

EPISODE 899

[ASK FARNOOSH]

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FT: Negotiating a salary and finding a financial planner, all questions we're tackling on this Friday. Welcome back, everybody. I'm your host, Farnoosh Torabi. This is Ask Farnoosh on the So Money Podcast. Thanks for tuning in.

It is Friday, June 14th. I'm taping this actually on the 12th, so pretty close to the air day. Just got back from my son's pre-K4 graduation, also known as arch day at his school. Super cute. It was an assembly. All the parents in the audience and the kids from grades pre-K3 through 1st grade, they passed through this beautiful flower arch as a symbol of their new beginning. It was commencement for the Lower School at Evan's school. It was really cute. These kids are adorable. Pretty soon, they'll be adults roaming the earth. People always say that this period of life goes by so fast.

Yeah, it's been a pretty busy year so far for So Money as well. A lot of you know that I've been talking about what to do as I approach episode a 1,000. This is episode 899. One of the things that I really want to do more of as we approach the 1,000th episode milestone is to do more live episodes; tapings in front of live audiences. That actually happened this week. You'll be hearing that episode next week on Monday for episode 900, when I got a chance to sit down with Priya Malani, who is the founder and CEO of Stash Wealth.

Some of you are wondering how to start getting some financial help in your 20s and 30s when you've yet to really get to a solid place with your money. She, Priya likes to help people that are in the so-called HENRY category; so High Earners Not Rich Yet, which is a lot of Millennials who come out of college getting the big jobs, but have student loans, have credit card debt, all the things.

An interesting conversation with Priya. We held that in front of about 60, 70 people at Luminary, which is a brand new female gathering place in the city. It was fun. It was a lot of fun. I'm looking

forward to doing more of these live in-person podcasts. If you are in the New York area and have a place in mind for me, maybe that's your local hangout, maybe it's your co-working space, maybe it's your office, I can show up anywhere and host a podcast. Let me know. E-mail me, farnoosh@farnoosh.tv.

Also a quick note before we get into these questions and there's a lot of them on Instagram. I'm going to try to tackle a fair amount today. I am opening up a number of workshops this year. I've got three things going on. You might fall into one of these three interests. One is if you're looking to advance as a podcaster, if you're hosting a podcast currently and you want to learn how to get more press for your show, more followers, more money, more whatever you're looking for, you just want to get out there more and also turn it into something that is a bit of a revenue stream, let me know because I have my small group coaching program that kicks off later this summer. It's a three – let's see, four-month program. It's more like a mastermind and it's just a small group. It's going to be about five or six people. We'll all be able to learn from each other and then you'll be able to learn my best tricks and tips for enhancing your show. That's one thing. Get in touch if you're interested in my podcast accelerator program.

Two, if you're looking to launch a book in the next year or two and want the proper steps and the connections to do that, I have this workshop that I host every year, sometimes twice a year called Book to Brand. That's going to happen again, I'm thinking in early January 2020, but it takes time to fill up. It's a big investment, so I want to give myself a few months to find the right people and the people who are most interested in participating. Get in touch if that is you. We've got amazing testimonials from people who've gone through Book to Brand, they've gotten book deals, agents, tons of press as well.

It's a two-day workshop in New York City just to give you a little bit of a description of it. You get to learn how to position your book idea, create the book proposal, meet the people that can help you move that forward from book architects, who work on a lot of proposals, to literary agents, book editors and publishers. Then the second day is really dedicated to the brand part of the equation. How do you take the book and actually use it as a platform to get more speaking engagements, more business revenue, more press, maybe a TV show, all of the things, brand partnerships. Books can really be a great tool for people who are looking to again get out there

more and enhance their businesses. That is Book to Brand. Get in touch now if you think you'd like to participate in that.

