

**EPISODE 800**

[ASK FARNOOSH]

**[0:00:34.6]**

**FT:** Welcome to So Money, everyone. October 26. Did you hear that? Episode 800. I couldn't believe that as I was calculating all my episode numbers the other day and thinking how long will it take me to get to a thousand. Good news, it's a while. It's not going to be next month, or even next year. I'm at least going to try to hit that milestone and then after that, probably still continue podcasting, but maybe have it take on a new form.

News flash, here's an opportunity for you all to tell me what you'd like me to do with this podcast after episode 1,000. Like I said, it's not going to happen for a while, but I feel if I'm going to make a big sea change, it needs to happen over time, gradually plan it out. If there's, I don't know, like a subsidiary podcast you'd like to so money, or just a complete different way to do the podcast, as I was talking to my co-host whom you'll meet momentarily about podcasting, and she's also a podcaster. It's over time, when you have years under your belt as a podcaster, one of the luxuries you have is really getting to know your audience eventually.

In the beginning, you really don't know who's out there, but eventually they give you feedback, you solicit their advice and input. I hope that the show today is very much a reflection of what listeners want. If you still feel like you're listening, but sometimes you wish I would go in this direction, or that direction, or maybe I should really investigate something bigger, or whatever, tell me.

We have the Ask Farnoosh button on the So Money podcast website where you can leave a question, but you can also leave comments. Instagram is also where I'm very, very active building a community there, so you can either direct message me there. Occasionally, I'll go into the Instagram stories and put a little widget in there where you can actually type in a question for me and then I go and answer them.

I try to be accessible. Facebook. You can e-mail me [Farnoosh@farnoosh.tv](mailto:Farnoosh@farnoosh.tv). However way you wish, let me know how you think I should evolve this podcast as we enter and get closer to 2020. Oh, my gosh. What is happening? I need to get a grip. Help me out and let me know where you think this episode, or this podcast rather should go.

I want to transition now to introducing our fantastic co-host for today. Her name is Leyla Shams. She is a podcaster, she is a side hustler, she like me lost her job in the recession and since then has really taken a complete new take on her professional life and she's also an Iranian woman like I am. For a lot of reasons, very excited to connect with her. Leyla, welcome to So Money.

**[0:03:30.0]**

**LS:** Thank you so much for having me, Farnoosh.

**[0:03:32.8]**

**FT:** Take us back a little bit to well, I want to talk about your career transition, but your immigration to the United States from Iran. Let's go there. Let's talk about your memories of that and yeah, tell me. Tell me everything.

**[0:03:50.6]**

**LS:** Well, so I was born in '83, which as you know is four years after the Iranian Revolution, which a lot of people don't know but there was a big baby boom in Iran at the time. There's a lot of people born in that decade. It was during the Iran-Iraq war, so I have memories of that. My whole family had started transitioning to the US in the 70s. My uncle went to school here, and so we had – and he came to school in Dallas.

The whole family just started trickling to the United States. My mom was actually one of the last to leave. I remember immigrating, coming to the US and learning English and all that stuff. I have very vague memories of that.

**[0:04:32.9]**

**FT:** Where did you settle? Where did your family settle?

**[0:04:36.1]**

**LS:** Dallas. My mom has four brothers and sisters, they all moved to Dallas along with my grandparents, my grandmother's brother, all of his kids. We have a big family there. I actually moved to Austin when I started going to school here. I currently live in Austin, but my mom is here visiting from Dallas right now, so we're a very close family. We still see each other all the time, but everyone's in Texas.

**[0:05:02.2]**

**FT:** Yeah. I have a couple of relatives in Texas as well. I think it's partly the climate that draws everybody there.

**[0:05:06.9]**

**LS:** Maybe. Also, I tell people when you're in a faraway country when you hear United States, you think California, New York, Texas, there's this full glory of Texas. I feel like there's a lot of us settled in these three states especially.

**[0:05:22.1]**

**FT:** You went on to earn a professional degree in architecture, which I know is really competitive. What drew you to architecture and then what took you away?

