

EPISODE 611

[ASK FARNOOSH]

[0:00:33.9]

FT: You're listening to So Money everyone. Welcome back, it's Farnoosh, thank you for joining me. I hope you enjoyed this week's podcast, we had Nicole Moore on Monday, our love and relationship coach. Then we had Douglas Bonaparth on Wednesday. He is a CFP for millennials and I see, we even have a question today about Certified Financial Professionals. Are they worth it? We'll get to that in just a moment but first, I want to re-introduce our special co-host today.

Back by popular demand, and by popular I mean, I love her so much, I had to have her come back. I assume you like her too because she's hilarious. She was on last Friday. She's my vacation buddy, so I thought "Let's do a little work while we're out here by the pool."

Kafi Drexel. Welcome back Kafi.

[0:01:19.3]

KD: Hey, how are you? Podcastin' and relaxin'. Hi So Money nation.

[0:01:23.6]

FT: So Money nation?

[0:01:25.3]

KD: Yeah.

[0:01:25.7]

FT: I've never used that expression.

[0:01:28.1]

KD: So Money nation, that's what's up.

[0:01:29.9]

FT: Alright, you hear it here first So Money nation. Kafi, tell us a little bit about yourself, just a recap. You could obviously go back to episode 608 and hear her talk about herself and me, brag about her. Tell us, why you are So Money?

[0:01:43.2]

KD: Why am I So Money? Because I hang out with you.

[0:01:46.4]

FT: Well obviously, but why are you inherently So Money?

[0:01:51.1]

KD: You mean in terms of my finances?

[0:01:55.0]

FT: Quite literally, that is what So Money means but you can also use it metaphorically and say, it's because you know, in a sense like why you are so fun, fabulous, I don't know.

[0:02:06.6]

KD: Okay, there we go. Alright. Yeah, I shouldn't have to – I know what the definition of So Money is. I was there when Farnoosh was telling us about So Money and what it means to be a

So Money. Let's see. I am So Money because I tend to keep it moving. I don't let certain things stop me. If something is not working out, I'll figure out another way to do it.

Or another way to operate or go about my business. If things aren't working out in a business relationship or any kind of a partnership, you kind of need to let people know what's going on, otherwise you're the fool.

[0:02:46.2]

FT: Right, tell us a little bit about your finances. Let's get deep here for a second and intimate. Tell us something you're really proud of when it comes to your money management and something you think needs improvement?

[0:02:57.9]

KD: I give advice better than I take it. I think that I'm proud of constantly being able to get myself into holes and then emerge from them.

[0:03:07.6]

FT: Financial holes?

[0:03:09.1]

KD: Yeah, financial holes. I'm single, living in New York City, I have a lot of expenses. My rent is ridiculous and most people might look at my rent and "Say, why are you doing that?" I have to come up with constantly innovative ways of dealing with that. Then other things kind of come up in life like, you know. I'm like Barrack and Michelle. I'm still paying off my student loans.

[0:03:31.9]

FT: I don't think Barrack and Michelle are paying off their student loans.

[0:03:34.1]

KD: No, they were still paying off their student loans just before they went into the White House, true fact. That makes me kind of feel better because I am still a little bit younger than they were when they came into the White House. I'm still waiting for my Barrack and Michelle moment. Things like that come up.

I'm proud of like always paying for everything. I mean, I might not necessarily pay everything off right away. But as I said, I'm single, New York City lady, I also froze my eggs and that was very expensive. So things kind of –

[0:04:08.9]

FT: How much was that?

[0:04:11.2]

KD: I'm \$40,000 in the hole right now.

[0:04:13.9]

FT: It was \$40,000 to freeze your eggs? I read it was only 10,000?

[0:04:18.9]

KD: That's if you only do it once. A little known fact is that for some of us where you don't get all of the eggs that you need in one round and sometimes two. I had to go three rounds. Half of my egg freezing, half of it is drugs and the other half is the actual cycle and the storage and all of that stuff.

The drugs and everything that was covered by insurance but the rest is not. We were talking about Google in the previous episode and I was talking about how great their health benefits

are. And no joke, one of the doctors who I was consulting with about this as I was thinking about it said, “You know what? You should go and work for Google because they’ll cover this.”

It seemed like advice that she’d been giving to a lot of patients.

[0:05:07.3]

FT: All her clients now work for Google.