Then last but not least, coming up in October, my friend Susie Moore and I are hosting our third. This is super popular, fills up really fast, but our third workshop called Pitch Please. This is really a one-day opportunity for you to meet all the important people in media, who decide on who gets featured, who gets covered, who gets to be a recurring contributor. We have many entrepreneurs who enjoy coming to these events, or brands, maybe business people, subject matter experts who want to get more exposure and also start to leverage the media to boost business.

We have people from places like, Oprah Magazine, NBC Today Show, Good Morning America, Travel and Leisure, Vogue, etc., etc., coming to really hear from you and give you some feedback on your story ideas, and then later make some magic happen. We've got already people saying they're getting published on different platforms, they're getting coverage. It's really high-value and it's all in one day. Then there's a dinner as well. We're about 35%, 40% full right now for that October workshop, but let me know if you want in sooner than later, so we can make it happen. That's just what's going on on my end.

Of course, Stacks House is coming to a city near you. We packed up LA recently and now we're moving to our next couple of markets. For those of you who are eager for us to come to New York, I'm going to say it's going to happen sooner than later. Stay tuned for more updates on Stacks House. It was an amazing run in LA. A lot of people wanting to work with us to make it bigger and better in the next two cities. We're just figuring out the timeline right now and which order of cities we're going to do, but it's moving forward. Thanks to all of you who came, who supported us, who've expressed interest in volunteering.

Really this is an effort that takes a village to produce. We've learned a lot about what people want when it comes to financial experiences and what more Stacks House can offer and be. We're really looking forward to evolving. Thanks to everybody who has been with us from day one.

All right, heading over to Instagram now, because that's these days where everybody's hanging out, all the kids. Our first question is from an anonymous follower who says, "I currently work for the federal government and it is a great paying job with great benefits. However, I'm not happy at this job. I have an almost two-hour commute each way." She says, "I don't believe in the mission of the agency." Wow, so those are two big problems, I'd say; two big deal breakers in some ways.

She goes on to say that, "I have been applying for other jobs for a long time and I finally have been made an offer that I'm strongly considering accepting." All right, I like where this is going. She says, "My question is what should I be negotiating aside from salary? What benefits should I make sure are part of the contract? Any advice would be so greatly appreciated."

This is a fantastic question. I like where your head's at, because yeah, when you're negotiating, of course the first thing is the salary. You want to make sure that you're prepared to talk about what you want to earn and why. Hopefully, you've come to a good number that you feel good with. I would say when you're negotiating salary, it's important for you and your mind to have a range, right? It's not just one number, take it or leave it. I want to make between 75 and 90. I will walk away if it's below and a certain amount, but I'm going to start with my highest number that I want to hit and then we'll leave a room for negotiating.

Then in order to justify that, it's important to see what the market is really supporting. There are websites like [payscale.com](https://www.payscale.com), [comparably.com](https://www.comparably.com) that can give you a window into what other people in your career track, on your career track with your experience in your town, etc., are earning. Of course, if it's private versus public sector, that makes a difference.

Anyhow, sounds like she wants to know what else, right? What else should I be negotiating? Just listening to your thoughts here about how you hated the commute in the last job, it sounds like you could really use a break. I know that for many people, it's important to strike that "work-life balance." Part of that is being able to have the flexibility to work from home occasionally. I would try to negotiate maybe a work from home day.

For me and I know a lot of parents, that's invaluable because of course, you're going to work that day. It means you don't have to commute, you don't have to wake up as early, you can

maybe run some errands at the same time as you're online, so to speak, or available for work. I mean, just not having to commute in it of itself is a real treat and a time saver and an ability for you to maybe do more in the mornings that are for your family, for your other responsibilities and just feel more productive during the week.

I personally would talk about flex work arrangements, where maybe you can also leave early on some days. Just if that's something that's important to you, I would bring that up, because that's definitely part of negotiating right now is how can we make this a little bit more amenable, if this is a bit of a commute for me.

