

FT: Susan Beacham, welcome to So Money. I'm so honored to have you on the show.

SB: Well, it's fun to be here, Farnoosh.

FT: You know, I like to give sometimes a bit of background on why I have on certain guests that I do and beyond the fact that you are a leader, a champion in the space for money and kids and financial literacy. I wanted to have you on because you're a friend and how we got to be friends is such a special story that I wanted to just share a little bit of it here, and feel free to chime in, because I think it's a, just for me it's one of those So Money moments. So, years and years ago, I want to say maybe 12 years ago, I was an intern at Money Magazine. And, when you're an intern at a magazine, I mean let's face it, the most they're going to have you do is fact check, maybe contribute as a reporter to story but to have your own byline in a magazine is very hard. It's not, it doesn't happen every day, but we were told that it was possible. So, little Farnoosh, you know, trying to maximize her possibility, so I went and I just poured through all sorts of information, reports, articles, data to find my story for that summer and I fell upon a story that featured Susan Beacham in the suburbs of Chicago. It was a story, Susan, you probably remember very well of you going into classrooms and teaching youngsters about money. And, the way that you did it, you took them to a McDonald's shareholder's meeting and then took them to MacDonald's and kind of made the connection and this story captured that. And so, here I am thinking "Oh my gosh, this is totally a Money Magazine story." You know, I was going to take this local story and nationalize it and but how do I find Susan Beacham? This was before people were Googling each other really and so I had to call the school but it was summer so school session was out. And then, fortunately my, you know the message I left at the answering machine got heard and then somehow someone got to you and we got to each other eventually, long story short.

SB: That's only because, that's only because, Farnoosh, my youngest who was in first grade at the time, was well-known to Principal Frechette, who picked up your phone call a day after school.

FT: Well, thank you, Amanda. So, long story short, the story took off and I just was feeling super proud of myself because I found you, basically, and the story was in one of the summer issue of Money Magazine. You guys got a full page feature, full page photo shoot. But, more importantly, I not only gained a byline that summer, I gained a friend, a lifelong friend, Susan Beacham. And so, it's been such a, so wonderful to watch your career journey unfold and all that you have done. I haven't even really gotten to all the great things you've done. So, I'll let you kind of brag about yourself a little bit. Tell us a bit about the Susan Beacham empire and Money Savvy Generation, all the great work you are doing, helping young kids learn about money.

SB: Well, it's a journey that I had no intention to get on. And so, after 18 years in corporate America working with high net worth families and telling them what they should or shouldn't do with money, I, having a first grader, saw how much first graders were excited about learning about money and how much more they listen to me than adults. And so, when you found me in that story that ran in the Chicago Tribune, I had actually gone into a classroom, first grade classroom, and I had worked with those students and this was a very new concept to teach kids that they could do more than one thing with money and how to set goals for money. And, at that time, the story was written by a woman who had found me at that McDonald's shareholder meeting and that was Ann Therese Palmer at Business Week and she came in and she said to me, "I want to sit in the back of your classroom because I don't think you can teach a first grader about investing." And so, at the end of 8

weeks, at the end of our experience at the McDonald's shareholder meeting, the reporter had said, "You did it. I didn't think you could." And, in that moment, the story you read and when we first got together was opening everybody's eyes and minds to the idea that kids, as young as 7, could really learn something significant about money. Enough so, that they could build on that foundation and if they continued to be taught, by the time they got to high school, it would be instinctual for them to stop and think and reflect and delay gratification. And so, that story was the beginning of the journey and then as you well know, we moved on to working with the first grade classrooms and schools and churches and anyone who wanted to begin teach children about money and I was having a hard time breaking down the abstract concept of money with very young children because developmentally children are concrete learners, so they need to see it. It needs to be visual. They need to touch it. Abstract is a very difficult concept for kids. And so, I was working with 4 cups and I was labeling them: Save, Spend, Donate, Invest and one night I went to sleep and I had a dream and the dream was a piggybank that had 4 slots at the top, 4 plugs at the bottom and then spaces for save, spend, donate and invest. And, that was when the Money Savvy Pig was born and it was my miracle child. I always say I have 3 children, my 2 daughters and the Money Savvy Pig. Money Savvy Pig was our way of making that abstract concept of money concrete.

