

EPISODE 707

[ASK FARNOOSH]

[0:00:37.7]

FT: You're listening to So Money everyone. Happy Friday, and again Happy Nowruz to my Persians compadres out there. The start of spring March 21st also marks the Persian New Year. Wishing everybody out there who is Iranian, or married into an Iranian family. I hope you're having a wonderful celebratory week.

As it is, we don't just – in true Persian style, we don't ever celebrate something for a night, or a day. It becomes a entire month-long, or week-long celebration. I have started to introduce some traditions into our family around this New Year, especially now that we have kids I want to try to create something to look forward to every year with Nowruz.

The other day I was walking Evan to school and I was trying to explain to him and Evan is three and a half. He's going to understand like 10% of what I'm telling him, especially when it's something as abstract as the New Year and the Iranian New Year. I don't think he's ever been told he's half Iranian.

Here I am walking him to school and I'm telling him, "You know, Evan you were born in New York, but your – well your grandma and your grandfather they're from Iran and I'm their daughter, so I'm Iranian." I'm like, "Okay, so how much is this in my mind." I'm like, "Okay, is he with me? Is he still with me?"

He's listening and I said, "That makes you half Iranian." I said we celebrate an American New Year. He goes, "America?" I'm like, "Yeah." He's like, "But we live in Brooklyn." I'm like, "Well, you know Brooklyn is a small part of America." He's like, "Okay." I said, "We have an Iranian New Year." He goes, "When is the New Year in space?"

Just to show you how little kids' brains operate. Pretty cool. I didn't have an answer for that, but maybe someday I will. Maybe one day we'll colonize space and we will have a New Year on

Mars and Jupiter and all the other parts of the galaxy. Until then, Happy New Year, Happy Nowruz to the Persian community.

All right, we have a special co-host today plucked from the audience. Just how I like it. I like to meet the listeners as much possible. Welcoming to the stage is Jennifer Zedlitz. Welcome to So Money, Jennifer.

[0:02:50.7]

JZ: Hi, Farnoosh. Thanks for having me.

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FT: Do you go by Jen, or Jennifer?

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JZ: Either way.

[0:02:54.6]

FT: Either way, really? You got to have a preference.

[0:02:57.9]

JZ: Different people call me different ways. It don't matter.

[0:03:00.8]

FT: All right. Well, it's great to have you on the show and you volunteered to be on as a co-host. What possessed you?

[0:03:07.8]

JZ: Well, I really like financial podcasts and I enjoy the upbeat personality that you have. I've watched Think of Mom and Dad years ago.

[0:03:19.3]

FT: You did? Oh, my gosh. What a throwback. I loved that show. I'm really sad that it ended, but it was different, right? We got to go into people's homes, young women and help them crash, figure out their finances. It was compelling television, I thought. Well, maybe in the future, but it's nice to know that you've been with the show, and well following my work ever since then that was a long time ago. That was in the recession. You yourself are a mommy and wife and you call yourself a financial wealth junky. You're also a real estate investor. Really? Do you have multiple properties?

[0:04:00.4]

JZ: We currently have one rental and looking for the next one right now, somewhat right now.

[0:04:05.6]

FT: We should tell our audience where you live. You're in Oregon, right?

[0:04:09.4]

JZ: Yup. In the southern tip of Oregon on the coast.

[0:04:14.1]

FT: Are there real good spots to invest, as far as in rental properties out there, or you're –

[0:04:20.3]

JZ: It's very sparse.

[0:04:23.1]

FT: But you've managed to find some gems.

[0:04:25.1]

JZ: Yeah. You got to look deep.

[0:04:27.7]

FT: Spend some time, be committed. You're also a medical laboratory scientist. What kinds of research do you work on?

[0:04:36.3]

JZ: Actually I just work in the hospital lab. Of course, I could work a lot of different places. But yeah, in the hospital lab we do the work behind the scenes on testing your blood and urine and that kind of thing.

[0:04:50.8]

FT: You're also the founder – in your spare time, because I feel like you give a working mom more to do. She'll get it done. Laboratorycareer.com. This is a cool website. Looks very fresh. Tell me all about it.