**[0:05:32.1]**

**LS:** Actually interesting. This all goes back to childhood. In Iran, you don't just get to go to college for whatever profession you want, you have to take this test. I'm sure the Konkour, and you get placed into a profession based on how well you do on that test. My mom had a dream of becoming an architect and she actually didn't make it. She became an accountant, which

architecture like she said even in Iran was the hardest one to get into. She always talked about architecture and these really dreamy terms.

When I was in college, I first of all loved finances, loved, loved finances. I would read finance books growing up and she was always horrified, because it was her least favorite thing that was her job. Once I got to college, I actually decided to get a humanities degree and she encouraged me. She was like, "You're young. You could do whatever you want. You can get the humanities degree, but why don't you also get a degree in architecture?" Just throwing that out there, try it out and then all these doors will be open to you. Now is the time to work as hard as you can to have doors open. She kept instilling that to me. Actually, after my first year of being a humanities major, I decided to double in architecture. I came out having a lot of choice and I thought that was really good advice.

**[0:06:55.2]**

**FT:** There's that Persian in you that practical advice. Follow your passion, but be practical.

**[0:07:02.6]**

**LS:** Totally.

**[0:07:03.7]**

**FT:** My parents knew I was always really interested in things like art and culture and entertainment and acting and writing and they're like, "That's cool, but if we're going to pay for college, which is a lot of money, please get a degree that will actually equate to a job immediately," as opposed to working at Olive Garden. Like a lot of my communications friends did for the first months or so. Or living at home with their parents, which I think my parents would actually like, but I –

**[0:07:36.7]**

**LS:** I know. Keep us there forever.

**[0:07:38.7]**

**FT:** Wasn't for me. Okay, so fast for a little bit, you became a licensed architect. You were laid off during the recession, so was I.

**[0:07:48.0]**

**LS:** I actually didn't become a licensed architect. That's one thing – with architecture, it's one of those things that I've heard only 10% of women that graduate with an architecture degree do get their licenses. It usually takes years and years and a lot of people transition out of architecture. It's a degree you can do a lot with. You don't necessarily get licensed, but I was working full-time as an architectural designer is what we have to call ourselves.

I did that until 2008. I actually quit my job to work on a side hustle with my family, which was this Persian board game that we've designed altogether. My mom was actually – she taught reading and writing – she taught Persian growing up. She had the first Farsi class in Dallas for kids. She was always interested in that education. Together with my family, my aunt is a psychologist, so together we designed this board game and I quit my job right before the financial collapse, right before my firm laid off a bunch of people. It was terrible timing, or maybe good timing. I'm not sure. Yeah, that's how that went down.

**[0:09:04.0]**

**FT:** I didn't know that your mom taught Farsi. Perhaps, that's where also you got the seedling idea to start your podcast.

**[0:09:14.5]**

**LS:** Exactly. After the recession hit, I realized I couldn't get a job at that point. Then my hands were tied. I was like, "I would like to get back in the field. Maybe I don't want to do side businesses forever, but I could not get a job." I saw all my friends get laid off. At that point I

thought, "Okay, it's time to do other things." I'm not going to just sit here and do nothing. One thing I'd always been interested in was podcasting and radio.

I loved this American life at the time and I was a podcast junkie from the beginning. I thought what can I contribute? At the time, Iran was in the news all the time in a really negative way and I thought, one thing I could do is do some culture podcast. One of the best ways to understand a culture is through language. I started learn Persian with Chai and Conversation, which I thought was a friendly name. Chai is the Persian word for tea. We have chai all the time, all day. I thought that was –

**[0:10:20.9]**

**FT:** Yeah. We bleed chai.

**[0:10:22.2]**

**LS:** Yes, totally. I thought this will be a really casual podcast for people wanting to learn conversational Persian, which is different than written Persian as you know. People that just want to get started talking with family and friends, or get to know Iranian people a little bit better, I thought this could be my contribution.

**[0:10:43.5]**

**FT:** Yeah, go ahead. Keep going.

**[0:10:44.9]**

**LS:** Yeah. From the beginning when I started it, I would – I had this free podcast that you could listen to it, but then I would have these PDF guides that I wrote out on Photoshop. Since I'm a designer, everything had to be designed really well. I really paid a lot of attention to the graphics and everything. I started selling these PDF guides for each lesson for a dollar each. The first week that I had my podcast, I started getting customers. They would PayPal me a dollar and I would e-mail them the PDF guides, and that's how I got started.