[0:05:09.5]

KD: I say this to say, what makes me So Money is that I keep it real and the fact that I will get myself out of holes and then I tend to get myself back into them depending on life. Of maybe a couple of purchases that I shouldn’t be making. But I’ve gotten better about that by taking pictures of things before buying them and not being impulsive.

[0:05:33.3]

FT: That’s a great idea because then you feel like you’re taking it with you even though you haven’t purchased it.

[0:05:38.3]

KD: Honestly, this might be kind of like a ratchet confession and to the So Money nation listeners, ratchet is kind of like –

[0:05:48.9]

FT: Nurse ratchet?

[0:05:49.9]

KD: It's like low brow, it's a low brow thing to do. But you know, I felt on occasion, sometimes trying on a cute outfit and been like, "I'm buying this outfit just to be cute once." Hey sales lady, you need to take a picture of me in this outfit and I'll post it on the 'gram.

[0:06:08.1]

FT: There you go.

[0:06:09.3]

KD: Then it's like, you had the outfit.

[0:06:11.1]

FT: Had the experience.

[0:06:11.8]

KD: Yes. Now I hope that sales ladies and sales men across the nation and globe, are not going to stop taking pictures of people in their cute outfit.

[0:06:20.2]

FT: You're advertising it. If you're putting it on Instagram, you're saying where you bought it, you're tagging it, you're doing them a favor.

[0:06:25.0]

KD: Exactly. And you're not wasting your money.

[0:06:27.7]

FT: How did we get here? See, when we ask you a question about money, a simple money question, you end up talking about all sorts of things. I love this term, So Money nation. I'm just going to keep repeating it all vacation. Yeah, that's my plan.

[0:06:42.1]

KD: Maybe we'll make T-shirts.

[0:06:45.5]

FT: Can you help me with that?

[0:06:46.4]

KD: Yeah, we should do it.

[0:06:47.7]

FT: Coming soon, a So Money nation t shirt. What are we pricing these at?

[0:06:53.7]

KD: I don't know, let's make it a competitive with pod save America.

[0:07:00.3]

FT: Okay, that's ambitious. Let's just keep rocking and rolling here. Jane has a question here Kafi, she's 23, do you remember when you were 23?

[0:07:08.3]

KD: I do. I think I was working at ABC news at the age of 23 and I was working for Peter Jennings.

[0:07:14.3]

FT: I love and I loved Peter Jennings.

[0:07:15.8]

KD: Yeah, he was like the James Bond of news.

[0:07:20.4]

FT: Alright, well, she's 23, looking to get her first credit card. I can't believe she's waited until 23 to do this. But I think that's because the laws have gotten a lot stricter since we were 23. She wants to start building credit through her first credit card and wants to know what I advise or if I have any recommendations for beginner cards.

I will reference Nerd Wallet and Bank Rate as two sites where you can go to search for credit cards based on what you want and what you need. Now, I will say that because you're a novice and you don't have credit history probably or at least a lot of credit history, your options are not going to be super robust. You're not going to have the opportunity to just get any card.

A lot of the better cards with the rewards and the cash back and the low interest rates, those go to the people with experience, with credit histories, with good credit scores. To save you from probably applying for 10 cards at once which can hurt your credit score, just to see what you qualify for.

I would go on Nerd Wallet or Bank Rate and just input some of your details, your information as far as what you're looking for, where are you in your credit life. You're a novice, that's going to obviously filter some of the search results for you and hopefully you'll be able to find something great from there.

I would also say, go, if you are a member of a credit union, to go and walk into your credit union or call them up and say, "Hey, I'm looking to open up a credit card, what do you have for me?"

At this point, as a young credit card holder, the most important thing you want to get as far as the criteria for credit card is a low interest rate, although I assume you're not going to be carrying a balance. Always shoot for a low interest rate just in case you ever have to carry a balance, as low as you can get. You're not going to probably get the lowest because you don't have a lot of credit history but you don't want to also get something that has like a 23% interest rate.

The average right now I think is like 15 or 16%. See if you can get it a little bit lower than that. You also want to get a card that has not a huge credit limit because you probably won't get that yet, but also not like a thousand dollars. That's an important question when you're applying to ask, what is the typical or average credit limit on this card?

Is it 5,000, 6,000, 10,000? That I think is a good start. Not because you want to spend to this limit but because, and we talk about this on the show a lot, but your credit score largely depends on your debt to credit ratio.

