacy and just loving what I do. I don't always tell people that that's what I do. Sometimes in real life I say, "I'm a writer. I write about money," because I find that it is a very difficult topic for a lot of people.

My approach with my friends and my family in real life is that they know what I do. If they have questions, they can come to me. I'm always to talk with people about their finances, but it's not really that prominent for me, because I do find it can be a very uncomfortable topic.

I have friends who have read the blog for many years and do consult with me about their money. I'm so happy to do that. I'm also perfectly happy with all of my friends who do not read the blog and do not care about money. I think having that balance, where in many ways I am Mrs. Frugalwoods and I do embody that. Then in a lot of other ways, I'm just this person who happens to be a writer and a mom.

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FT: You said uncomfortable, to describe some of the relationships. What makes it uncomfortable?

[0:17:40.1]

MF: I think for a lot of people, money is just a third rail topic. It's along the lines of politics and religion. They don't want to think about it and they don't want to talk about it in a social setting. I try not to put people on the spot and I try not to evangelize my personal feelings on financial management in a social setting, because I don't think that it's necessarily always an appropriate topic to bring up.

I think I'm a little bit less forward about it, than I am when I'm writing about it online, because I feel like that's an elective audience. If they come to the blog, if they read the book, then they can really dig into the philosophy. Otherwise, I'm Loki about it.

[0:18:26.8]

FT: In the last two years, what would you say has been your So Money moment?

[0:18:31.5]

MF: Probably reaching financial independence, I have to say. Being able to leave my job and really pursue a career that I love.

[0:18:41.5]

FT: What is financial independence? Let's talk numbers.

[0:18:46.4]

MF: Sure. For us, we define that as the point at which our assets and our passive income cover our expenses. What it means for us then is that we don't need to work in order to earn a living.

We don't draw down on our assets, but we have a very comfortable rate of withdrawal that would allow us to draw down over time.

We have, I think I mentioned this portfolio of assets that we maintain. We don't share the actual numbers on the blog, but we give the guideline that other people could follow if that's what they want to do.

[0:19:29.2]

FT: You have amassed quite the following. What's been something that your audience has actually taught you about money in the process of being transparent and sharing? I'm sure with connecting with your audience, they have also enlightened you in some ways?

[0:19:45.1]

MF: Oh, my gosh. Yes. Many of my ideas and inspiration and motivation come from the stories that I hear from my readers. What I've really come to understand is that the money piece of it is secondary. The money ultimately is just numbers in a spreadsheet. When you can get yourself to the place where you accept and acknowledge that that's all it is, then you're going to do fabulously.

It's much more this emotional trauma that a lot of us have wrapped up around money and around how we should, or should not be using our money. What I hear from readers all the time is that the question really is what do you want to do with your life? Not, how do you want to use your money throughout your life. Coming at it from that approach has really helped me and enlighten me in understanding what people need when they're talking about personal finance and how I can be helpful to them.

[0:20:48.6]

FT: Our So Money question that they brought to us by Chase Lake, which is one of our top sponsors on the show, our exclusive sponsor is what is your number one money habit now, now that you're a mom and you've achieved financial independence? Do you even have to really think

about habits anymore, because you've just accomplished everything you wanted. What's left to do?

[0:21:13.1]

MF: I think that my money habit is really acknowledging that I'm happiest with less, and letting go of that drive to want more and to reach for perfection and to think that I can buy the perfect toy, or spoon, or outfit for my child. Really letting go of that and just embracing the simplicity of not having always the perfect thing, or the right solution. That is, I'm not going to be able to buy it in a store.

[0:21:45.9]

FT: I read that you haven't thrown your daughter any parties. You haven't really bought her anything expensive. What's the most sentimental, or special thing that you've done for your daughter that did cost money?

[0:21:59.4]

MF: That did cost money. That's a good question. Well, we do birthdays parties for her. We just were very Loki about it. We do them at home and we make our own food and treats for that. I think it's hard to identify any one thing, because we're so fortunate that we get to spend every day with her. Well, I mean you know, mostly fortunate. She is two years old, so we do have those moments where it's not the greatest day, but I think being able to expose her to nature is the greatest thing. We love just watching her explore outside and discover snow, and discover the creek behind our house during the summer time.

We really don't focus very much on buying things for her. I have to say, I would be hard pressed to think of something that we've spent much money on for her. I think as she gets older, facilitating experiences that cost money will be more important; going to museums, going to plays, taking her to New York City, things like that are things that we plan to do down the road. As she's still so young, a lot of it really is just time spent together.

[0:23:11.4]

FT: Well, speaking of the future, where do you want to be in 20, 30 years, audience, Mrs. Frugalwoods is 33 years old.