The more lessons I had, like when I had just one lesson, I get \$1 per customer. When I had another lesson, people would send me another dollar. Then I knew like, “Oh, wow. I’m onto something here.”

**[0:11:30.4]**

**FT:** Good for you. That was smart that you had – you were like, “I want to do this podcast, but maybe it would be a funnel.” You had a strategy.

**[0:11:37.6]**

**LS:** Totally, totally. I started growing my e-mail list from the very beginning. Actually in 2010, I ended up getting back into the workforce back in architecture, but at that point I had this foundation laid already for this side hustle and I kept working on it while I was at my full-time job as well.

**[0:11:54.2]**

**FT:** Amazing. Good for you. Right on.

**[0:11:56.8]**

**LS:** Yeah. So much fun. That was a way, like my mom said, when you’re young, you have a lot of energy. One thing that got me into the podcast was I was really interested in journalism and like I said, podcasting. I was just, I thought, “How can I get into this without having to go back to school and get a four-year degree? Something totally different. Why don’t I just learn on my own through this method?”

**[0:12:23.5]**

**FT:** Yes. It’s like your own personal MBA.

**[0:12:26.7]**

**LS:** Exactly. Totally.

**[0:12:27.2]**

**FT:** For what you want to actually do. Yeah.

**[0:12:29.2]**

**LS:** Oh, my gosh. Totally.

**[0:12:31.3]**

**FT:** Fantastic. You discovered So Money. We connected. As a listener, you reached out, because you wanted to co-host and I'm so grateful. How did you learn about the podcast, my podcast?

**[0:12:44.1]**

**LS:** Well, it was actually your interview with Mr. Money Mustache that I saw first, so I don't remember what episode that was. Was that in the hundreds maybe? Do you remember?

**[0:12:55.8]**

**FT:** That, it was early. That was early on.

**[0:12:59.1]**

**LS:** Exactly. It was that episode that got me into it. Then I actually attended a podcasting conference where you were speaking and I came and introduced myself afterwards. I was like, "Hey, I have this podcast. You have an American husband that maybe needs to learn Persian."

**[0:13:14.7]**



**FT:** Oh, okay. This is I wanted to tell you. This is funny. I'm so grateful for Chai and Conversations, because my husband actually – my parents bought him Rosetta Stone Farsi one year and I listened to it. I couldn't make it out. I was like, “I don't understand what language they're speaking, but it's not how we speak Farsi.” Rosetta Stone I think is great for more mainstream languages, like French, Spanish perhaps. I even thought the French one was a little awkward sounding. That didn't go very well for him. I'm going to turn him to your podcast, because I think this way at least he can know at Thanksgiving when people are talking about him.

**[0:14:02.4]**

**LS:** Exactly. Like you're saying, getting to know your audience more, I've discovered I have this e-mail that goes out when people sign up that's like, “Why are you learning?” I will say 98% of my listeners are the husbands, wives, or want to be husband, wives of Iranians. That's the bulk of my audience.

**[0:14:21.0]**

**FT:** Awesome. It's a beautiful language. People say when they hear it. It's hard to nail it down, but if they say that has hints, and it does, it has hints of flavors of French and Arabic and even English. It's a relatively young language compared to some of the other dialects out there, right?

**[0:14:43.4]**

**LS:** Right, exactly. Yeah, yeah.

**[0:14:44.7]**

**FT:** It has a lot of influence.

**[0:14:45.5]**

**LS:** Back to So Money. Back to So Money though, I did – I started listening with that Mr. Money Mustache, and then I just – then I saw you speak at the podcast movement in Fort Worth it was.  
**[0:14:57.8]**

**FT:** Yes, I remember.

**[0:14:59.1]**

**LS:** Yeah. Then after that, I was so hooked on the podcast. I loved it. Back then you were doing every day, so I was listening every day and so many people say you're so relatable and so fun to listen. I've learned so much from you. I've always been really into frugality and really into finances. I feel like you opened my eyes up into different ways of dealing with money that are not just about saving, saving, saving every penny, which I really appreciate.