FT: And, you've seen this piggy bank, I'm sure, it's all over the place. It's constantly mentioned in the press. It is an award winning tool. It is sometimes in banks, I know that you sold some of these to the various banks and they put their own branding on them. I love giving the pig away for gifts for young kids. It's a perfect gift if your kid is, I would say, you know, 4, 5, 6, 7. You got stickers to visualize what it is they want to save for. It's perfect.

SB: Well, the research tells us that at the age of 4, the visible accumulation of coins, of a child watching coin accumulate translate and helps them understand the concept of saving, so the money savvy pig is see-through because we need children to see coin accumulate and if they don't see it accumulate, you're losing the very essence of what they need to get what saving means, to understand how to delay and put money aside for something they want tomorrow.

FT: And, your work spans really childhood and up through adolescence and teenagers now. You're working with teens, helping them to better understand money at a critical age I think as they're heading off to college. You have a new book. Tell us about the new book.

SB: Well, the new book came to light, Farnoosh, because the class that was in the story that I took to the McDonald's shareholder meeting, they graduated last year from college.

FT: Oh my gosh.

SB: So, those, oh my gosh, which coincidentally, OMG, Official Money Guide for Teenagers.

FT: Name of the book.

SB: It's kind of how, yeah, it's kind of how it all happened. We were sitting at the kitchen table and I'm talking to my girls and we're talking about all their peers and I said, "Oh my gosh, they're all graduating from college." And so, Amanda, once again, said, "You know, you should have that as the title of your book, OMG, Official Money Guide for Teenagers." And so, because I am not cool, I always look to my girls to tell me what's cool. We ran with that title and it's been very engaging and we decided to do something for the teen reader because our kids, our money savvy kids that are

part of the Money Savvy Generation work we've been doing now for 15, 16 years, they've grown up. And so, they've asked for something more sophisticated and it's been fun. It's been, the book itself, the outreach has been mostly from grandparents. This whole December, when we were lucky enough, Michelle Singletary at the Washington Post, she recommended it and USA Today, you know, Donald came out and recommended it and we were fortunate to be highlighted in the month of December, you know, that's the month where everybody's trying to give a gift and give a gift that's meaningful. And so, I had all these grandparents calling me, just like when the Money Savvy pig first came out saying, "Okay, I like this. Now, how do I talk to my grandchildren about this?" And, this isn't unusual. Grandparents tell me they want to do a better job with their grandchildren than they did with their children when it comes to teaching them about money and I think what happens is the grandparent all of a sudden sees the gaps in their parenting and now has the time and experience and knowledge to fill them. And, you know, you couple it with unconditional love a grandparent gives and a child recognizes as unconditional and you get this phenomenal platform for reaching and teaching kids about money. So, I had spent some great hours on the phone with grandparents who called and read the book first then asked me questions, wanted to know what my recommendations were for taking it forward and I've got a lot of grandparents who don't live in the same state. So then, I walk them through technology, you know, how to use those powers for good, how they can FaceTime, they can Skype, a text from a grandparent to a grandchild is beloved. Kids get such a kick out of getting texts from their grandparents. So, if a grandparent asks them, you know, "What are you doing with your money this week?" or "How'd you spend your money?" or "Did you save money?" they laugh. They share it with their friends and then they respond. If a mom or a dad does that, it's, you know, radio silent. So, the whole marketplace has been teaching me one more time about how to reach them in an easy going way about a topic that gets everybody antsy and that's the topic of money and grandparents, I think are the hidden jewel in an effort to reach that teen/early college age segment. I think we need to arm our grandparents with this knowledge because they're ready and willing, that much I know.