[0:05:06.2]

JZ: Yeah. I basically created it from working in large hospitals in the city to small role hospitals like over here. We always have open positions and it's hard to find more laboratory scientists, because the field is pretty unknown to the general public. Even though 70% of treatment decisions or diagnosis are based on lab results, we just aren't really out there. Wanted to

provide the information for people to really get involved in the field and how to go about doing that. That's what I've been up to.

[0:05:42.8]

FT: I love it, because it seems very tangential to what you work on day in and day out. It's not a huge departure, which is great.

[0:05:50.9]

JZ: It's all day long. Yeah.

[0:05:52.9]

FT: All right, well I'd love to put your business – your financial acumen to the test. We've got some really good questions from listeners. The first one is from Holly and she left a voicemail. I will just play that. Here we go. Here's Holly.

[0:06:06.5]

H: I saw you on Kelly and Ryan show today. I remember the clarity app, but I don't remember the name of the app that gets you a refund if a product you buy goes on sale. Thank you.

[0:06:18.8]

FT: All right. Holly, thanks so much for watching Live with Kelly and Ryan. I was on March 13th. There aren't a lot of shows anymore, at least for me that I get to go on and then there's a live studio audience, Jen. It was fun to connect that way with people, because it's always fun to see people in person and just pick up on their energy and Kelly and Ryan are just such pros and so welcoming.

Anyway, the question is what was the app that I talked about that helps you save money on price drop purchases. Purchases you buy. This happens to all of us. You buy something and in

this retail environment, I feel like there are sales all of the time. You buy something, even if it's on sale, it could go on a steeper sale.

What this app does and it's called Earny, E-A-R-N-Y. It's fantastic. I signed up for Earny probably mid last year and really got to see it go to work for me around the holidays when I was purchasing stuff. It was identifying price drops on the very things that I was buying. The fact is, I mean you're busy right, Jen? Who has time to even know when stuff goes on sale? How do you even know?

You have to – maybe you're back in the store, or you happen to be online and then you catch it. Earny follows your purchases when the prices drop within the stores two to four-week price adjustment period. Because a lot of stores will honor the sale price for you. If you just bought the item say a week ago, or in some cases three weeks ago, they'll give you the sale price and then they'll refund you the difference.

Again, that takes awareness. It takes time. Earny does all of it for you virtually, and then you get money back on your card without even realizing that you are owed money. I tell you what, over the – I sign up for Earny, and at first I wasn't getting any money back. Then come holiday season, that's when you're doing a lot of the shopping. It's when a lot of the sales are going off and I was making 10 bucks back here, 15 bucks back there.

I saved hundreds of dollars over the holidays, over the course of a few months. Since January of this year, I've saved over a \$115. I'll tell you the stores that seemed to have a lot of the price drops, at least from where I shop; Zappos. Do you guys shop at Zappos?

[0:08:37.3]

JZ: No.

[0:08:37.8]

FT: Not really?

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JZ: No. I have big feet, so –

[0:08:41.3]

FT: Well, I love Zappos because there's free shipping and free returns and I have a lot of growing feet in my family between my daughter and my son. It's good to I know I can just buy a few pairs and then I always end up returning some. The ones that I keep, those end up going on sale days, weeks later and I get the price adjustment through Earny without even having to worry about it.

Also Nordstrom and Amazon and Bloomingdale's, a lot of price adjustments from those retailers. I mean, look, yes the site does take a cut, 25% of the refunds that it gets you. That's just because they have to make some money. The way I see it is this is money that I wouldn't have even known to go get for myself and Earny is doing it for me, so I'm happy to pay them a cut of that. E-A-R-N-Y was the app.

If you missed all of the others that I talked about, you can go to farnoosh.tv and go to my blog and I've posted the video, as well as the apps there. Do you use any financial apps Jen, as you're trying to keep your finances in order?

[0:09:47.7]

JZ: I actually do mint.com. That one mostly and just check it myself so the banks.

[0:09:54.2]

FT: Yeah. Your bank's app is sometimes the best place to start, because that's where you're spending is and it's free and sometimes your bank's app will give you other kinds of perks for signing up for the app. All right, our next question is an anonymous listener. They'd like to say anonymous and they've left a voicemail, so here we go. Let's play that.