I would also ask about vacation days. I think that when you're negotiating and you're going to a new company, it is kosher to say, "Look, I had two weeks of vacation in my last job. Would love three weeks here," as a bargaining chip. If they're not able to give you the salary you want, perhaps they can give you more paid leave, paid vacation, things like that. I would say those are the two big areas. Things like healthcare, benefits, retirement plans, those are pretty set in stone. Those are a pretty formulaic and there's not a lot of wiggle room as far as benefits go. Companies usually have a lot of rigidity around when you can start investing in the company 401K. They might have a grace period of three months, so you can't invest right away.

I think the big ones for people these days are work-life balance, so asking for schedule flexibility, commuting flexibility and then also vacation days. Because in the end, that does add up and it can add to the quality of your life, but also it can allow you to make more use of your time, better use of your time, if you will, because you're not spending all that time commuting. I honestly think you were right to look for a new job. I think having a two-hour commute and working at a place where you don't feel super aligned, for me those are deal-breakers, a 100%.

I'll give you a quick anecdote too before we move on. When I was negotiating a job at a company, it was probably my second big job in my career and I was making a big leap from working for a station in New York City, a TV station. I was making a leap to a tech company that was a media company as well, but really tech-driven, was profitable and richer, for lack of a better word. They were a richer company.

I was negotiating and I remember going in thinking I wanted to make a certain amount of money. I think I asked for a \$100,000 and he said, "We can't do that right now, but we could do 75, or 80," he said. Then he said, "We can revisit the salary in six months." That's an alarm bell for anybody who's negotiating. Okay, if anyone says to you we can revisit the salary that year is joking. I mean, very rarely does somebody get a raise when they just started a job. The best time to really get what you want is in the moment when you are negotiating to be hired.

I said to him, "Okay, fair. But what if we meet halfway? What if we do 90 and then I won't bother you in six months?" He said, "Okay." Handshake. That is just something to have in your back pocket. My brother also successfully negotiated at one point. When he was getting pushed back on the extra \$10,000 that he wanted to make, he said, "Look, I really don't –" My brother said, "I don't want this to become a distraction for me, because this is really important to me. I really think I deserve this. I don't want this to be – if I don't get this, it's going to become a distraction for me as I work here." Wow, that was pretty bold. Honestly, it worked. Taking a risk like that sometimes pays off. These are just real-life scripts for you. Obviously, you take them with a grain of salt, but this is first-hand experience. Good luck to you.

Okay, next question is from Shannon on Instagram. Shannon says – oh, this is first of all, I got to read this whole thing, because it's so awesome. She says, "Hi, Farnoosh. Big fan. I used to watch your videos on Yahoo when I was a recent grad, trying to figure out what to do with a salary." Oh, my God. That really made my day. On top of the fact that a previous listener has been listening from the beginning, you have been an OG follower from my Yahoo days, which for those of you who don't remember, or don't know, I hosted a show on Yahoo Finance for over three years called Financially Fit. It was a real joy every other day, towards the end we were bringing really fun videos to viewers and we were traveling towards the end, just talking about all the ways to save, earn more, spend smart, all the things. Wow, that's very touching. Thank you.

Shannon says, "I always hear about the 20% savings rule. If you're married, is that total, or do we each need to save 20%? Also, does this count for savings and any retirement and matches?" I'm going to break this down a little bit more, make it a little bit more granular. Broadly yeah, we say 20% is a good benchmark for saving. That does include retirement and that does include matches and that does include rainy day. Let's just break it down. I would say that this

would be for each person. I think each person should try to achieve a 20% goal when it comes to saving in their own piggy banks, in their own retirement accounts. Just to break it down a little bit more, we talk about the importance of having three to six months, or six to nine months of rainy day savings tucked away. To get there, doing a 10% automatic savings protocol from your paycheck is a great way to start. Until you and do that, until you have about three months minimum, six months minimum of savings to cover your necessary daily expenses, in the event that you lose your job, or you're transitioning and not making money.