If you're spending on this credit card that has only a \$1,000 limit, it's very easy to max it out. It's very easy to just get 50% utilized by just buying like a few items and suddenly you've spent \$500 and now you're 50% utilized and that's really high and that can hurt your score.

The best utilization is no more than 30% at any given time. To help you with that, it helps to have a credit limit that's relatively high. Higher than a thousand dollars, I'd say, ask for five or six or \$10,000 and as you work with this card and pay it off well and on time and you know, you're responsible with it, you can ask for an increase of that limit.

Very cool that you've held out till 23 to open up your card but it's also a good time to start. Your credit score is also dependent on the length of your credit history. The longer you have credit, the better that is for you in the long run.

[0:10:43.3]

KD: Yeah, I think that that's really good advice. I learned a lot just now Farnoosh.

[0:10:46.9]

FT: Alright, should we just move on?

[0:10:48.5]

KD: I think that we should move on. I mean, the only thing that I can say to Jane is I think that that's really great. Some of us have been guilty of this, of our wallets looking more plastic than paper.

[0:11:01.3]

FT: How many credit cards do you have?

[0:11:03.2]

KD: I don't want to talk about it.

[0:11:04.8]

FT: Okay. Well, we have to talk about it, we're on So Money.

[0:11:10.4]

KD: She's going to defriend me right now.

[0:11:13.4]

FT: I am not. People ask me all the time, "Is it crazy to have 10 credit cards" and I'm like, "I don't think so." If you were to tell me that you have 10 credit cards and you're maxed out on all of these 10 credit cards, that's an issue. If you have 10 credit cards and you know, you're using

maybe regularly, one or two of them. The others are just like, you know, you opened up and you realize you don't need them, I get it, it happens.

Versus someone who has one credit card and it's completely maxed out, I'd say that person is in much deeper doo doo.

[0:11:41.7]

KD: Yeah, I mean, I think that the advice that Farnoosh is giving is great and I think that you should follow it because I think that sometimes what I've done with them and it's like, "I'm going to get this credit card and I'm going to see how it goes."

Because some of them have these really great benefits of you know, you keep on paying them and then all of a sudden, you have even more money on the card and so –

[0:12:03.3]

FT: What is this card? I need to know about this?

[0:12:05.7]

KD: This is my – I can't even think of the name of the card because I have so many credit cards. No, I have this one really great card that every single – all of my payments are automatic payments and then some. Every single time I make a payment on this card – and a few other friends also have this card – their limit also increases which I think is really nice.

[0:12:26.7]

FT: Alright, Frederick has a question I want to really help her out here. She's 42, her fiancé is 44, they've never been married, they've never had kids. She is the bread winner – obviously now you know why I like this question – she makes a lot more money than her fiancé, she has no debt, except she has a mortgage and she owns a property in New York City. He has over \$100,000 in student loans and a \$15,000 credit card balance.

She said, she's going to help him pay it off over the next few years but isn't sure how to do it. She'd love my thoughts on how to pay it off, what to prioritize and what the thoughts are around prenups to protect one's self from a spouse's debt?

Alright, I write about this Frederick, you should pick up my book, *When She Makes More*, there's a whole chapter on this. Just to recap. I think that's wonderful that you want to help your partner with his debt but I will say that it is probably more beneficial to you and him that rather than writing him a check or giving him actual money to pay off his credit card debt and this student loan.

That you together, I assume maybe you live together or you share in some expenses or maybe you're thinking about moving in or you're getting married so things are merging. That you adjust your expenses.

If right now, if you're splitting cost 50/50 or whatever the ratio is that you then, in an effort to get him out of debt faster, you shoulder more of the expenses that you share together. If it's rent, he's paying 30% and you're paying 70%, or he's paying 50% and you're paying 50%.

Maybe you pay all of it for a year. But there is a rule, your fiancé needs to use the money that he is not paying towards rent, to pay an additional payment on his student loans or his credit card debt.

Effectively, you are paying him but you're paying him through the act of covering costs and helping him save. As a result of not having to pay for these costs. Here is why I like this strategy. If you just write him a check or you give him money, it's very painless.

He doesn't have to really think about what he's doing, he just takes your money and he puts it in his bank account and his debt gets reduced. As supposed to "Okay, I'm taking care of rent." "Okay, I have to actually make a smart move with my money now. Take the money that I have and allocate it."