[0:10:15.6]

A: Hi Farnoosh. I have a question about stock options from a company. My employer provided me with a few stock options, and I know that I have to exercise them. They're non-qualified stock options. I don't really know what the implications are, what I should do, how I should think about it. Just wondering if you had any advice. Thank you so much.

[0:10:37.6]

FT: All right. Stock options. I've never gotten stock options. Have you Jen?

[0:10:41.9]

JZ: No. Never have.

[0:10:43.4]

FT: Yeah. This is not my area of expertise, but I did do a little bit of digging for you. What I learned is that – I know what stock options are. They're basically you work for a company, they give you stock options at a particular grant price, and then you can exercise the option, sell them at market price, but you usually have a window of time to execute on the option. Sometimes it's a year, sometimes it's two years. It's a way for a company to entice you to stay at the company, because if you leave then obviously you lose the options.

I think of stock options as gravy and there's no way to time it. I think that what's more important is your own personal timeline for how long you want to work at the company. Also be mindful of the time frame, the window for the stock options. If they're going to expire in the next year, again we can't time the market, but if you bought it at a pretty low price and the price now is a lot higher, then maybe now is the time to strike.

My old boss Jim Kramer always said that pigs get slaughtered, and he of course is an investment guru. By saying this I think what he's trying to get is if you're trying to time it to be greedy, or if you are holding on to an asset, because you just are firmly believing that's going to go up in price and go up in price. I mean, sometimes you got to just take some money off the table and be at peace with that.

I am not the expert here to tell you when to strike, but definitely before it expires. If you are thinking of leaving, then you definitely want to exercise it before you leave. Any other advice?

[0:12:25.5]

JZ: Well, I think what I read is that they're also taxed. You get taxed on that, so you got to weigh how much you'll get and what tax bracket you might move to, exercise some options.

[0:12:36.3]

FT: Yeah, that's a good point. If you wait longer, you might be making more and therefore you'll have – it will be in a higher tax bracket. Yet, it's non-qualified stock options are subjects to ordinary income tax. That is something definitely to consider. Good point. All right, good luck to you. We're moving on to Jason. Do you want to read off his question, Jen?

[0:13:00.5]

JZ: Jason says, "What's a good secured credit card to get?"

[0:13:04.3]

FT: Yeah. Well, so let's just take a step back. What is a secured credit card for everybody listening? This is I call it a credit card with training wheels. A lot of times if you are rebuilding credit, or you're new to credit, you can't qualify for a traditional credit card yet for whatever reason, whether it's because you're new to the country, you don't have any credit to therefore justify getting a real credit card. Or you had a bad experience with credit, whether it was you had a foreclosure. You have a bad credit score.

Secured credit card, you can get it – a lot of financial institutions. I think most offer them and it allows you to put your own money on the card as the credit limit and it's usually starting you off at a low limit 500 to maybe 1,500 tops. You use this card and then you pay back the card

basically with your own money. You're paying yourself back essentially with the secured credit card.

The goal is to work responsibly with this card that you're paying your bills on time, just like you are the credit card. Then over the course of a year with good behavior, you could graduate into a real credit card that has a bigger limit and that can actually increasingly help you boost your credit score.

You want to make sure that whatever secured card you signed up for Jason that – a few things. One is that the activity on that card is reported to the credit bureaus, because one of the goals with using a secured card is to start to establish credit. You want to make sure that this secured card is something that's getting the activity is being reported to the credit reporting agencies that it will necessarily, hopefully you're being responsible, will help to boost your credit score.

The other thing to look out for are the fees. Sometimes there are fees for opening up a secured credit card. They can be anywhere from 1% to 3%. Sometimes nothing. I like to look for the cards that have zero dollar fee. You can search for secure credit cards online. There are sites link bankrate.com, nerdwallet.com. You can also start with your existing bank wherever you are banking. You can start there and ask.

