EPISODE 704

[ASK FARNOOSH]

[0:00:35.0]

FT: Welcome to So Money, everyone. March 16th, Friday, 2018. It's been a interesting week. I'm Farnoosh Torabi by the way, your host. An interesting week, because okay, Sunday was daylight savings and that just screwed my entire week. I still think it's Tuesday. I'm still waking up late and groggy.

My husband I joke that – there is this hotel across the street that we should just start going there, trading nights once every other night. Our kids are still awake in the middle of the night. That's the other layer of the problem. Losing an hour of sleep, plus we lose sleep every night anyway and how am I even here hosting this podcast? A lot of caffeine, that' show.

All this to say, I'm so happy it's Friday and Happy Norooz to my fellow Persians out there. Not yet, not yet. It's next week, but as we know it's a week-long of festivities. The weekend is approaching and that means lots of parties, lots of Persian shenanigans. Fire-jumping, some of you might be participating in that, including maybe my co-host today, George Itzhak.

Let me tell you a little bit about George before I bring him on. George is a classic example of why it's important to say hello to people. I was in the cafeteria at 30 Rock NBC about, I don't know, a month and a half ago, went to go get some breakfast on the – I think it's the 7th floor. I'm talking a friend, then all of a sudden I hear, "Excuse me. Excuse me. Are you Farnoosh Torabi?" I turn around and at this point, I don't know how this person might know me, because I don't actually think people listen to this podcast. In fact, it was a listener of this show George, who works at NBC, heard my voice because how else would he have recognized me and took a chance, came up and introduce himself. Was so gracious, so cool and we immediately took a selfie, of course, because that's what you do and got to know each other a little bit better.

Long story short, we're buds now and he's on the show co-hosting with me. It wasn't his idea. I completely lured him on.

George, welcome to So Money.

[0:02:48.7]

GI: Thank you, Farnoosh. Thank you for having me. It's a great story you just told. I'm a big firm believer in the cold hello and the cold e-mail, the cold call, because I've had a lot of success with that myself.

[0:02:59.4]

FT: Really. I'm just one of many examples. What's like something that really went amazingly well after you just said – sent a cold e-mail or cold hello?

[0:03:11.9]

GI: Well, I'll go back a little bit. I was a film student at NYU, this was back in 2012. I was young. I love films. I love filmmakers. I watch a lot of short films online and I found one I really loved. I'm just Googling the director, her name was Eliza Hittman. I see she's making a feature in about six months.

I get her contact information. I get in touch with her. I say, "Eliza, I'm a huge fan. Loved your short. Can I do anything on your future film?" That one obviously, I'm willing to work for free. I'm 20-years-old, I'm in college, it's no problem for me. She responded, we met up for coffee, six months later I was on her film set, my first professional set.

[0:03:50.6]

FT: My goodness. Her contact information was on her website, right? It wasn't like get to go too far. Yeah.

[0:03:57.3]

GI: Not at all. Yeah. Although, I can dig if I have to. I'm a journalist. I know how to dig for contact info.

[0:04:03.4]

FT: That's incredible. Yeah, I have examples like that in my life. It is So Money, I'm going to put a hashtag so money on that. I'm going to file that under so money. George, I wanted to also have you on the show also because I think as a young professional living in New York City, as a producer at a major network, some people who want to be listening and going, "I want to be George, or I want to be a version of George where I feel like I'm living the dream." You're still in your 20s, right?

[0:04:34.4]

GI: Yeah, I'm 25 going on 26.

[0:04:36.6]

FT: All right. Have you had a quarter-life crisis yet?

[0:04:40.7] GI: I wouldn't say I've had crises, but I've had lots of roller coasters of thoughts and just giving about what I'm doing, or really confident moments on what I'm doing and changing course and changing track. I think it's just going to be – my entire career will be like this.