FT: Well, this reminds me of a story that a guest once shared with me, David Bach. He told me that his grandmother, Grandma Bach, was the most influential person in his memory in his life when it came to learning about money. She took him actually to McDonald's and I won't share all of it because I want you to listen to the podcast, but it was a pivotal moment for him at Macdonald's with his grandmother.

SB: Let me tell you a story about a grandparent. My grandmother lived upstairs from us. So, my grandfather had died quite young and so on the southwest side of Chicago, we have these 2 flats and grandma lived upstairs and she was working full-time and we lived downstairs. And, my mother would make the meals Monday through Friday and my grandmother would make a midday meal on Saturday and Sunday. And, on Saturday and Sunday, the midday meal, everyone was present and accounted for. Now, at that table, a lot of things were discussed and there was no censoring. So, money failures, money successes, money troubles, money concerns, all about all the relatives, all about our own family, everything got talked out at the table over extraordinary food and my grandmother, one day, said to me, "I want you to understand how important it is for you to save." She put me in the car, she drove me around our neighborhood and she started to point to houses, that that house went for \$7,000, that house went for \$3,000, that house went for \$10,000 which was inconceivable to me, that homes would go for such a little amount of money. And, that was the seed that was planted in a very concrete way by my grandmother that said to me, I need to save,

because she said, “When those homes were going for those prices, I didn’t have the money. I couldn’t act on the opportunity but I want you to have the saving so you can act on it.” Well, for many years I remembered that story, I saved, totally, totally did what she told me to do, never thought I’d ever, ever see homes go for those prices. So, right, I mean it’s just not going to happen. This was a long time ago. Well, we all know in 2008, there were homes that were down underneath in terms of price and, yeah, there’s an article I have in my office that has real estate prices on homes at the \$10,000 mark right around 2009,

FT: My gosh.

SB: So, history does repeat itself and grandparents are a great source of lessons that you need to make sure you listen to and, you know, it’s the reason why I am who I am today and I’m a strong saver.

FT: Well, let’s get philosophical, Susan, share with us a money mantra that really captures how you think and act with your money.

SB: I spend a lot of time exercising the muscle of stop, think and reflect. So, the way that I get around, getting myself caught up in debt or getting myself caught up with something that I really didn’t want is I say, “Twenty four hours, stop, think and reflect. Do I need this? Do I want this?” If I just want it, we’re talking 24 hours. If I need it, probably I will get it right then and there. But, my mantra is ‘stop, think and reflect’. You know, in our world today, people, I’m sure you’ve heard this, Farnoosh, people will say to you, “Breathe.” Can you imagine, we forget to breathe and yet it is such a powerful healer to breathe. Well, in our world we forget to think and so reminding yourself, think, just like you remind yourself, breathe. It could be very healing when it comes to your money.

FT: I’d like to add one more to that. It’s called sleep.

SB: Well, you’re not going to do much of that for the next 20 years but that’s a whole other podcast.

FT: Yeah. If I could breathe, think and sleep, I’d be so much more productive. But, I really, really like that, ‘stop, think,, reflect’. Those are powerful words. So, this is where I transition now to a money memory, although you’ve already shared with us a very special time in your life with your grandmother. Would you say that that is one of your earliest money memories?

SB: My earliest money memories are at that table, in my grandmother’s apartment where we gathered to have a meal and I tell parents all the time, “I know you might not be able to do it every night of the week but please protect one or two nights a week where you all sit around the table and you all have a meal together because the conversations that happen at that table are very powerful teaching moments, teachable moments for your kids.

FT: Yes, it’s one of those lost arts, the art of sitting around a table and having a meal together. That is so powerful, so transformative, so important and I’m glad that you did that.

SB: It’s well worth the investment, Farnoosh, and you don’t see it right away because, you know, a number of those meals are just a pain in the ankle and it’s not all Norman Rockwell moments. Trust me. You know, I was the kid who knocked the milk over all the time and my grandmother would say, “Nobody’s hurt, everything’s okay. “ And, I knew my mother was ready to wring my neck. But,

persistence and doing it over time, you're going to get some golden moments that are going to help shape and form the character of the kids and the people around the table.