Don't assume that you have to get it with the bank that you're already a customer at. Definitely, cast a wide net because if you can avoid the fee, why not? You can narrow down your search usually online. But do ask, make sure it's in the fine print and that you verified again with the bank that the activity on the card is going to get reported to the credit reporting bureaus. I've never had a secured card, but I think that they can be a great way for people who need to better establish credit to get closer to that goal. Have you ever had a secured card, Jen?

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JZ: Actually, we opened one for my husband after he had a bunch of debt and we paid it all and closed all those cards. We had to reestablish it. It actually worked out pretty good. He's back up in the 700s now.

[0:16:12.1]

FT: Good. How did you go about identifying your secured card? Did you pay a fee?

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JZ: I think it was an annual fee. Not monthly, but annual fee. His credit was really bad at the time, so I think he only had 250 on it at start. Yeah.

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FT: Eventually, how long did it take until he was able to move over to a traditional credit card?

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JZ: Well, I don't think it took very long. Maybe a year or two and we might've just not been so proactive with it. We were able to buy a house several years later.

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FT: As a co-buyers.

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JZ: Yeah, he was joint.

[0:16:54.2]

FT: That's great. That's really hopeful for anybody else out there that's in that tough spot. Jason good luck to you. If you are somebody who's looking to just improve your credit or be able to someday get that credit card, I think a secured card is one way to do it. The other way is that if you are married, or in a maybe – I don't know. You have a responsible person in your life that's close to you, whether that's a partner, or a parent, to be an authorized user on their card, that's

another way, an equivalent to having your own card in some ways and helping you to build up credit.

Now the only caveat is that it's going to be your behavior and the other person's behavior that's going to be reported on both of your credit reports. You just want to make sure that whoever you're signing up to be an authorized user on their card that that person is responsible. That you also take it very seriously, because I mean the goal is really to ultimately boost both of your scores, but you can piggyback so to speak on someone's else's card You're issued your own card. It's essentially the same account, but you get your own card and that's just another way to go about it.

All right. Christina. Christina has a great question. Thank you for asking this question Christina. That is she wants to know about a So Money course, which a lot of you have been signing up for. Thank you. Thank you. If you're on the fence, maybe this question will help you go over it.

She wants to know that if the course is just for graduates. She's married, 33, has a nine-month-old baby, 82,000 in debt, combined the household is making about a 138,000 in salary. They have savings, 22,000 in savings and they're renting. I think this course is for you Christina. It sounds like you could really benefit from some of the lessons and we also – what makes the course unique is that we don't just throw slides at you and read off definitions of words. We actually bring in real people with real questions about paying off debt and buying homes and through their questions, we're able to really bring to life some of the advice that I have for the students.

This course is – I brought this course to market with Investopedia. To get the course, you have to go to Investopedia.com. Specifically go to academy.investopedia.com. You can find the course there. We did end up changing the name. We tweaked the name from Master Your Money to Personal Finance for Grads.

I think that was just more of – like the marketing team just thought that might be better SEO, or perhaps was just getting straight to the target market. The truth is there's a lot of young people taking this course. You're not learning higher level financial training. It's more the basics. I think

it's still valuable for people who are trying to overcome things like debt, or become better at saving and budgeting and investing. It definitely can give you a lot of those foundations.

Christina, to answer your question, yes I think that it could totally be up your alley. If you go to the landing page at Investopedia, look up Personal Finance for Grads at academy.investopedia.com. There is a trailer. You can see what other students are saying. You can get a little bit of a feel for it.

If you do sign up, remember to use Farnoosh 20 as the code for 20% off. It's \$99 normally, so that will save you a good 20 bucks. Thanks for your question. I hope that the course works out for you.

All right. Jennifer read off our last question please from Mona.

[0:20:51.7]

JZ: All right. Mona says, "What are your thoughts on laundromats as a business? Could you guide me through the pros, cons, location strategy, environment friendly, how to find one online and avoid of agent fee?"

[0:21:04.1]

FT: Wow. That's a lot of questions. I'm flattered that she thought I would have all the answers to that. I love where her head's at. The laundromat business I have read, and you can maybe chime in here Jen. I've heard that this is one of the most recession-proof. One of the most recession-proof businesses out there.

I remembered during even the most recent recession, there were articles in the New York Post. Here in New York, I mean there's a laundromat, a coin-operated laundromat every few blocks. You can imagine there's so many people living here and not everyone can have a laundromat in their building.