[0:23:22.4]

MF: I'm almost 34. I'm almost –

[0:23:23.8]

FT: Okay. I'll give you that. Almost 34. A baby by all intents and purposes, respectfully. It's a good thing. It's a good thing. I do wonder for those guests that I encounter who are under 40 and have made maybe millions, or enough to feel financially independent and they've retired from their 9 to 5 and are enjoying life now, but how you enjoy your life today is not necessarily how you might enjoy it in 10 years, in 15 years. How do you plan to adjust as you age and as you might decide, "I want more, or less, or different?"

What if you figure like, you've made projections today, but life happens, right? You're allowed – I hope you're giving yourself allowance to change your mind about how you want to live your life. You decide, one day you wake up, "You know what? I think I want to live in New York City."

[0:24:20.9]

MF: Absolutely It's funny, because we've actually talked about living in New York City one day. For us, financial independence and frugality is all about options. We've given ourselves the option now to live here on the homestead, which is what we want to do and we'll have options in the future if we want to do something radically different.

For us now, we really want to live in this place, in this woods for the foreseeable future. I can't really imagine us not being here. There's so much that we want to do on our land that takes a long time. We have fruit trees that are coming to maturing and we want to do maple syruping. A

lot of these projects are very long-term and it takes many years to get your homestead up to the point of production that you want it to be.

For us, it's still in that slow ramp up of producing the fruits and the vegetables and the things that we want to. We are so content and so happy here. It's also true that we do have the gift of options and we do have that choice down the road if we wanted to leave the homestead and move elsewhere and live a different life.

I think it's wonderful to always enshrine those possibilities and whatever financial plan you make. I think it's a great point for people who say, "Oh, well I would never want to quit my job. Why should I save money?" Well, because you never know.

My husband and I are both worst-case scenario. We're always gaming out like, "Okay, here is what we would day in a zombie apocalypse. Here is what we would do if we decided to make this change." It's something that –

[0:26:00.6]

FT: Do you have a panic room, or something?

[0:26:02.4]

MF: No. We do not. The biggest problem that we see with the apocalypse is coffee. We can't grow coffee here in Vermont, so this would be a real problem for us. I think it's always a good idea to have the financial flexibility to pursue something different if life changes, or if you change. Like you said, if you change your mind and decide that you want to do something else. That's certainly what my husband and I did in coming here. It was a radical departure, but we put ourselves in a position where we had a lot of flexibility and that's what we're doing now too.

[0:26:40.7]

FT: With your husband, it sounds as though you both are very much on the same financial page. It sounds like this was a team effort from the beginning. I do wonder when you were

transitioning into this very focused effort to retire, “retire from your jobs,” and change your entire financial lifestyle. Who was the one who initiated the idea? Was there any, “I don’t know about this,” from one of the spouses at first? As it is a pretty radical take on managing your money.

[0:27:16.7]

MF: It is. We’re lucky. We met when we were 18, which is we were a freshmen in college. Then we got married at 24, which is like ridiculously young. I can’t even believe. We’ve been together for a pretty long time. We both always been frugal.

I don’t know that we even would’ve identify that we were frugal, but I mean, we – throughout college just reinforce that in each other. As young adults, when we got engaged and when we got married, we were both always focused on saving money and on that concept of delayed gratification and neither of us had any debt, neither of us had any desire to ever go into debt. In a lot of ways, it was this shared financial approach that we had from the beginning.

Then as we talked about financial independence and extreme frugality, it really became this competition for us that we thought, “Okay, what more can we do? What more can we save? Who’s going to come up with the next good idea for how to save money?”

I think my husband’s biggest concern was selling me on the woods part of it. The financial piece, no problem. I’m totally there. The woods thing, he’s like, “Are you sure you want to live in the middle of nowhere?” I said, “No, I really do.” Because he has always wanted to live in the woods and be this modern day lumber jack engineer, which is what he is now.

For me, that was something that I really came around to through this shared hobby that we had of hiking. He’s not really an outdoorsy person, but he got me into hiking. It was like, “Wow, I really like being in nature.” I think that was probably – for both of us, our biggest concern was, “Would I be okay having lived in New York City, Washington DC, Boston? Would I be okay in the woods?” The answer is yes. I absolutely love it.

[0:29:09.2]

FT: What's your favorite part about living in the woods? I don't think I could ever do that. I can't even go camping in an RV. I think would appreciate it for a couple of days, a few nights, but I don't know, I don't know. I haven't always been an urban girl, but I just think at this point it would be really tough.