[0:04:58.8]

FT: Well, you're definitely someone who can handle it. I wanted to ask you, give us one good tip for anyone who is living in an expensive city like New York, or anywhere in the country or the world, in their 20s trying to climb their careers, but also save and plant seeds for their future, so that they have not just money for until next Wednesday, but for their future.

[0:05:28.2]

GI: One tip, right? Just one.

[0:05:30.8]

FT: Yeah. We'll learn more about your financial savvy as we answer people's questions, but your best personal tip.

[0:05:37.6]

GI: For saving money and managing personal finance.

[0:05:39.9]

FT: In your 20s, yeah. Because you've got so many expenses and you're not making a ton of money.

[0:05:45.6]

GI: I think the biggest single one tip I can give is the first time you get your paycheck, automate the 401K and immediately start putting away those first paychecks into savings. Obviously, this is something you do for your entire working life. With those first paychecks, because you hadn't been working before, you're not used to spending money, it's easier in the beginning to put that money away.

[0:06:10.0]

FT: For me when I was doing that in my 20s, there is that moment where you have to make the decision and you're thinking there is no way I can afford this, because I have to pay my rent, I have student loans and there is taxes that they're going to be taking out of this paycheck as well and you almost feel like, "Well, what's going to be left for me?"

The beauty of automation is that when it's out of your paycheck before you even see your paycheck, you don't know any better and you will just make the most of that paycheck when it comes and hits your bank account and you're less likely to do it on your own. You just are. Trust that.

[0:06:43.2]

GI: Actually, I let off for a little bit of different opinion here. I don't actually automate most of my savings. For me and this might just be totally individual, but for me the active taking whether it's a $100 or $500 or a $1,000 out of my paycheck and hitting that transfer button to my savings account is the most gratifying thing. It's the closest I get to actually in holding a lot of cash in my hand and putting it in a different bucket.

[0:07:12.2]

FT: I can see that. I can see it. You're very disciplined, I think.

[0:07:18.0]

GI: For me, it's proof. I actually am saving, because I'm physically doing it right now.

[0:07:23.0]

FT: Do you do this every week, do you have a regular schedule of this or just whenever you get and make money?

[0:07:29.1]

GI: Well, I automate my 401K. That's pre-tax obviously, but at the end of the month I look at how much I can feasibly take out of my checkings account and still pay rent and that goes right into savings.

[0:07:41.5]

FT: Our listener here, Nena she's got a question about her future, specifically how she can become a homeowner or apartment owner in the near future. Is that something that you're looking to do?

[0:07:53.7]

GI: Absolutely. I mean, it's a very relevant question for me and my wife. We're in our mid-20s.

[0:07:58.3]

FT: Wait, wait, wait, wait, wait. You're married?

[0:08:00.2]

GI: I am married. Yes.

[0:08:02.1]

FT: Ah, you buried the lead. I've known you now for eight weeks. I didn't that we've talked every day or anything, but we've talked a few times. I guess, our personal lives have never come up. That's great. When did you get married?

[0:08:14.6]

GI: November 2016.

[0:08:16.5]

FT: Oh, my gosh. You're newlyweds.

[0:08:18.5]

GI: Yup.

[0:08:19.7]

FT: All right. Okay. This question as you say does hit home for you. Let's let Nena ask her question. She left it through SpeakPipe, which is our fancy record tool on somoneypodcsat.com. It's not fancy at all. It's just a really – a fun way to be able to hear your voice. Nena take it away.

[0:08:40.5]

N: Hi, Farnoosh. My question for you is how I can get ready to buy a home or an apartment. I live in the Bay Area, which is a very expensive housing market and it's also very competitive and very crazy, but after dealing with many bad landlords and people illegally trying to evict us, I've realized that owning my own home is very important to me, especially if I want to continue living in the Bay Area, which is where I'm from.

I'm 29-years-old. I've worked in the nonprofit sector. I'm actually looking to go back to school for social work, which is a little bit better in terms of salary and benefits, but it's not a high-paying profession. I have some money saved. Right now I have about $20,000 and I have no debt, but I may be taking out loans soon. I don't a family that can help me with buying a home.