**[0:15:27.4]**

**FT:** Thank you for saying that. That's really helpful feedback. As I say in the intro, if you want to learn how to double your double coupons, you're in the wrong place.

**[0:15:38.4]**

**LS:** Yeah. Totally, totally. Yeah, I feel when I've been listening to you and I've been thinking this concept of levelling up. Every time I listen to you I'm like, "Okay, level up, level up."

**[0:15:48.1]**

**FT:** Right. Yeah. I still feel that way. There's always room to level up.

**[0:15:54.1]**

**LS:** Totally.

**[0:15:55.5]**

**FT:** Awesome. Let's help some of our listeners level up. I have a question from Paula on Instagram who is from Chile. I have a few international fans. This is really cool. I'm excited to hear from Paula. Her question is Farnoosh, do you have any investing suggestions for foreigners? She is from Chile and I assume lives there, or perhaps is not a US citizen. Therefore, can't maybe access things like the US stock market and other kinds of US restricted investment, whatever you call it, tools, indices, markets, exchanges. I do have gotten this question a little bit from here, here and there from people from all over the world. To be honest, I don't think there is a very easy way, or even a way to access say the US stock market from certain countries where there's restrictions, if that's what you're interested in.

There are other ways to invest, right? There are other ways to invest your money that don't have anything to do with the stock market. I just know from my own experience a lot of foreign relatives and my parents, for example too who immigrated here from Iran, they were very fluent in investing in things like real estate and business and people and ideas.

I think for a lot of countries where something like a stock market is not as accessible, or even it's not part of their economy, then you would necessarily look at some of these other things to grow your money. In some countries, the savings rate is better than what we historically earn in the stock market over a 20-year period. I know in Iran where there's astronomical inflation, the savings rate is 20%. Did you know this?

**[0:17:56.8]**

**LS:** No. Wow, that's crazy.

**[0:17:59.0]**

**FT:** So high. It would behoove anyone that put their money. I mean, there are risks of course, maybe there's not the FDIC insurance like we have here over there. I don't know what their protections are, but that's pretty compelling. I'm not fluent in what Chile has to offer when it comes to investments, but I think that's where you need to do your exploration. There are

experts here on the grounds in the US who are more versed in international investments. Even for those, I think you may have to be a US citizen.

There may be loopholes, and if you are listening and you know about them, or if you know about alternatives, let me know. I get this question a lot and I haven't really done a lot of digging around into it, but I feel there are people listening who might know. I would like to relay that to people like Paula.

Leyla, tell me a little bit about like – for me, my parents never really insisted on investing in the stock market growing up, but they were really into investing in your education, investing in your yourself and business and real estate for sure, because that was what they were really well-versed in.

**[0:19:17.3]**

**LS:** Right, exactly. I think education is the biggest one. We even have – in Iran, I know people invest a lot in gold, in gold jewelry because that goes up a lot. Also, you buy things like rugs, so more material things that you can see, that you can live in, that you can feel just you're like saying.

Actually, one thing I know about Chile, I actually worked with my first job I work with the Chilean architect and the people that worked there, there was a big income disparity between those of us working in the US and the ones working in Chile. I think that there's so many factors like that. Like you're saying, the factor of inflation and everything, it's really hard to answer this question. It's hard to know where to start from.

**[0:20:03.9]**

**FT:** Yeah. She asked it on Instagram, which I know it's not exactly an easy place to ask a long question. I don't encourage really, really long questions because it does hinder me from answering, because I do get them and I do answer almost every question eventually, but the long questions you're going to have to probably wait like a week or two to hear from me, because I get really overwhelmed with 800-word questions. I'm like, "Ah. I can answer this."

Sometimes to save myself time, but still give a quality answer, I will respond in a video, because it's faster to talk than to type, for me at least. Anyway, not to discourage anyone from asking long questions, but just know that that could be a bit of a long wait. Paula, good luck to you and thank you for the question. If you're living in Chile, thank you for listening from so many miles away.

All right, Soshalik on Instagram, another question about investing, also broad; she wants to know what's the best way to invest her money and how much does she need to get started? Do you have a 401(k), Leyla?