Then once that is accomplished, you can turn that off, or turn down the dial and maybe put more towards investing. I'd love for people to start with a 10% investing approach to their retirement account. If you have a 401K at work, let's say your company is giving you a dollar match; for every dollar you put in, they put in a dollar up to 5% of your income. You putting in 5%, it's effectively getting 10% right there. That's 10 plus 10 is 20%. I think that's a pretty healthy place to be in.

That said, if you're starting to save and invest later in life, like you're over 35 and you've got zilch in savings, zilch in retirement, I do think that number, that percentage needs to go up to closer to 35%, 40%, because you are playing a lot of catch-up. If you want to retire in your 60s, that's the reality.

All right, next question here is from Moni. "Wondering if there's anywhere you recommend to go to get financial literacy education from the beginning? I have been hosed by financial planners who seek their own interests before. I just want the raw facts about spending, saving and investing. Sadly, I realize now I have had a large cash fund just sitting there for years and I'm looking to diversify and invest, but I really have no idea where to begin. I'm a teacher and saving for the future is obviously a big concern. Let me know."

All right Moni, great question. I love that you've stopped in your tracks to reassess your approach to financial planning. I'm sorry that these people have been taking advantage of you. I do wonder who these people are, because if they are certified financial professionals, then they have to be your fiduciary. CFPs have to be your fiduciary, which means that they have to act firstly in your best financial interest. If they're going to be making a commission, or a cut of

anything that they sell you relating to retirement investing, then they have to disclose that loud and clear.

This happens and this is why it's important that we really are mindful of who we're working with and asking them all the questions upfront, how do you make money? Are you a fiduciary? Where's your certificate of financial planning? Where can I call some of your clients to ask about their experience with you? You've got to do that due diligence. I would just say a couple of resources for you in as you go forward and want to maybe work with somebody again. XY Planning Network is a really fantastic network of financial planners. They're all certified financial planners, all fiduciaries. A lot of them can work virtually with you.

Because they cater to younger demographic of Gen X and Gen Y, who may not have the million dollars of investable assets that traditional planners require, they will work with you say on a retainer basis, hourly basis, they're far more flexible. For someone like you as a teacher who's not making, I'm guessing the big bucks, you're not making Wall Street dollars, this is a great option. You want to work with somebody who's going to be flexible, who understands that you are still in the building phases, the building block phases of your financial life, and they will be patient with you and that they will give you all of the as you say, beginner steps.

Now before maybe you start working with a planner, I think it is helpful to give yourself the self-taught rudimentary education. There are resources out there that can give you that. I would recommend nerdwallet.com, where it's really more of a content site that also recommends bank accounts and credit card companies. At the heart of the business is knowledge and content and literacy. When you're there, you can learn your credit score, you can learn about budgeting, although I hate the word budgeting. I like spending plan. You can learn about how to pay down debt, you can learn about the basics of investing.

Listening to this podcast is also great rudimentary education. We go all over the place on this podcast. Some podcasts are a little bit more nadas, beginner-oriented and some are more fast-track, like 2.0, 201 level. I think the more you can spend time just listening and absorbing information, content, audio, visual is going to go a very long way for you. There are even Facebook groups, right, where you can join, whether you are trying to, I don't know, if you're trying to get out of debt, if you're trying to learn how to invest, there are different kinds of

Facebook groups that you can join that are typically private, but you can request to be a member that are about earning more, or budgeting and saving money. I would recommend those places.

Yeah, NerdWallet. Bank Rate is also great for content, money.com is great for news and also basic how-tos. I also like The Balance, which is a website where all of their information is curated by experts, people with certifications and degrees in these subject matters, like accounting and finance and investing. Check out The Balance. Where else? I would also say Investopedia is great. It's a little bit of a – it's a lot on Investopedia. They're the largest website for investing information. You can search by keywords and it's very well-categorized. If you're looking to learn about mutual funds versus Roth IRAs, it's all there.