[0:29:28.5]

MF: It's not for everyone. It's something I like to highlight on the blog is that this was my goal, but this is not probably your goal. The themes that I talk about are much broader and can take you in any different direction. It's also good to remember, we are not camping. Because I would not live in a tent. My husband would live honestly in a tent, I think year round. I told him, "No. Absolutely not."

We live in a very comfortable home. We just happen to be in the woods. For me, it's actually much less dramatic in a lot of ways than it sounds, because I have the internet, I have electricity. It's not exactly roughing it. The best part about being here for me is the lowered stress and anxiety. There is just no stress, because you go outside and you're just surrounded by beautiful nature and it's quiet. To me, it's very peaceful.

I don't at all find it lonely, which is interesting because I thought at the outset, "Gosh, I wonder if this is going to feel lonely." For me, living in the middle of the city and not knowing all of my neighbors and passing all these people every day that I didn't know, felt a lot more isolating than it does here. Where maybe I see a fewer people, but I know all of them and I have a really nice genuine relationship with most of them.

[0:30:53.5]

FT: That's so nice. That is really nice. I think that's something to aspire to. All right, let's do some So Money fill in the blanks. Now, you may have already done this two years ago, but I don't think you remember what you said.

[0:31:07.0]

MF: Gosh. I don't remember.

[0:31:09.1]

FT: You don't remember. It's okay. I think it's okay to ask these questions every couple of years. It's not going to kill you. It's not going to bore us to death. If I won the lottery tomorrow – now I know you don't have to win the lottery. I doubt you play the lottery, but let's just say someone knocked on your door and gave you and your husband a lump sum of cash to the tune of, I don't know, a 100 million dollars, the first thing I would do is?

[0:31:36.6]

MF: Well, I would work on an investment plan for it first and I would probably put more into my donor-advised fund, which is a tax advantage way to give to charity. Then honestly, I would probably redo our kitchen, because the counter tops, we need to do something about the counter top, so I think I would probably do that. Honestly, I think we would stay living right here in this house on this property. We are just so content with where we are.

[0:32:03.8]

FT: Kitchen counter tops can really upgrade the value of your home, I'm just saying.

[0:32:07.6]

MF: Yeah. It's on our list. It's like one of those things that's on the list, because they are green plastic. I don't know what's going on with that. That could be improved.

[0:32:18.0]

FT: Nice. When I splurge – please, there's got to be something, right? When I splurge, I like to spend my money on?

[0:32:28.4]

MF: My husband and I go out to dinner once a month and it is just fabulous. Our neighbor comes over and watches our daughter. She will not accept money. She's very, very sweet. She watches our daughter once a month and we go out to dinner. It's fantastic and I order whatever I want and I don't worry about the cost at all.

[0:32:50.1]

FT: Interestingly enough, I did end up pulling up your archived transcript from two years ago. I have it in front me. You know what you answered to this two years ago when you were still trying to get to the financial independence?

[0:33:04.9]

MF: No.

[0:33:05.2]

FT: I said, "What's one thing that you love to splurge on? Your guilty pleasure?" You said, seltzer water.

[0:33:14.0]

MF: Yeah. That's true too. That also is still true.

[0:33:16.8]

FT: Seltzer water is like 18 cents if you buy it by the bulk.

[0:33:21.8]

MF: It's even cheaper for us, because we hacked our soda stream and put a 20-pound CO2 tank on it.

[0:33:28.5]

FT: Of course you did. That's amazing.

[0:33:30.1]

MF: That's partial pennies.

[0:33:34.3]

FT: It's like a .001 cent.

[0:33:36.7]

MF: Yes.

[0:33:38.7]

FT: All right. One thing that I spend on that makes my life easier or better is?

[0:33:45.1]

MF: Is strange to say electricity and internet?

[0:33:48.3]

FT: No.

[0:33:49.5]

MF: My washing machine. I absolutely love my washing machine.

[0:33:51.9]

FT: I love your answers, because even two years ago you said your car.

[0:33:56.7]

MF: Yeah. Yeah, my car.

[0:33:57.5]

FT: Basic necessities. Car, electricity, internet. Those are the things that make your life easier and better. Yeah, of course, because if they go away your life would be really [inaudible 0:34:06.7].

[0:34:08.2]

MF: In New York City, I didn't have a washer/dryer in my apartment. It's just like the worst hassle in the world. I love my washer/dryer.

[0:34:18.1]

FT: I would kill for a washer and dryer in my apartment.

[0:34:20.5]

MF: See, you know what I'm talking about.

[0:34:22.1]

FT: Our building is not compliant with that. I think we would just all – the building would implode if everybody had a washer and dryer.

[0:34:32.4]

MF: See, the woods isn't sounding so bad. I have a high-efficiency washer and dryer.

[0:34:38.7]

FT: I'm so jealous. All right, when I donate, I like to give to blank, because?