FT: Truly. Well, let's talk about failure, Susan. What's a financial failure that you experienced that was pretty shattering but you lived, you learned and you're kind of happy it happened because it taught you an enormous amount?

SB: The one and only, believe it or not, one and only and that's all I needed was this one because it was big enough. When I got married, we moved to California and within a couple of years, we bought a house and we moved to California, let's say I was married in '87 so I think we moved in '89 and if you look it up, you'll find that the real estate market was white hot in California. People were flipping homes. So, they were buying a house and flipping it 6 months later for one heck of a profit. And so, I looked at Michael and I said, "Let's buy and flip homes." And, Michael Beacham looked at me and remember we're in the honeymoon phase of our marriage, so I'm still listening. No, I'm kidding. I listen to this day. But, he said to me, "Susan, you don't buy a house as an investment, you buy it because it's your home. You buy it because you're going to raise your children there. You're going to feed people. You're going to socialize. You're going to live. This is a place that's sacred and you don't do this especially if you don't know what you're doing to flip homes." So, begrudgingly, I said, "Okay. And so, we did. We bought a home that was built in 1926 and it was on Pasadena and it was so sweet. It was about 1100 square feet, about 1100 square feet and we had that home for 7 years. I think 7 years. And we decided to sell the house when my second child was born, when Amanda was born to come home to Chicago because that's where grandparents were on both sides. And, when we sold the house, we lost everything. We lost over a hundred thousand dollars because the market had turned. Now, we hadn't spent a lot of money on the house but we had spent enough for us to wipe out our savings. We paid in to the mortgage to get out of the house and we had a very different feeling when that happened. We both knew that that home had been where we had met our best friends that we still have to this day, where both our children were born, where we had so many memories that not one dollar bill could ever compare, not even a million dollars could compare to what we had gotten back out of that home. And so, while I didn't necessarily like the fact that we have lost so much, I didn't grieve it because I had so, I had gained so much by looking at that house as a place where I lived with many happy moments versus 'how much will I get for it when I get out of it'.

FT: Yeah. Oh, it's so true. Like, these stories about trying to time the market, the housing market, it's just it never works and if it does, you're just it's dumb luck.

SB: Dumb luck is right.

FT: You know. Alright, Susan, let's turn the table. Let's talk happy. Let's talk about a So Money moment, a time in your life where you classify as a financial win.

SB: I think the first financial win I had was when I left college and I got, not left, I graduated from college, got my first job and there was a woman there that I worked for who wasn't much older than me. Her name was Susan Maher and she said to me, "Have you gotten the paperwork filled out for your 401K? I looked at her and said, "No." And, she said, "You're living at home," and at that time, remember, we're going back in time, at that time 401Ks were pretty rich and at that time the bank I worked for was matching up the 14%, yes, it used to happen. And, she looked at me and she said,

“Well, you’re an idiot. You’re living at home. You have no expense. You’re not married. You have no children. I’m going to get the paperwork and we’re going to get this done.” Now, I thank her every day for what she did because I did do what she said and I put the maximum amount in my 401K. I didn’t do it because I was smart. It was dumb luck. I listened. I was smart there. I listened to someone who is clearly smarter than me about this opportunity. Now, our future, our financial future is so much more secure because I listened to someone the moment I got out of college and took advantage of an opportunity because I sat at that table on Saturday and Sunday and I’d listen to people I trusted tell about the importance of making sure I took care of my money.

FT: Yeah. I completely can relate to this. I started a job in my early twenties, didn’t have a 401K. This was my first full-time job. They were offering a 401K with a match and I said, “Sure. Sign me up.” The best part about it was it was automatic, it was painless and when I left the company and I moved on and I’m, you know, now I’m looking at rolling over the account I had a nest egg. You know, at 26, I had probably 40 or \$50,000 and if you were to ask me to actually save that on my own, would never have happened.