Do a little bit of that rudimentary self-educating, DIY learning, so that when you do meet up with an advisor, you're a little bit more well-versed, you're a little bit more confident. I would say lastly, figure out what your goals are, because if you meet with a financial planner, that meeting is only going to go as well as you know where you want to go. A good planner will typically ask you in the first meeting, what are your goals? What do you want your money to provide you? What do you want money to be as a tool? What do you want it to accomplish for you? Thinking about that, mapping out you this time next year, next three years, five years, I think could be a really helpful way to go into your next meeting with a planner more informed and feeling like you're more in the driver's seat, as opposed to just reacting. Good luck to you, and I'm really sorry that you had a bit of a bad run with these advisors, but a lesson for all of us to really do the due diligence.

Okay, next question is from Jane. She just started listening to this podcast. Welcome Jane. She says, "My husband and I are both lost when it comes to financially planning our future. Our mentality has been that if you have it, you can afford it. If not, you can't. My husband is a dentist and I am a marriage and family therapist. We don't have jobs with benefits, or retirement. Would you be able to recommend a financial advisor for us, preferably in Southern California who works with business owners and self-employed people?"

Well, absolutely. I don't have specific recommendations, but earlier I talked about XY Planning Network. I will recommend them again in your case. Great way to go, because on the XY

Planning Network website, which I believe is just xyplanning.com, XYPN. You can search by your geography. You can also find planners that specialize in certain kinds of clients. I know I've gone on there and I have found people who are more versed in working with entrepreneurs.

Come to think of it, there is a person I know in Southern California. Her name is Brittney Castro. She's been on this show a lot. Her website is called Financially Wise Women. She works mainly with women, but I think also married women and women with families. She's an entrepreneur in her own right. She worked with a lot of entrepreneurs, works with women that could be a possible person to talk with. I think like a lot of advisors, Brittney's first counsel is free. You can go to her directly, or I think she's also part of XY Planning Network, so you'll probably run into her profile as you're searching the site. Xyplanningnetwork.com. Good luck to you guys.

Okay, I got a question here from Adam. We're going to finish with Adams. Adam's question is about spending. He says, "How would you recommend stopping frivolous purchases that have become habits over time? For example, coffee, breakfast-on-the go. Is it even worth cutting these small things out in the big scheme of things? If so, how would you start cutting back?"

Wow, so this is a little tricky, because I'm in the camp that you got to do everything. You got to approach your financial plan if you're interested in cutting back on expenses, looking at all the things. I would start with the big expenses, right? Because we often do obsess over the latte. I think that that's a bit of a draining exercise. I think that better to look at some of the fixed expenses that you have that are recurring, that are big that don't really impact your quality of life, but you could save on them.

I'll start with for example, real estate taxes, okay? I don't know if you own property, but I have a friend who knocked down her annual property taxes by I think it was \$5,000 a year, just by going to her local court and challenging the price, because she looked at some of the other homes in her price range and what their property taxes were and was able to fight for it to come down. That's \$5,000 a year that she is saving in perpetuity, until she's owning this home.

Again, it's not impacting her quality of life, right? She still gets to live in her house, she still gets to send her kids to the same public schools. I encourage people to think along those lines. What are some of these fixed recurring expenses that we pay, that we think are non-negotiable but

actually we can do something to bring them down? Property taxes, insurance on your car, on your home, health insurance too sometimes. It's just a matter of shopping around and you'll find that you're going to get the same provisions, the same benefits. Because everyone's competitive for business, the prices can be lower.

Your interest rate on your credit cards, right? Can you consolidate and maybe move a balance over to a 0% APR, not pay interest and knock out that debt within a year, saving yourself hundreds, thousands of dollars in potential interest. Because you were having to carry a balance on another card, simply because of I don't know, inertia? There's just some things that we just go with the flow, because we just don't think that there is another solution, or we're just so used to it, it's habitual to your point. I would start there, because that's often a much more substantial way to knock down our spending and in a way that doesn't impact the lifestyle that we're so in love with.