[0:34:44.8]

MF: We have a donor-advised fund and I have a philosophy of giving to small local organizations. We really focus our donations on our local community. There is a great deal of need out here. I'm a big fan of looking at the overall operating budget of a non-profit and finding places where I feel like my donation is going to have the biggest impact.

Huge, non-profits, the Red Cross, United Way, they do fantastic work, but they have huge budgets; millions and billions of dollars. Any dollar amount that I give is not really going to be that actionable. Versus, I have local organizations I support with budgets of \$50,000 or a \$100,000 annually. I feel like my gift can have a much bigger impact at a smaller, more local organization.

[0:35:37.8]

FT: I think that's pretty true all around. Well, with some exceptions, but certainly good advice, because anybody who wants to make the most impact, it's really about understanding how that charity or nonprofit maximizes your dollar. You can go online to sites like, I believe – what are they? Can you help me out here?

[0:35:58.9]

MF: Charity navigator is good.

[0:36:00.1]

FT: Charity navigator. Yes.

[0:36:01.3]

MF: You can also just look at the form 990 for nonprofit. I used to be a nonprofit fundraiser, which is why I start to have a lot of thoughts about this. You can look at their IRS form, you can see what their CEO is paid. You can just make a decision about whether or not the dollar amount that you give is really going to be actionable for them.

[0:36:24.9]

FT: During the crazy hurricanes in Houston, I discovered a charity that I loved, because they made it really simple. They said for every dollar that you donate – it was the Houston Food Bank. For every dollar, I think that would allow you to supply something like two to five or five meals for an individual, or for a family. That's great, because then I can really in my head, I'm like, "Okay, so if I gave a \$100, that's 500 meals."

You can really – it's tangible. I think as a donor, it makes you really feel a bigger connection to that experience. To the extent that charities can do that, I think that's really powerful and just can increase their donations.

[0:37:14.7]

MF: Absolutely.

[0:37:16.6]

FT: All right. One thing I wish I had learned about money growing up is?

[0:37:23.0]

MF: Anything. I wish I learned any –

[0:37:25.1]

FT: Something.

[0:37:26.4]

MF: Something. Anything about money.

[0:37:29.2]

FT: How inspiring that you feel that you grew up with very – that's most of us, we grew up with not a lot of financial anything, and you can too retire – you don't call it retiring, but let's be honest, it's retirement in my eyes. You're not working for somebody else. You're doing your own thing on your terms and your own time, 33 years old, that's phenomenal.

[0:37:55.4]

MF: Well, thank you. It's actually self-taught, and I think that's what's so great is there are so many resources and books. You can check out from the library, you can read online. You really can teach yourself. That's the wonderful thing and the thing that I love to demystify that money, it's not really that complicated.

I think we're led to believe like, "Oh, you have to hire somebody. It's very confusing. You're not going to do it right." You really can learn. I started – the first book I read was personal finance for dummies. I am not kidding, and it was a great book.

[0:38:31.7]

FT: Personal finance for dummies. I'm writing it down. Wasn't like the millionaire next door, or –

[0:38:37.8]

MF: No. No. I was like 23.

[0:38:39.7]

FT: Your so money. Write that.

[0:38:42.7]

MF: No, you would think that I would've found – It was on sale. It was like the library bookshelf sale. It was 10 cents. I was like, "Oh. Well, okay. I definitely don't know anything about personal finance. I'll look at this."

[0:38:54.0]

FT: It would be interesting for you to reference that book again now and see if it really does live up to its – if it does really deliver.

[0:39:04.4]

MF: I should read it again. I really should. I think I still have my copy.

[0:39:09.4]

FT: Liz Thames, thank you so much. Mrs. Frugalwoods. We really appreciate you coming back. Congratulations on all the amazing developments in your life. Your family is growing, your bank account is growing. Gosh, and you have a book. Everyone, check out *Meet the Frugalwoods: Achieving Financial Independence Through Simple Living*.

Answer this for me. Has anyone come knocking on your door to do a reality TV show?

[0:39:34.8]

MF: Actually have been approached about that.

[0:39:37.9]

FT: How did I know?

[0:39:40.4]

MF: I'm not really a TV person in terms of me being on the TV. I really like writing, being on podcasts. I'm not too sure about me being on TV.

[0:39:53.8]

FT: Why? What is there to lose? Everything. Well, the kind of TV that they probably – I mean, I work in television. I'm not saying that I believe that to be true for all cases, but reality TV, let's be honest, it's a risk.

Thank you so much again and good luck with the rest of your third trimester. Hope you're resting and taking it easy.

[0:40:17.9]

MF: Thank you.

[END]