Just any advice you could give for someone like me on how to get started and how to own a home sooner than later. Thank you so much for everything you do.

[0:09:49.8]

FT: That crazy landlord is the wind beneath your wings, Nena. If you are and it sounds like this, and this is important, because when you're wanting to buy a home, it's not just about the money. It's about your head. Are you in it to win it? Because owning a home is a lot of work and psychologically, you want to be able to be certain that you're going to be able to want this, handle this and appreciate the ups, the downs, the sideways of owning a home.

She just asks any advice. It sounds like she has some nice stepping stones already. She's got $20,000 in savings, no debt, perfect.

[0:10:30.7]

GI: Amazing.

[0:10:32.2]

FT: Amazing. I think the other thing you want to be very careful about when you're planning or plotting the home purchase is your credit. I assume with no debt and some savings that her credit score, I'm guessing is probably in a good place, in the 700s or higher if she hasn't have to foreclose on anything, or had any late payments.

It sounds like she may also have good credit, but check because you never know. You can check your credit score using your bank's app. You can check it myriad ways. The best interest rates for homeowners, or people who are applying for mortgages go to those with credit scores of 740 or higher out of 850. If you want to get the best interest rates on that future home mortgage, 740, 750 or higher is where you want to be.

I would also say Nena that it's important to start to survey the market. Figure out the radius in which you want to live. Start to learn about home prices and what it will take to be able to actually live in that neighborhood.

If you realize that your dream neighborhood for now, the average home price for a starter home is $500,000. Well, does that mean for you? That means that realistically in order to be a qualified bidder on this home, you want to have about 20% of that home's sale price in a bank account. You want about a $100,000 in cash for the down payment. That doesn't include the money for gosh, the closing costs and all the – maybe the lawyer fees that you might have to hire.

I would just say run the numbers, be realistic about what you can afford. If your dream neighborhood is out of reach, then what about the periphery of that dream neighborhood. Location is oftentimes the most important thing when we're looking for a home, but in some cases you may find out that we're completely priced out at the moment.

That either means you need to change your geography, change a location, or wait longer, save more. In the meantime, just keep on, keep on. You're doing well. I mean, however you save that 20,000, if you can double that and continue having no debt, maintain a good credit score, keep your eye out for opportunities. Maybe if you have a friend who had a really great real estate agent, start talking to the professionals and they can start taking at open houses, getting educated, spending a good six months to a year just educating yourself and learning and seeing is invaluable. George.

[0:13:15.0]

GI: I think what Nena is doing really well is identifying the fact that the Bay Area is very competitive and very expensive. You have to follow up for what it is. In the last quarter of 2017, there has been a documented exodus from San Francisco.

[0:13:30.1]

FT: I saw that.

[0:13:31.5]

GI: Yeah. More residents left San Francisco than any other US city. In another survey done just last month, 49% of San Francisco residents surveyed said they are considering moving due to the high cost of living. I think the uphill battle that Nena is up right now is going up against right now.

I mean, it's notable and she should realize that it's difficult to do this where she lives, much more so than other cities in this country. I don't mean to say it to discourage, but rather to encourage that the fact that she has money saved up and no debt and is already living in the city she wants to buy in, that's a great thing.

[0:14:10.8]

FT: Yes. We leave you Nena with some tactical advice, but also some deep thoughts. If you love your career and you want to work at this nonprofit, or you want to stay in the social work field, I mean realistically that is not a – it's not historically a very lucrative path. At least not enough to afford the high ticket real estate prices that we're seeing right now in the Bay Area in San Francisco and all their suburban – even the suburbs are terribly expensive.

There is going to be a tradeoff at some point maybe for you as you get closer to this goal. Maybe it means changing careers. Maybe it means changing geography. Or maybe it means listening to all the episodes in So Money, to all the amazing people who have despite all odds, despite maybe not making a lot, or living in an expensive area, saving their darndest, saving half of their salary, 75% of their salary.