**[0:21:14.2]**

**LS:** do from my previous employers, and they're all rolled over to Vanguard. As soon as I left, I had them, yeah.

**[0:21:22.8]**

**FT:** Into IRAs?

**[0:21:24.3]**

**LS:** Exactly. Yeah.

**[0:21:25.6]**

**FT:** Soshalik, I don't know what your employment situation is, if you're an employer, if you work a full-time job and you have access to a 401(k), or something like that, like an employer sponsored retirement account. Sometimes they're called 403Bs depending on your job. I would say that would be a good place to start having access to a 401(k). Well, I don't think that the actual investments in every single 401(k) are all ideal, but I like them, especially if they come with an employer match.

Often, many companies will say, “Hey, invest in our 401(k) and we will give you a dollar for every dollar you put in, up to a percentage of your income.” That's essentially free money. If you have access to something like that, I would say that's a great place to start. Invest in that 401(k) at the minimum to earn the full match.

I like to say and this is not just me, this is a lot of the financial expert community. We like to say that if you have the ability to save for retirement, then start with a minimum of 10% percent of your salary in this account, whatever it is, if it's a 401(k), or an IRA, or just a brokerage account, or just index fund. I think the 401(k) has a lot of benefits. The matches one, if that – sometimes you don't get the match, but there's definitely the tax deduction. Whatever you put into the 401(k) up to, I believe this year it's 18,500 is tax deductible from your income, which reduces your taxes, and so that's a savings.

It's automatically distributed from your paycheck to this 401(k). There's no writing checks, there's no forgetting, it's done every single paycheck. I have to say when I first started working in many years ago, I was in my early 20s and my father had alluded to this thing called the 401(k) and I was like, “I don't know what he's talking about. I guess, I'll just learn about it on the job.” I was very grateful, because on my first day as I was learning all the things about the job, including where's the bathroom and when's lunch and what is a 401(k)? My benefits manager at my company sat me down, Mary. She was like, “Do this 401(k).” She explained what it was and I was like, “I don't if I have money. I'm making basically nothing here as you know, because you fail to give me the raise that I asked for negotiation.”

She's like, “I know, but we have this match. I would just say start slow.” If you can't do the full 10% social leak, I know that's not your first name, but that's your Instagram handle, then start somewhere. Start with 5%, start with at least enough to earn the match and then move your way every year as you earn more, or as you get more, like you get more 401(k) happy, because you will. You'll start seeing that account balance grow and you'll be like, “How did I do this?” It's because the laws of behavioral finance. You just let it, set it, forget it. Then the next year, increase it by a couple more percentage points, and then until you have about 10%.

I'd love for everybody to save as much as possible. I'd love for you to max out that 401(k). I know that's hard in the beginning, but just start. That's the trick to be able to get the confidence to do more and do better. Did I cover everything?

**[0:25:01.9]**

**LS:** Yeah, that sounds good.

**[0:25:03.1]**

**FT:** Sound good?

**[0:25:04.6]**

**LS:** I'd also like to add a little bit.

**[0:25:06.4]**

**FT:** Yeah, please do. This is why you're here. I need to – into your water break.

**[0:25:11.3]**

**LS:** A book that I don't hear talked about a lot is, have you heard of Andrew Tobias, *The Only Investment Guide You'll Ever Need*?

**[0:25:17.1]**

**FT:** I have.

**[0:25:18.2]**

**LS:** Okay. Well, I read that in high school. That was my big investment bible in high school. I remember he would just say Roth IRA, Roth IRA, and that was what stuck with me. My parents

didn't have good investment advice bit that I was like, "Roth IRA. Okay, that's the thing I need to do." When I got that first job, I did do the match with the 401(k), but I also maxed out my Roth IRA, which was 5,500 at the time, I think.

That money, at the time this was my first job and I didn't miss the money, but I did think I was like, "Well, 5,500 right now to me is a lot of money." It's not going to mean that much to me when I'm older. Now, that now since I did max it out back then, I realized that's totally wrong. That 5,500 now has more than – it's become so much money that there's no way I could save that right now. Compound interest is amazing. That's what I would say.

I would just throw a 100 in there, 200 in there, 300 in there per month. I'd say it doesn't matter what you have to get started. Just get started with something and you will be amazed with compound interest, how much that money will balloon. It's amazing. I know everyone always talks about compound interest that until you see it, you're just like, "Whoa."