I don't know about anyone listening, but a ritual that I have every morning is getting that iced Americano from the local place that I go to. I love to go there. It's a ritual for me. I talk to the owner. I get run into neighbor friends. I do it after I drop off Evan at the bus. For me, this is something that helps me like feel my day is getting started. It's also the caffeine that I needed. You know what? It's \$4. I do it. I make up for it in other ways.

I looked at a recent credit card bill that I had. Actually I looked at the first six months of this year. Good exercise for everybody. Look at how you've been spending since January and look at the categories on your credit card statement. A lot of my money was going to Lyft. That's L-Y-F-T. That is the car sharing app. A lot of my money was going to travel in the first half of this year, because I was going back and forth to Los Angeles and flying my mother in to watch my kids. I spent a ton of money on transportation and travel.

Now, the travel part is not going to be so heavy going forward, because I won't be going back and forth to LA as much. The Lyft was really embarrassing. It was just me being lazy. I don't want to walk. I don't want to take the subway. It's raining, I don't to walk to the subway station. That's just plain old laziness and again, getting into this habit. Seeing the number really was enough for me to stop dead in my tracks and go, "Okay."

I have this consciousness now that I didn't before. I know that I want to save more money this year, do the best that I can, always looking to optimize my expenses. I decided to just walk more. Also, the weather is nice and this is something that I don't mind doing. It's making these personal pacts with yourself, looking at where you've been spending that has maybe for the last six months you've been grateful for, I've been grateful for Lyft, and having the ability to go from place to place without a lot of effort. Now that the weather is better and I now know how much this has really been costing me, I'm going to commit to taking more public transportation and walking.

The other thing that I just did was cancel my gym membership early. I am so stereotypical. I signed up for this gym next to my house, thinking I would go. Didn't go. It was going to renew in September. I said, "You know what? I don't want to pay an extra penny." I just e-mailed them and I said, "I know I'm contractually obligated to be at this gym for a year, but I've literally not used it for the last six months," and they could see. I said, "I thought that you guys were going to have more classes." I thought that it was going to be a place that I could actually go work, but the noise level is too high. They couldn't argue with that. I said, "Can I opt out of this sooner than later?" They said, "Sure. There's going to be a cancellation fee." It would be cheaper to do that than to keep paying monthly until this contract rides out.

I did this recently. I'm in your camp, Adam, of trying to find ways to save and get out of these bad automated costs. That's the other thing. Look at these costs that we're so used to paying automatically, whether that's the runway subscription, your ride share app that you're using left and right, these programs, these apps that have our credit cards. A lot of times, it's so easy to use them, right? Because the credit card's already hooked up. De-hook your credit card to some of these services for a while, because even giving yourself that extra step of having to type in your credit card number is the difference between doing it and not. I will attest to that.

When a company has asked me for my credit card number, it's giving me pause, right? Do I really want it? Is this worth the little effort it is to go to my purse and get my credit card out? Sometimes, I'm just like, "You know what? I'll revisit this." Then I don't. Then I've somehow saved myself some money. That's just my all over the place way to answer your question.

I hope that you've been able to extract some takeaways. Everybody listening, I think that you got to have to find your own trade-offs. That's how I'm going to conclude. You got to find your own trade-offs, but do look at the numbers, see where you're really draining the most. Is it really worth it? Can you find alternatives? Start with the bigger stuff that won't necessarily impact your quality of life if you dial it down.

Oh, and that's a wrap everybody. I'm going to take Evan now to Secret Life of Pets 2. That's his graduation celebration with me and my brother. We're going to go and do that. We're going to head out as soon as I sign off.

Thanks for tuning in everybody. I hope weekend is so money.

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