SB: The hardest thing to get your head around when you’re young is that you won’t always be young. The hardest thing to get your head around when you’re young is that time can be on your side, but that it marches up and so when it comes to money you have to be present and you have to look at opportunities and you have to answer those opportunities when they’re offered to you and you have to understand some basic fundamental concepts like compound savings and the rule of 72, things that I know make people’s eyes glaze over, but they’re essential pieces of knowledge that confirm your instinct that it makes sense to automatically sweep money into a savings account, especially one that has, you know, a money match. I mean why would anybody leave money on the table.

FT: Right. Okay, Susan, let’s talk about habits. We’ve all got them, good and bad, although in this case I’m curious mostly about your good financial habits, just one that you practice on a consistent basis that helps you manage your money well.

SB: Accepting that I am not a financial planning expert. Many of us think that going out and finding a good adviser is something that we don’t need to spend our money on. I know a lot of people who say, “I’ll just put it in a mutual fund. I don’t need to talk to somebody about that. I don’t need to plan for that. I don’t need to worry about that.” The reality is if you’re an expert at your job, do that job. If someone else is an expert financial adviser or a financial planner, then let them do that job. We all think we can do everything, especially if we’re good at our job but we are not all experts at tax co, at the financial planning techniques that we need to employ to make sure that we’re not waiting table when we’re 80 years old.

FT: I’d like to end on a jovial note.

SB: Okay.

FT: So, I start off a sentence and you finish it first thing that comes to your mind. There’s no wrong answer. If I won the lottery tomorrow, say I don’t know, a hundred million bucks, the first thing I would do is _____.

SB: Retire. Now, I'm being honest, right, I think you're 56, you said first thing that came to my mind and then I thought about it for awhile because I was embarrassed I would say the word retire. I thought about it for awhile and then I thought, "Okay, here's what I would do." And, I really believe this is what I would do because after stopping, thinking and reflecting, I hate to keep repeating that but that's what I did. I thought about the fact that I would probably take a portion of it, put it towards my retirement to secure a little more comfort and make myself feel at peace that I had some financial security and the balance I would start a family foundation and I would give it away because there is something extraordinary about making your own money. It's empowering. It boosts your self-esteem. It's a daily booster shot to your confidence. If you have too much money in the wings for your children, you might rob them of that incredible feeling of being independent knowing how to make money on their own.

FT: Yeah, that's probably the most powerful thing you can have your kids do at a young age is earn their own money.

SB: Yup. Agreed.

FT: The one thing that I spend my money on that makes my life easier or better is _____.

SB: Good food to cook.

FT: Yeah, you guys do cook a lot. I see that.

SB: Yeah.

FT: And, now you have a...

SB: We're big, big, big cookers.

FT: Alright, Susan, my biggest guilty pleasure that I spend a lot of money on, perhaps too much is _____.

SB: My kids.

FT: Oh.

SB: Forget about, you know. I do. I spend the majority, I spend, yeah. So, yesterday, I will go ahead and cop to this.

FT: Indulge me.

SB: Amanda loves pajamas. She has too many pajamas but it is her guilty pleasure, so you know, it's after Christmas, there's a lot of pajamas on sale out there, my friend, and I bought 2 sets of pajamas at Target, \$7 a piece.

FT: Oh, I was going to say, you should go to Target because they have fantastic PJs.

SB: Fantastic. I know exactly what she likes. And so, of course, of course, there I go, bought two. I've already got them washed, tied up with a red ribbon and they're going to go to her on Valentine's day.

FT: Oh.

SB: When I, you know, you when you're a parent and especially when you're working and you're travelling, there wasn't an airport gift shop that I didn't look at. My kids had stuff from, you know, from Moose, from Montana, you name it. I came home with little trinkets and I don't know if it was more for them or it was more for me but I do kind of hark back to the one vacation my parents took when they went away and my mother came back with this tiny little doll and I'll never forget it. It just, she went on holiday and she came back with something for me, and that really seeded in me. That's my excuse at least I'm confident I spent too much money on them but, hey, it's wonderful.