They don't go out of business, because I think even just as a wife and as a mom and as somebody who has a household, we collect a lot of laundry over the course of a week. It is the

last domestic frontier. Nobody wants to do laundry. If you live in the city and you value your time and you don't have say access to a laundromat in your apartment or in your building, then you have to wash your clothes, so a laundromat whether it's coin-operated, or one that's a little more established like that has dry cleaning and wash and fold. I think either way, you can't go wrong. Now what do you think – I mean, you don't live – It sounds like you're not in a very urban environment, right?

[0:22:26.5]

JZ: No, we're in a pretty rural area.

[0:22:27.7]

FT: People do their laundry. Don't open it up where Jennifer lives. I can always give you some location advice. You got to go somewhere where there are people. It's like a transient environment, people are living in apartments mainly where they don't have the ability to have washer and dryers in their apartments. That's a no-brainer. I mean, you don't want to go into the suburbs and open up a coin laundromat.

Unless, maybe it's New York college, or just a very well-known area that has a lot of young people and they don't own their homes. They rent. They don't have the access to laundromats. I would also – maybe along the way. This is just me, because I'm really interested in how to innovate something that is a very traditional business model. How can you Uberify this Mona, right? How can you make laundry service an on-demand thing?

I know there are some actually some companies that are test-driving this model in New York, where they'll come and pick up your laundry, and the same way that you would call an Uber, you'd call the laundromat service to come to your house, pick up your laundry, they take it off site, they do the laundry and then they bring it back to your home washed, fold, dry, pressed, all of that. I think within 24 hours.

That's definitely the 2.0 version, the 3.0 version of the laundromat. I feel like that could be something to experiment with I think about – there are tons of books on this Mona. I actually did an Amazon search for you. You've probably done it yourself, but just to reiterate, there is – just

go Amazon, type in starting coin laundry and there is coin laundries road to financial independence, a complete guide to starting and operating, profitable self-service laundries.

Jennifer, do you watch Real Housewives of New York?

[0:24:15.4]

JZ: I used to.

[0:24:16.3]

FT: You used to. When did you give up? This is relevant by the way.

[0:24:20.2]

JZ: I mean, it's probably been five years ago.

[0:24:22.5]

FT: Okay. Well, there's a guy on the show and I can't remember his name now. Johnny, I want to say. John. Yeah, he runs a very popular family-run dry cleaning service and he caters mainly to the rich. People who have very expensive designer outfits that you can't just throw on the laundry and you would even actually be nervous giving it over to the dry cleaner on the corner.

You want to go somewhere where you just know they're going to be able to handle it with super care and he charges a lot of money. It seems like he's rolling in the dough. It's not this sophisticated business necessarily. I mean, it is, but it's not – it's old school. It's laundry. It's not very glamorous, but I think it can do very well for people who want to have a long-term run at this – at running their own business. I think that it can definitely withstand the test of time.

I'm so excited that when my listeners is thinking in this direction, Mona. I'm really excited for you. Let us know where you'll land with this idea. Jennifer, I mean you have a business more or

less. You have this website. You have aspirations to take it to the next level. What does that even look like?

[0:25:44.4]

JZ: Well, I mean, on the website I'm more providing information right now, building my listener base, or reader base. I'm also going to post job postings on there as well. That's where I'll financially make something off of it, but also trying to give back. I plan to take 10% of it to pay for the clinical lab science internship students. They have to go through really pretty hard year of training and living expenses, it's hard to work while you're doing that. I'd like to help them get through the year.

[0:26:23.2]

FT: That's great. Giving back. Well, thank you so much for coming on the show. I hope you had fun. I hope it was everything you thought of it more.

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JZ: Absolutely. I'm so excited.

[0:26:32.7]

FT: Jennifer Zedlitz, thank you so much. Everybody check out laboratorycareer.com. Thanks for listening. I really appreciate you coming on, for listening and for just being along for the journey ever since Bank of Mom and Dad days. That's commitment.

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JZ: Yup. Totally.

[0:26:50.5]

FT: Thank you.

[END]