He has to do more management and thinking around the activity with his money. It's not a bail out, it's not really a bail out in that way. I think there's a lot less resentment sometimes too. Think about your emotions you know? This is not just a black or white issue of money, this is really about what am I comfortable doing?

If this sounds something that you're up for, I think you should try it. Just also know that when it comes to marriage and debt, technically, as long as your name is not on his debt – you're not a co-borrower, you're not a co-signer, you're not an authorized user.

That is not your debt and when you get divorced, that is not your debt. No one's going to come after you for the money. But there is something to be said about being married and your partner has debt. That does sort of take a toll on your ability to afford things together okay? It doesn't always kind of interfere with your ability to kind of make easy financial decisions.

You can't just go out and buy something because you're going to think about well, we've got this debt, we got to deal with it, even though it's not technically yours, you're now in a relationship together, your decisions are made together and things like this do come into play.

As far as the prenup is concerned. I still think it's important to have one if you're interested in protecting your assets in the event of a divorce. If you are an entrepreneur and you want to protect your income and everything. In fact, look up Sophia Amoruso, girl boss, the official girl boss. She is very public now about this divorce that she went through and you can look up the court filings. They got divorced and he got nothing, he got the Volvo and maybe some, a little bit of cash.

But he was not able to touch her business, none of the book proceeds, nothing from the business went into his pocket. Whether that was because they were married for a year, I don't know. They had a locked up prenup and so, never a bad idea I think to have prenup. Better to just have one than not. In the event that you know, things don't go as you are planning and you can just also expedite the divorce. You don't have to go to court. It's all in writing, done, we agreed on this.

This is what's happening, you can move on quickly. That's my advice Frederick and that may not be super romantic advice but it is something that now is a time to really make these decisions because the thicker you are in the relationship, the deeper you are into the relationship, it's a lot harder to go "Ok wait a minute, let's do a post nup." Or, "I never mentioned it before but now your debt's really bothering me."

This needs to be out in the open now before things get even more complex.

[0:17:46.7]

KD: I think that plan also, when you talked about possible resentment is good because there is resentment and there's also feeling icky about taking someone else's money. This way, like if just money isn't just handed to him, then there's not that icky feeling that lends in to resentment.

[0:18:09.6]

FT: Well I would think she would feel resentful for writing the check but then you're right, he could feel icky about taking the money, so could she.

[0:18:19.5]

KD: In turn, there could just be resentment all around. You just have to be comfortable with that and I mean, I don't know if during courting he paid for all of the meals and vacations and whatnot, who knows. Or, if you guys split things but like Farnoosh was saying, you want to reassess all of that in terms of who is splitting what and how you're going about it. I have not been married before but a prenup sounds pretty good.

[0:18:46.8]

FT: They live in New York and I will say, New York is not like states like California where it is a 50/50 state when it comes to divorce. If you don't have a prenup, each person just gets half of everything. Which is why prenups are rampant in California and in other states.

Unlike New York where if you don't have a prenup, you got to settle it in court and it could take years.

[0:19:07.4]

KD: Yeah, I've actually had some friends who have told me a decade ago that they were in a middle of a divorce in New York and then they're still at it, which is kind of surprising to me. Those were relationships where they jumped into things pretty quickly, there was a lot of –

It sounds like you guys have got some grown love because I'll admit it, we're in the same age group, it seems like you guys will be able to get it together. These were marriages that happened in the late 20's or 30's where they weren't necessarily thinking about all of the different assets and all of a sudden buying a house together, etcetera.

These were literally relationships, marriages that were less than a year old and then took nine years to litigate. Better be careful So Money nation.

[0:19:56.2]

FT: So Money nation, there we go again with that catch phrase. Thanks Kafi, that was really good advice. Frederick, I wish you guys all the best. I know you're going to figure this out and I hope that my advice was helpful and let us know if you have any follow up questions because as you get married and things evolve even further, I'm sure there will be other questions that come up. Amber has a question.

[0:20:19.9]

KD: So, Amber loves the show. Thanks Amber.

[0:20:22.9]

FT: Thank you.

[0:20:23.8]

KD: Her question is, can you speak more about CFP professionals? Are they worth the investment? What should you look for when finding one to work with?

[0:20:33.2]

FT: A Certified Financial Planner is who she is curious about. We've had many CFP's on this show. I love CFP's because before the new rule this year, the new fiduciary rule, CFP's have always been required to follow this so called fiduciary rule. Which means that they are in the business of serving their clients. You and I, people who want to invest their money and build a financial future that's safe and secure and they can only act in our best interest.