**[0:26:40.9]**

**FT:** You heard it here. Leyla can attest to that. Really quick, a Roth IRA we talked about it on the show ad nauseam and maybe some people still don't know about them. Just really quick, it's an individual retirement account. You can open it up at any bank virtually. It is designed for retirement. Primarily, the idea is that you put money into this IRA, this individual retirement account, your money's invested in things like stocks and bonds and mutual funds and CDs and whatever your heart desires to an extent, and you keep the money in there, you grow it until age 59 and a half, you withdraw it penalty-free, tax-free as well, which is where it differs from a 401(k).

A 401(k) the tax benefit is today. You get to contribute and then reduce your taxable income with that contribution, by that contribution. In retirement when you withdraw from your 401(k), you pay taxes on those withdrawals. With the Roth IRA, it's the reverse. You don't get the tax benefit today, doesn't reduce your taxable income the contribution amount, but when you withdraw it in retirement, it's tax-free.



A lot of people like that, because it offers a bit of tax diversification in retirement in terms of your income from these retirement account fund streams. Then today too, if you are young and you're not making a lot of money, and this by the way, Roth IRAs do have income limitations, so you can't be making like a million dollars a year and have a Roth IRA. There are limitations. Check the IRS website.

It's great for young people, because the stage in their earning, they're not earning as enough to – their tax bracket is a lot lower today than what it presumably will be later in life when they're withdrawing, so you're able to save taxes in that regard. Yeah. I know Suzy Orman loves Roth IRAs too. Pretty much everybody's favorite flavor when it comes to IRAs. All right, so I hope that was helpful.

Liane has a question about store cards. She wants to cancel them. I don't blame her, but she knows that her credit rating will take a hit because what happens is when you close a credit card account, you lose a few things; you lose the credit limit that was given to you through that card, you lose some of the history on that card, which includes the time frame and the length of your credit history is a factor in your credit score. Even though she's not using these cards, it's like carrying a weight on her. She just wants them to be out of her life. She has excellent credit. She says, "I don't plan on needing a loan anytime soon." Even if this does hurt her credit score in the short-term she's like, "It's not really important to me. Should I close them?" I feel like, I want to know one more thing here Liane. I want to know what other credit cards do you have in the mix here. Are these your only credit cards? I'm going to guess no. If that is the case, you have other cards in your credit card portfolio, then I don't think this is going to be a huge burden in the long run.

Assuming also that you are debt free, you're not carrying balances month-to-month, because if you do, if you are someone who's carrying a balance month-to-month and you shut off access to certain credit cards and therefore the credit limits, then your debt to credit ratio balloons, okay? Because you've now basically reduced the denominator in that debt to credit ratio ratio. That could be potentially hurtful. Again, she's not looking to get a loan any time soon.

Your credit score is not just the thing that credit card companies and lenders look at. Also, insurance companies look at it, also landlords look at it when you're applying for a lease.

Sometimes well, the employers can't access your credit score, but they may want to look at your credit report. I don't know. There may be some times, instances where you do want to have a good credit score in the next six to 12 months.

I would say if you have other credit cards in the mix that have high credit limits and you're not carrying any debt and these three store credit cards, their limits amount to less than say like 10%, 15% of your overall credit limit, your credit allotment in your name, I don't know if it's going to be a huge burden on your credit score. Your credit score may suffer a little bit, but maybe not. It's not going to be a foreclosure on your home.

**[0:31:42.4]**

**LS:** Right. It might be a good idea to space it out a little bit, right? Especially if it's not time intensive.

**[0:31:48.8]**

**FT:** Right. In many cases if they are dormant for many years, the stores will just cancel them.

**[0:31:55.6]**

**LS:** Oh, I didn't know that. That's good to know.

**[0:31:57.4]**

**FT:** Yeah. I've had in my 20s, I got very store card happy. I got one here and there and other place, mainly to get the discount. I want 30% off my purchase today.

**[0:32:14.9]**

**LS:** Which that's a question, how do about those cards, like those early 20s cards? How can you find out? I can't even remember if I did that.