How do they do it? My gosh, live at home with their parents. They strictly budget their groceries and their miscellaneous cost. They live with three roommates for a year. They work over time. It's also about how badly do you want this and how soon do you want to this. That's going to necessarily dictate the adjustments that you're going to have to make.

Financially, I think that you have a good head on your shoulders, strong head on your shoulders. You know financially what this takes. As far as what your timeline is, that may mean you either have to accelerate whatever you're doing financially, or you can give yourself some more time.

I hope this has been helpful. We've got a lot of great podcast about home purchasing and with real estate experts on the show before, so I encourage you to go to somoneypodcast.com and lookup the archives. Type in real estate, or home purchase, you'll probably find some additional really good episodes. Thanks for your question and keep us posted.

[0:16:15.6]

GI: Actually Farnoosh, I'd love to ask a follow-up to that home ownership question. I know that –

[0:16:20.7]
FT: For a friend, right?

[0:16:22.4]

GI: I think on behalf of Nena, for finding for myself, for everyone. I know that beyond that down payment 20%, you have to also have some liquid cash for obviously closing costs, or some co-ops – in New York for example, will require several years of maintenance to be in your bank account. To what extent does any money in a 401K helps or contribute to that post-down payment cost, in the sense that is that factored in at all if you have 20K, 30K in your 401K? Does that help you meet that liquidity or requirement?

[0:16:59.4]

FT: Banks are interested in your debt to income ratio. I don't believe a 401K is factored into that, because a 401K really should be reserved for retirement. I think banks will recognize that. It's not meant to be this vehicle to afford a home. If you do have to cash out your 401K to buy the house, you shouldn't buy the wrong house.

[0:17:18.9]

GI: You probably shouldn't buy that house. Yeah.

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FT: All right. That was a great question. I'm glad that we are able to help you as well, George. Are you thinking of buying in Manhattan, or have you even started?

[0:17:30.9]

GI: I mean, look my wife and I are at the place where we're saving, but I mean, prices and down payment requirements are just so high that do I see a specific point when we're going to be able to afford, whether in Brooklyn, or Manhattan, or Queens? I don't see that's a point, but we're saving for now. I think we'll figure it out as we go along.

[0:17:51.7]

FT: There's no harm in saving. There is no harm in saving as you are figuring it out. All right, we have a question here from Jacky. George, do you want to read it off for us, please?

[0:18:02.1]

GI: Sure. Jacky says, "I'm a 36-year-old woman with 60K in my 401K and 50K in student loan debt. Should I open an index fund now, or wait until after my student loan debt is paid off?"

[0:18:13.9]

FT: All right, she's 36-years-old and I did read a rule of thumb that by 30 you should have at least what you make in a 401K. You should have your salary, the equivalent of your salary in a 401K.

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GI: A year. A year of salary, correct?

[0:18:28.2]

FT: Yeah, one year salary. If she is making 60K or around there, then and that is what is in her 401K, I'd say she's in a pretty decent spot. Although, I think as women we suffer from a huge investing gap, because we typically make less than men. We live longer than men, so I'm not saying you're done investing for retirement, or that you can just keep status quo.

Let's analyze the other part; $50,000 in student loan debt. I don't know what the interest rate is on this debt. I don't know if this debt is keeping you up at night. I don't know if this is completely stretching you thin. Let's give this a few scenarios. If there is one – Jacky, you're in this particular scenario, where you have a little bit of money left over every month, which sounds like you do, because you're looking at maybe opening up an index fund to invest that extra cash.

Your student loan debt, let's say has a very low interest rate. Let's say 5% or less. Then I would say open the index fund instead, because as a long-term investment, you're more than likely to make – you'll do better than 5% on average with that index fund, over say 25, 30 years, which is if you're looking for as this to be an investment vehicle for retirement, that's probably your timeframe.