They cannot sell us things where there's a conflict of interest. Their fees have to be very reasonable and all of their decisions have to be guided by our interest as a compass, okay? So just like your doctor has to give you the best advice based on what you need, so do CFP's. Believe it or not, there are, were, many professionals in the investment world and in the retirement advice giving world that didn't have to abide by this rule.

Starting in, I believe it was June, the rules have changed now. You've got to do this, it is a rule now and no matter what your title is, you have to make sure that your client is your number one priority and you are acting in your client's best interest and you are acting as a fiduciary. With that said, there are many types of CFP's.

There are CFP's that charge a percentage of your assets under management usually one to 2%. Then there are CFP's that charge you a retainer. There are CFP's that charge you by the hour. I find that there are many different kinds of ways to structure the payment these days. It used to be very traditional, you just paid a percentage of your assets under management and usually just rich people got advice.

But now with many millennials and young people looking for advice but not having a lot of money, there are advisers out there that want to work with this cohort. Knowing that they will make more and have investments eventually down the line. They want to get in while they're

young and they can gain their trust. They're willing to work with them in a number of ways. We have a number of CFP's on this show including Allan Moore, Sophia Berra, Britney Castro.

These guys and gals are very open minded and I think they're very with the times. They understand that people need different kinds of structures when they come to work with them. So that's the money part. Then there's also the issue of who's the right fit for you? When I was looking for a financial adviser years ago, when Tim and I are getting married and we wanted someone to help us level the playing fields and tell us where the holes were.

I wanted somebody who really cared about us and that sounds maybe like a given – do you hear that dragon fly?

[0:23:17.1]

KD: Oh yeah.

[0:23:17.5]

FT: Yeah, you guys hear that? We're in the woods, we are deep. There's literary deer galloping by and they are very docile obviously because we would be making other noises.

[0:23:28.0]

KD: They want financial advice. They want financial advice.

[0:23:29.2]

FT: Where was I? So you want to make sure that you want to connect with these people and that here's a good litmus test, when you go in for a meeting whether it's over Skype or the phone or in person, that they ask you a lot of questions. What are your goals? What do you do? What are your plans? How much money do you have saved? What are your biggest financial fears or what are your biggest financial goals?

Because I have been to a number of meetings – and I did not end up hiring these people – where they would show me graphs and charts and show me how much money they've made their clients and how amazing they were and we were in this big board room with a beautiful mahogany table and I'm like, "Is this what my money is going to be paying for because I am not interested." All this to say that there is somebody out there that's right for you.

I am ultimately a fan of getting help if you need it. Getting someone who puts your interests first, has all the information, can look at the big picture, find the holes, give you good advice for a fee. That fee can be negotiated. It can be structured in a way that makes sense for you. Who gets you, they exist. There is a great website you can check out, a few actually, go to xyplanningnetwork.com.

You can check out some of the financial planners who've been on this show and check out their profiles and their websites and make appointments with them. Let them know that you heard about them here, maybe they will give you a sweet deal. There's also napfa.org, that's the National Association of Professional Financial Advisers, napfa.org. You can search for CFP's by your zip code.

I recommend probably interviewing three to five – do you hear that?

[0:25:20.5]

KD: Yep.

[0:25:21.1]

FT: Airplane.

[0:25:22.0]

KD: They're coming to get us again.

[0:25:25.0]

FT: I hope you don't mind that we are doing this outside by the way but I figured you wouldn't mind.

[0:25:30.4]

KD: That's what makes Farnoosh smart. It's summer time, it's gorgeous, why not do a podcast outside?

[0:25:35.4]

FT: As long as you tell people what you're doing so we're not like, "Where is she?" you guys can imagine, we're right by the pool. It's really beautiful.

[0:25:42.9]

KD: Life is happening around us. I think that that's important you know? You've got to keep it real.

[0:25:47.2]

FT: It's not just about us. Okay so that's my advice for Amber. I will say that I don't now work with a financial professional. I did. I decided that after a few years, I got what I needed. I understood what I needed and we moved on. Really, I feel like after you get the planning stuff figured out and it's just the investments left, you can do the investments on your own. There are a number of automated investment platforms out there.