FT: Hey, that's why I asked it, because it brings a whole new side of you and that's very, very nice and she'll love the PJs. Target is where it's at.

SB: I think she will, especially right now.

FT: One thing I wish I had known about money growing up is _____.

SB: I wish I had an even fuller appreciation of the impact of compound saving. So, I did the right thing because I listened to Susan when she told me, "Invest in the 401K." But, did I drop too much money at Marshall Field's? Yeah, probably and I could have put more in savings. The hindsight is 20/20 and I recognize that but I focus, when I'm teaching first graders, I focus on teaching about the power of time and money.

FT: Right.

FT: When I donate money I like to give to _____ because _____.

SB: I like to give to kids. So, I have never seen a lemonade stand that I hadn't stopped for. I have never seen a, man, I just got, a girl scout approached me the other day for cookies. I like to encourage kids. I like to support the entrepreneurial instinct they have, which they have in spade when they're little. I like to give to organizations that support kids, that help makes a child's life better, easier because children are vulnerable. They're a very vulnerable population and they depend on us to do right by them and I want to do everything I can to give them all of the opportunity that they are entitled to because I know they're my future. So, I know they're my future doctors. They're my future teachers. They're my future religious leaders. They're my future and so as a society I need a strong next generation. And so, if I'd got a buck it's going to a lemonade stand and to encourage a child entrepreneurship. If I've got more than that, it's going to, you know, Bernie's books which is an organization that a lot of people have heard about, where books are collected and sorted and purchased and distribute to schools that don't have money for book and those books will go into the hands of children will be able to escape for a moment into the imaginative world of whatever that author is writing about.

FT: I love that. Making the next generation stronger, that's quite the ambition. I wish more of us had that ambition.

SB: Well, thank you.

FT: And, finally, Susan, I'm So Money because and I know you're not a bragger but I'm giving you a chance to brag here. I want you to tell me why you're So Money.

SB: The answer to that question is I'm So Money because I have witnessed that money is a piece of the puzzle that we call life, that it doesn't define happiness, education does, education does. So, when I had the gift of grace in my life to get the idea, talk about dumb luck, to walk into a first grade classroom, to connect those dots, to find myself in front of children who are 7 years old, who were looking at me like I was a genius and to have the opportunity to reach and teach them about money and then to hear from some of these children when they're graduating from college how that class stayed in their memory enough so that it shaped the choices that they make for their Major and the jobs they chose later in life. I'm So Money because I was blessed with the insight that it's not money but it's understanding money that is the key to happiness.

FT: You're So Money because you're not only understanding this but you're gifting this to this generation. So amazing.

SB: Well, we are, yeah, we are so trying and I know we're succeeding because I know I've seen it shape the life of the students that we've had. I've seen kids feel.

FT: Well, Susan, tell us where we can find you and learn more about Money Savvy Generation and where can we follow you.

SB: You may go to Money Savvy Generation or msgen.com and that's where we have showcased all of our solutions for the classroom, for the home, all of our research, all of our awards for the tools that we've created over the years. It's all there. But then, if you're not exhausted already after this podcast and you really do want to hear more, you can go to my blog at SusanBeacham.com and therefore just taking a look through you can see what I have to say about all kinds of topics that people would ask me about over the last 15 years. I think allowances number one and you can see my point of view and my perspective based on my experience and what I've learned from, not only from the experts but from the frontline, parents and grandparents and teachers. God bless teachers who take this task on as well. And, that's where I am.

FT: Susan, thanks so much for spending time with me and with all of our listeners.

SB: And, I want to thank you for picking up a phone and being curious enough to find me so many years ago so I could be So Money today.

FT: Oh, well, the feeling, thank you for returning my call. Alright, Susan, have a great new year and cheers to all of your successes and wishing you even more this year. Have a great one.

SB: You too, kiddo. Best to you as well.