If your interest rate on those student loans is very high, we're talking 8%, 9%, double-digit zone, then I think your priority should be to knock down the principal on those student loans. If you feel like your student loans are in an okay place and you're not worried about the interest rate, it's not keeping you up at night, you're able to make those payments easily and then you've got some money left over, well then put money towards retirement, towards investment. What do you think, George?

[0:20:15.4]

GI: I mean, I think you have grated the rice Farnoosh and I think that let's say if Jacky waits five years, and so all her loans are paid off, well that's five years of growth in the market that she could've potentially benefitted from. There is the factor of time here. Student loan debt, I mean generally speaking, you'll get a higher return on that index fund than you would lose on the student loan interest, correct? I think if the interest rates align the way you described then it's a no-brainer.

[0:20:46.2]

FT: Yeah. Again, going back to the female factor it cannot be ignored. I think that it's true that we are arriving at retirement with much less than in the bank than men. That's for a number of reasons; one is we make less over our lifetime, because we're in and out of careers, the gender wage gap. We're also perhaps not being as proactive, as aggressive with investing. I am talking in terms of just contributions to our retirement accounts.

I would encourage any woman who is contemplating, putting more towards her investments and can afford it to do it. I would definitely say go for it, because you'll need it for sure. The good news is we're living longer, but we need to afford that.

Moving on to Julia, George. Maybe this is also something that you can really help us with, because she's –

[0:21:42.2]

GI: Actually definitely. Yeah.

[0:21:43.5]

FT: She's in your demo. She's 23. She lives with her parents and wants to start investing. Did you move out of your parents' house basically after college, or after –

[0:21:54.4]

GI: Not at all. I live at my parents' house in Queens, New York. I'm lucky in the fact that my parents live in New York City so I could commute to work from their home. I live there for the first three years of working after college.

[0:22:08.5]

FT: Did that help you basically catapult your savings?

[0:22:12.2]

GI: Absolutely. Because I had to show a little overhead in those first three years of working, I had enough money to really jumpstart my life. I had enough money to propose to my girlfriend, to buy an engagement ring and wedding band, to rent an apartment with all the expenses involved, security deposit, first and last month, moving cost, new furniture, all of that. To be honest, this was all before I knew anything about personal finance. If I actually knew what I know now during those three years, I could've easily doubled what I had saved.

[0:22:42.9]

FT: All right. Maybe you can give her some advice. She says every time she starts to talk about her – to talk about money with her parents, they get stressed. She wants to invest and she's asking for them – asking them for maybe some help, or some – just to have the conversation. They get stressed, it goes nowhere. I don't know what's going on here. Can you imagine?

[0:23:02.9]

GI: Well, I think there's a lot to unpack here. Obviously, we don't know much about it; Julia's background or her family life or anything like that. I think stepping away from her specific situation, I think a lot of people have different associations and preconceived notions of the stock market. I know in many cultures in countries, people associate the stock market with risk and with rich people.

It can be hard to enter the market if you don't feel yourself as a rich person, if you don't associate yourself as a rich person. I know in many specific countries who've been through a lot of tumult and difficult financial situations in the past several decades, entering the stock market it's a really dangerous thing.

[0:23:44.5]

FT: Right. Risk averse.

[0:23:46.3]

GI: Exactly.

[0:23:46.6]

FT: Risk averse. Right.

[0:23:47.5]

GI: Exactly. I think if Julia can understand where her parents are coming from – I think ultimately, the best way to convince them if they're hesitant is proof of concept. I mean, I don't advocate going behind your parents' back, especially if it's with their money, but if you can demonstrate a $100 in this fund, in this stock can grow this much percent over this period of time, and this is about the long-term, not the short-term and you can make that very well-educated argument to them, you might be able to see it if it's on paper.

[0:24:18.9]

FT: I think that a lot, and that's great advice, because I've interviewed on this podcast, I'm trying to remember for example, there was Primoz Bozic. I'm totally botching his last name.