Why pay a fee upon a fee you're paying for the fund that you are investing in compounded over 30 years. That's hundreds of thousands of dollars. So that math just made me kind of added the game a little bit but who knows? Maybe in a few years our circumstances will change. We will need to work again with a professional and pay for that advice. I am totally open to it. I think in everyone's life a little professional advice may fall and that's okay.

[0:26:41.2]

KD: Yeah, I mean I think that that's great. I have to admit that I didn't know what a CFP was before this podcast and Farnoosh schooled me on it. So that's great and that's another reason why I have Farnoosh in my life.

[0:26:52.8]

FT: Do you have my podcast in your phone now?

[0:26:54.6]

KD: Yes, I have your podcast in my phone.

[0:26:58.0]

FT: Alright, just checking. So it's really important that you subscribe okay?

[0:27:00.5]

KD: I probably need to update the feed. I'm not going to lie but I listen to the podcast. One of my favorite ones of all time was with a female entrepreneur who had never had a business before in her life. What did she do again? I forgot what it was, it was such a great one. Anyway it will come back to me. I'm having a little bit of sunshine coma right now, sorry guys.

[0:27:25.0]

FT: That's okay. We only have two more questions here. Are you going to make it?

[0:27:28.1]

KD: I think that I am going to make it.

[0:27:30.2]

FT: Okay here we go. We have a question here from Carol Ann.

[0:27:33.2]

KD: The pool is calling me.

[0:27:33.9]

FT: Okay, I promise. I'm such a bad host. I'm like, "You can't go in my pool until you do Ask Farnoosh first." You've got to work for that floaty girl. Carol Ann wants to know and this is a fun one, well sort of fun. It's kind of important too. "My husband just bought \$85 worth of Jelly Beans online." I had to read that sentence a few times. I wasn't sure if I was misreading it but that is in fact what Carol Ann wrote.

Her husband had bought \$85 worth of Jelly Beans online. He also put down a \$1,000 for a new Tesla and here's the kicker.

[0:28:08.3]

KD: That's big dreams. I like it.

[0:28:09.9]

FT: Yeah but he works from home. She says and he doesn't really need a car, let alone a Tesla.

[0:28:15.1]

KD: Those are cool though, they're so cool.

[0:28:17.3]

FT: I know but his impulse buys are just going on and on and on she says, “And yet he says that they have no money. So how do I make him understand that if he doesn’t spend-spend-spend on none necessary items, we can have so much more for vacations – which he says that we can’t afford – oh, also more money for retirement.”

[0:28:39.2]

KD: Tell him to do what I do. Take a picture of it. Take a picture of the jelly beans and the Tesla. Take a picture of eating some jelly beans or playing a game with some jelly beans. Put it on Instagram. Go to the Tesla dealership, take a picture with that fly door cracked open and put it on Instagram.

[0:29:02.5]

FT: That’s helpful. I think. But are you arguing about money? Do you need someone to come in and be a third party and just help you? I mean maybe they need a CFP. They need someone who is an objective person to come in and be like, “No more jelly beans, Tesla is out, you need to fund your retirement, you need to start a vacation fund, you need to start a savings account” and maybe you don’t bring in a third party.

Maybe you just tell them that this woman Farnoosh told you to tell you, husband, that this is what needs to go down. The way you make it really simple, hopefully this will help, is to automate these things. So if you are making money and he’s making money, the first thing your money should do for you guys is not to go spend on extraneous things but actually go to the boring stuff first.

Just allocate what you think you need for retirement and I would say a minimum of 10% of each of your salaries automatically, first thing. Then start a vacation fund, start putting maybe a \$100 a month towards this vacation fund or whatever you can do. Then you need separate accounts. If he’s a spender, he’s not going to change overnight but you may be able to wean him off the jelly beans and the Tesla down payment.

By saying, "Here is your X dollars a month account" your guilt free spending. I get it too and we won't bother each other. We'll just do what we want to do with our money to an extent. The rest of it has to go towards our joint needs and goals, okay? And if you can't get with that program then I think you need to bring in a professional. A third party to figure out not just what to do tactically but let's get to the root of the problem here.

Why is he spending money on this stuff, is he bored? Is he as you say a shopaholic or is there something else going on?

[0:30:53.7]

KD: You want to talk about that. At the same time to keep things a little bit light, he does sound like a pretty fun person.

[0:31:00.5]

FT: There you go, see are you a saver or a spender?

[0:31:03.8]

KD: Um – I'm a – spaver. A spending saver.