**[0:32:23.2]**

**FT:** Oh, you just pull your credit report. It will say if you have them anymore or not.

**[0:32:28.1]**

**LS:** Okay. That's good to know.

**[0:32:29.3]**

**FT:** The last I checked on my credit report, those cards were off.

**[0:32:33.9]**

**LS:** Okay. Automatically.

**[0:32:34.9]**

**FT:** Yeah. I do believe getting – I do remember getting letters in the mail here and there. Like, “Hi, you haven't used your such-and-such card in 18 months. We're just sending you a friendly letter to let you know that if you don't continue to use it over the next six months, we will just take your account off our ledgers.”

**[0:32:56.7]**

**LS:** Good to know. I remember those offers of \$25 off if you open the store credit card, seemed really enticing back then.

**[0:33:06.6]**

**FT:** Yeah, of course. I mean, it really speaks to the zeitgeist of the young adult shopper.

**[0:33:13.1]**

**LS:** Or did you guys have in college like the free pizza? Oh, my gosh.

**[0:33:16.6]**

**FT:** We got free everything.

**[0:33:19.4]**

**LS:** It was like, “This is amazing. I can just open a card, get free money and get a free pizza.”

**[0:33:26.3]**

**FT:** Yup. It hit the spot in the moment. Okay, last but not least, TheRightRachel on Instagram wants to know, we need to pay down my student loans, we also need to save and keep growing the business. What's the best order to tackle these things? Wow. Well, I would say that student loans while they're categorically debt, it's not like credit cards where they don't have a fixed payment and there's no term attached to it. Student loans feel like, if you can make that monthly payment every month, which you hopefully can because if you don't, then your life is about to get ugly, just because student loans are the sort of thing where we're like, “Oh, it's good debt, but it can be really bad debt if you fall behind.” The creditors are not – they have no mercy.

Just make that monthly payment, get it on autopilot. When you do by the way, you save on interest, you can reduce your interest rate on that loan by 0.25%, did you know that? Yeah, by automating, in most cases, federal and private loans.

**[0:34:43.9]**

**LS:** Wow. I had never heard that before.

**[0:34:46.7]**

**FT:** Yeah, yeah. It's a great thing. Then make sure that whatever interest you're paying on these loans that you bring that up during tax time, because that cannot be an interest deduction. You can deduct on your taxable income. Just get your student loans on a schedule, pay them off and don't worry about being aggressive with it. Unless of course, you have a lot more money to play with, then I think that could be a good place to put them. Generally for your student loans, I don't think they're going to be super high interest compared to say credit cards. You're fine. Just pay them off on schedule and follow the course.

With saving, very important, I think that if you have a little bit of extra money every month that you want to then firstly, firstly make sure, because sounds like Rachel is an entrepreneur. You need a lot of financial runway and you can speak to this too Leyla, right?

**[0:35:40.0]**

**LS:** Totally.

**[0:35:40.9]**

**FT:** The more you have in your bank account for you, for rainy day, or for the business for a rainy day for that matter, the more you can actually take some healthy risks with the business and you can experiment and grow at your pace and not feel the pressure to necessarily be profitable in the first three months or whatever, which is crazy. Saving is of the utmost always, but especially when you run your own business, because you don't have fall backs that people may with getting laid off. You don't get a severance package when you're self-employed. You have to be your own employer in that sense, save enough for yourself, so that you can give yourself the freedom to really explore this business gracefully.

I know you have to keep growing the business, but I don't know what stage of the business you're at. Sounds like early, but there's a lot of ways to bank on free resources too when you're starting a business. Bartering. You can make sure you're tapping into fellow entrepreneurs. Maybe not in the same niche, but others who have resources, who have experiences can tell you don't do this, or do this. Because failure can be expensive, but if you can hedge a lot of your little falls and missteps because you have tapped into experts and resources and fellow

entrepreneurs for their feedback, that can be priceless. It can save you a lot of money is what I'm saying.

**[0:37:17.2]**

**LS:** Right. I'm also a big fan of growing businesses slowly. Not throwing back all the money that you've earned into the business. Keeping like you're saying, that healthy cushion and taking small risks at a time. A lot of people get really excited about a business and all of a sudden, they spend all their money on equipment and things that they don't necessarily need from the very beginning. I think be careful with that. Definitely have that healthy saving cushion.