[0:24:29.9]

GI: From Slovenia.

[0:24:30.8]

FT: From Slovenia who said that he couldn't even talk about his job with his parents, or his family really because he was doing so well and he was making oodles of cash. It was an honest – his work, it was good work, he was talented and yet he felt like he couldn't wear his success like a badge of honor, like we all do here in the United States. I just felt really sad about that, but I guess, we live in a bubble. There is the whole world out there and how we interpret money and success is not how others do.

Yeah, I would say Julia if you're close with your family, talk to them about what is at the root of their discomfort around talking about investing. I'm sure if there is an underlying pain, or emotional issue that it doesn't just touch on investing, but maybe it's other financial issues as well.

I would say maybe to make for an easier conversation, you can introduce to them all the new technology that's helping democratize this concept of investing, whether that's Acorns, the app which rounds up every purchase you make to the nearest dollar and takes the change and puts it in an investment portfolio for you, super age, in a new agy and easy and they have millions of users and it's certainly not something that Warren Buffet is using.

It's for the rest of us. It's for everyday people who want to get into the stock market. There is also tons of robo advisers, these lower-cost automated platforms that you can invest in index funds and UTFs and get into the market that way, again democratizing the process.

I will leave you at this. You mentioned this George, that we think that in order to invest, you have to be rich. One of my favorite expressions and I don't know whoever said this, but I'm going to borrow it. You don't need to be wealthy to invest, but you do need to invest to be wealthy.

If your goal is to finish rich, you need to put your money to work in more ways than just letting it sit in your checking account. At this point Julia, if you feel like you've talked the talk with your parents, you've exhausted the topic, they're just every time they shut you down, look, there are other people you can confide in. It's not about going behind your parents' back.

If this is your money and you want to make the most of it, there are other ways you can educate yourself and also find accountability partners. Maybe you can start your own investing club. I'm sure there are friends who want to do this like you do, and hang out together, talk about it. In that way, you might find your own community and that's advice for everybody.

Sometimes you're not going to find the support that you expect to have from your family. That doesn't mean they don't love you. It's just that this is not something that they enjoy. Move on and find your community. They're out there.

[0:27:31.5]

GI: Yeah. Definitely don't give up Julia, because this period of your life when you can live with your parents and you're young and you have a lot of time in the workforce, this is when you can build a great financial base, and that includes investing.

[0:27:43.4]

FT: Thanks George. All right, next is Molly and she wants to know if she should refinance her home loan to pay off her debts. She's got $30,000 in credit card debt, $40,000 student loans. She's a homeowner, that's pretty cool. She has equity in her home apparently, so if she were to refinance, she could maybe pull out some of that equity and use that to pay off the debt.

Honestly, I don't like using your home as an ATM. I think we learned that a short while back that a home is not really an investment, it shouldn't be seen as that. If you have equity in your home, congratulations and fantastic. When you go to sell it, you can use that money to purchase another property or just bank it and that's great. That's the icing on the cake.

I don't think we should ever rely on equity for anything. I know that it used to be – the status used to be parents used to pull out their equity to pay for college, or we would pull out our equity in this case to pay off debt. Maybe financially, it makes sense because the interest on your mortgage, or home loan is less than interest on the credit cards and the student loans.

Financially, it's maybe better off to do that. That's just looking at it one way. I look at it a totally other way. I look at it as you really making your home life vulnerable. Are there other ways to do this is really what I'm getting at. Have you really looked at other options? Pulling equity out of your home should be last ditch effort, in my view.

I love real estate. I love when I see home prices go up, it makes me feel good. I really get nervous telling someone, "Yeah, sure. Why don't you just refinance and pull out some of the equity and pay off debt." I feel like that's not the responsible thing to do. The more responsible thing would be maybe to try to get a side hustle to pay off that debt.

You can consolidate the credit card debt with the student loans. There are lenders out there that would entertain this to get maybe at least just one payment, or a reduced interest rate. You could consider transferring that credit card. If you know you can pay it off in a short period of time to a zero percent APR credit card.

There are other things to consider. George, can you help me out here, because I'm feeling like the shiny apple is the equity in the home, because that's just money sitting there and she's like, "I could just pull that out and pay this off easy-peasy."

[0:30:17.5]

GI: Yeah. I mean, it definitely seems like an easy solution. I think there are several avenues like you mentioned to go down before getting to that place. With the 40K in students that she describes, you can definitely call the student loan companies and negotiate down a lower monthly payment, which I've done myself and it took all of 15 minutes. They just immediately approved it. That saved me hundreds of months.

To lessen the impact of the student loan payments, you can definitely do that. I think yeah, obviously the credit card it's a little trickier, because it has a much higher interest rate and you really feel that when you get that monthly bill and you see that they've taken out that much money for interest.

In my own life, I've seen family use home equity, not to get out of debt, but rather to avoid getting into debt. They'll use that equity to come for tuition, those like you said. Which makes me a little bit more of a – the legitimate you use for that equity versus paying off debt that's already accumulated.

[0:31:15.8]

FT: Yeah. I like what you say about the student loan debt. I mean, for sure there is a lot you can do as far as negotiation, calling your lenders, and I would even call your credit companies and your banks and just say, "Look, is there anything we can do?" If you really feel like this credit card debt is taking a huge bite out of your budget, it's not leaving you with much at the end of the month, you can look into working with a credit counselor at the national foundation for credit counseling. They're excellent nfcc.org.

They are all over the country, in many towns. You can go and visit them and tell them your situation. The first meeting is free. What they may decide to do for you, if they think it's viable is to work on your behalf as a credit counselor and basically negotiate better terms on your credit card debt.

They're not settling your debt, which is different than modifying your debt. Settling your debt means that they come up with a deal with the credit card companies to have you pay your debts off completely for pennies on the dollar, but that typically reduces your credit score. It's a negative impact on your credit.
A modification is more like the credit counselor negotiated a better interest rate. Got rid of some fees, etc., to help make those monthly payments more affordable, but it's not a quick fox. It's more just of how can we maybe create some more breathing room into this credit card debt. If you really feel like you need help, then nfcc.org is someone that I've referenced for many years now.

Rounding us off is an anonymous listeners, and she or he is new to the podcast George and says, "Great info so far." By the way, thank you to everybody for leaving the recent reviews. Thank you to everybody for ever leaving a review. We have hundreds and hundreds of them. Recently in the last few weeks, maybe as a birthday gift to me. I asked and so many fed in multiple positive reviews, 613 reviews. I can't believe it, so I just want to shout out to everybody.

I'm going to just shout people out now. Ready? Here we go. I digress a little bit, but this is important. Aunt Marget says, "Very valuable." 74 five stars says this podcast is so fun to listen to. Extremely informative. It has changed my life. Really? I can't take credit for that, but I'll read it out loud to everybody else.

Jessica5291 says she's obsessed. Five stars says the podcast has been a game changer for her. Thank you. It's been a game changer for me. I mean, I can't believe it's been three years, six million downloads and I'm meeting new people like George. I've made friends through this podcast. What better gift is that?

Anyhow, Anonymous says, "Wondering if we ever talked about life insurance on this show." We absolutely have. She or he is not maybe through finishing all the 600 episodes. I get it. It takes a bit of time. Want to know what age should I get life insurance? What kind of life insurance?

Well, I will just say this that I do think that at some point in everyone's life, a little life insurance could help. Specifically if you are somebody who has a financial dependent, children, parents, relatives and you want to leave something to these people in the event that you, God forbid, something happens to you; you die and you want to be able to make sure that the people that you're providing for continue to receive aid and money. I know a lot of us in our early 20s get pitched life insurance. I certainly did and I went down that rabbit hole and –

[0:35:02.8]

GI: Yeah. Same here.