**[0:37:47.2]**

**FT:** Yeah. There's a great book and the author has been on this podcast. It's called *Profit First*. Mike Michalowicz. This book is a bestseller and it really re – it shifts the mindset of the entrepreneur where I think a lot of us approach our businesses thinking like, it's we have to we make the money and then it goes all back into the business. We pay the vendors first. You're the most important person in the business, by the way. Reserving a portion of your income immediately for yourself.

We always talk about pay yourself first. Same is true when you're running a business. The profit first should go to you and then the rest of the business. If you want a resource, I would recommend Mike's book. That's a wrap. Leyla, thank you so much.

**[0:38:37.0]**

**LS:** Thank you so much for having me. This is so fun.

**[0:38:39.9]**

**FT:** It's been a long time since – it's been coming since what? Podcast movement was three years ago?

**[0:38:47.5]**

**LS:** More than that.

**[0:38:48.3]**

**FT:** My goodness. I don't think Colette was in my life yet.

**[0:38:51.4]**

**LS:** Oh, my gosh.

**[0:38:52.7]**

**FT:** It's great to finally be talking and connecting on the podcast and let me know how I can continue to, like if I can help you in any way.

**[0:39:01.5]**

**LS:** Well actually, so I have one little boy right now who just turned two, and I'm having another baby in March. I'm not sure. I don't know what it is yet, but I listen to all your parenting advice, because that's where I'm at right now. Okay, I'm about to have two. What's going to change? What do I need to prepare for?

**[0:39:19.9]**

**FT:** How old is your first child?

**[0:39:21.9]**

**LS:** He just turned two in July.

**[0:39:24.4]**

**FT:** Okay, so he'll be about the same age as my son and daughter. The difference is two years and nine months.

**[0:39:29.5]**

**LS:** How is it? How is that age gap?

**[0:39:31.7]**

**FT:** You have a boy, right?

**[0:39:33.4]**

**LS:** Yes. Yep.

**[0:39:36.0]**

**FT:** Okay. I can't wait till they're six and four, because I feel like then, they'll be able to negotiate and they'll be able to fight their own battles. Colette will just be able to stick up strongly for herself. Now she's still such a baby in some ways. She's strong. She's actually really physically strong, but her brother is four and it's really all about, like it's monkey-see monkey-do for her. She wants to climb and run and do silly things, which can be hurt – which is safe for him, but maybe potentially harmful for her. I'm constantly playing referee physically. Just prepare for physically it being challenging.

**[0:40:20.6]**

**LS:** Okay. Got it.

**[0:40:22.9]**

**FT:** Just stay healthy. Drink a lot of water. Try to get sleep, because physically it is exhausting.



**[0:40:28.7]**

**LS:** Right. I'm trying to have as much of a backlog of work done, so I can just automate it at that point, which is the awesome thing about having a side business, or having your own business, as opposed to being on someone else's schedule.

**[0:40:40.3]**

**FT:** That's a really, really great piece of advice. I think I do that, but I didn't really think of it as a tip. Really try to automate so much of your life. Get rid of decision fatigue.

**[0:40:52.9]**

**LS:** Totally.

**[0:40:54.6]**

**FT:** I wear the same thing every day now, because I work from home. I buy three of the same shirts and I just rotate.

**[0:41:00.2]**

**LS:** Oh, my gosh. You need to do a blog about that. That would be awesome.

**[0:41:03.3]**

**FT:** I just rotate. I learned this from some of the best entrepreneurs out there, who don't even have kids by the way. They're not the primary caretakers. They're just busy, because they're running a business, so they eat the same thing every day, they dress the same way every day, they take the same path. They just have these rituals that happen all the time, happen automatically and that way, they can just focus more on what is important, which is building

relationships and working on ideas and being present in actual meaningful things in their lives, as opposed to –

**[0:41:36.8]**

**LS:** I love it. That's great advice.

**[0:41:40.1]**

**FT:** Anyway, lots more I can share and we can definitely continue this offline, but I feel it's also coming up a lot organically on the podcast because I have a lot of moms and parents coming on the show. Really, it's good for all of us to learn. Thank you again. Everyone, I hope your weekend is so money.

[END]