[0:35:03.4]

FT: Honestly, I got to this epiphany where I was like, "Well, who's it for?" There's funeral costs, but I don't need a million dollar life insurance policy at 25, especially if I have no dependents. I think that as your life evolves and you get married and you have children and you do have people in your life now that are depending on you to some extent, or an entire extent for money, then you do need life insurance.

The rule of thumb is eight to 10 times your salary in the moment. I recommend a term policy. Not a forever policy, like whole, but a term policy, typically people get something that will provide say for children until they reach 22 or 18. They want to maybe provide for them through college. That is doable and it's relatively affordable if you get it, when you're healthy and when you're younger.

If you're in your early 20s and you have no one to care for right now, financially speaking, then you don't need life insurance in my estimation. Yeah, George you didn't get the life insurance I would say.

[0:36:11.6]

GI: I didn't. No, no. I went through the numbers and I mean, it's just very expensive for the place where I'm at right where I don't have kids yet. Definitely when we have family, we're going to have the talk again. Also, I'm just a little bit averse to the whole concept, because I've seen people in my family get a little burned, getting the insurance that goes away once they reach a certain age and they haven't died yet.

Essentially, they would spend 20 years putting money into this insurance. They reach 80 years old and then it's all gone. They're not covered anymore. That was a combination of not knowing enough and being pitched by the – being sold to by the wrong person. I've seen the downside of getting life insurance and not getting it the right way.

[0:36:55.9]

FT: Yeah. Well, welcome to the show Anonymous. We hope that you enjoy all the episodes or as many as you can get to. George, this has been really fun. I'm really glad that you're able –

[0:37:06.7]

GI: Yeah, it has been.

[0:37:07.5]

FT: - to join us. You're a producer for NBC News. Did we mention this?

[0:37:12.1]

GI: Yeah, at the beginning. Yes.

[0:37:13.0]

FT: We did in the beginning. All right, so tell us some of the exciting projects you're working on?

[0:37:17.6]

GI: Well, what I'll say is – I'll tell you the best things I've worked on in my career so far and I'll give you a little bit of a look of what's ahead. I've been at NBC for four years now. I got my start actually at the Sochi Olympics; one of my first jobs out of school. I actually graduated early to do this job, who wants to go to Sochi Russia and walk in The Today's Show to cover the Olympics as a production assistant.

[0:37:39.7]

FT: Incredible.

[0:37:41.0]

GI: Yeah, that was absolutely life-changing incredible. Unforgettable. At nightly news where I work mostly on the weekend broadcast, I mean I really – I've covered such a wide range of stories. It's been obviously very interesting in the Trump era, that there's a sort of increased fervor, especially when you're covering the domestic stories that somehow relate to the administration.

I got to work on this great assignment, the story that I pitched about something called conservative move, which is an interesting sort of combination of politics and personal finance and economics, where we track people moving from California from a liberal and democratic counties in California to Red Texas based on political reasons, ideological reasons and economic reasons, which are all tied together, of course.

This phenomenon of thousands of families, Republican families moving from California seeking in their own words a refuge from the little bit of wasteland. It's a really fascinating look at the country today in how these people's – a lot of them are also leaving the San Francisco Bay Area because of the high cost of living, which they attribute to democratic policies. We took a really great look at this sociological phenomenon.

[0:39:06.4]

FT: Moving for your politics. That's pretty compelling.

[0:39:08.4]

GI: Exactly. Exactly. Those are the kinds of stories I love to tell. Giving voices to the people from all sides of the spectrum, or the eye, or whatever you want to call that.

[0:39:16.4]

FT: That's awesome. Well, and I know you just got promoted too, so congratulations.

[0:39:21.2]

GI: Thank you.

[0:39:22.1]

FT: I'm just going to brag about you to everyone. Everyone thank you to George and thank you for listening. I hope you all have something fun to look forward to this weekend and Happy St. Patrick's Day to all you that celebrate. Be responsible. Hope your weekend is So Money.

[END]