[0:31:11.6]

FT: Well we do like to live vicariously through the spenders and we find it thrilling to be with spenders if we are savers studies show. Savers and spenders actually attract because not only do opposites attract but it's like you find a lot of thrill in being with a spender and the spender finds a lot of comfort and security in being with a saver.

But that's all in the honeymoon phase. Actually when you are married and things are happening, you get really frustrated, annoyed, resentful. I think that before you talk about the cost of things actually talk about what is driving and fueling the impulse to spend.

[0:31:50.0]

KD: A funny fact, my dad just once did this too. Randomly bought an \$85 or something worth of Jelly Bellies online. Which is really a bizarre thing for him to do because half the time he doesn't even really know how to use his computer. So I think that he had done something to disappoint my mom and was getting the jelly beans to brighten her day and then these jelly beans arrived –

[0:32:18.0]

FT: \$85.

[0:32:19.6]

KD: Yeah, jelly beans are expensive online. You guys need to just find yourselves a regular candy shop.

[0:32:25.1]

FT: Go to Walmart or Target it's like three for a dollar. But in all seriousness, it's funny with the jelly beans but I think there's actually something going on. So I would just say try to the best of your ability Carol Ann to have an open and honest and not judgmental conversation. Don't make it about, "I can't believe you spent \$85 on jelly beans!" But rather say something like, "You have this tendency to buy things".

"You have this pattern of buying that seems to be getting a little out of hand, what's fueling it? Why are you buying these things." And sometimes numbers speak for themselves. So that wouldn't be in the first meeting but maybe in the second meeting. Where you actually keep tally of all the things that he has bought that is not technically a need. How much was that and then compare that to what would it cost actually to go on vacation.

What would that be compounded after 20 years in a retirement account. So he actually sees the gravity of what he's doing, the financial gravity. Alright, last question, did you find the picture?

[0:33:29.4]

KD: No, I can't find it in my Instagram. But I did find some evidence of me spending too much on Pop Rockets so.

[0:33:37.1]

FT: We all have our vices.

[0:33:38.2]

KD: We've all got our vices.

[0:33:39.2]

FT: Okay, Lauren wants to know, "Is it viable to tell hiring managers that you don't have a college degree because from where you stand, it didn't or doesn't make sense financially. What are your thoughts on this?" Look, college is expensive and there are many people who don't go simply because it is too expensive. I don't think that is anything that happened to you because you didn't have the money to go to college.

I don't think that is something you want to lie about or shy away from. That is a fact of your life. However, I think you want to move the story forward and say, "While I didn't go to college we didn't have the money at the time, I still wanted to do something with my life during that timeframe that I felt was a return on my investment of time and energy and that I looked for opportunities that I felt could really advance my career that's why I did X, Y and Z. Between the ages of 18 and 22. While most people are in college, I was doing this and getting real life experience."

So really just own the story and I will say though Kafi, that if she's on the job hunt and already getting interviews and her resume doesn't show any college experience. That probably means that they don't care.

[0:34:58.1]

KD: Or you know it's something that they've noticed and there's something else, there are other things that you've accomplished and qualities that stand out that they feel like that degree is not necessary. It's great that they are having you in and not automatically saying, "Well not having this degree or an advance degree is ruling this person out." Now I can tell you a degree and an advance degree – it's not like they are not worth it.

They definitely make you more attractive and in many areas you do need this. It might also be a situation where they might ask you, "Would you be interested in us helping you to finance extra education in order to excel in your role?" Which would be really cool too. Another thing that I was thinking about is the fact that there had been so many successful people in life who have not gone to college or pursued an advance degree.

And that's been okay. I think about one of the first people I've ever worked for, Peter Jennings. I think that we might have mentioned him earlier. He didn't go to college and he was a major network news anchor for many, many years. There's so many other people who haven't gone to college –

[0:36:08.6]

FT: Kelly Ripa.

[0:36:08.9]

KD: Kelly Ripa didn't.

[0:36:10.7]

FT: Mark Zuckerberg didn't finish. Bill Gates didn't finish.

[0:36:13.8]

KD: Yep, a lot of people that have appeared on episodes of The Bachelor and The Bachelorette didn't finish.

[0:36:19.6]

FT: There you go, you lost me at Bachelorette, Kafi okay?

[0:36:24.2]

KD: Although the current Bachelorette did go to college and she is a lawyer and she is awesome. But you see what I am saying? There are so many people who accomplish so much and they immediately get into the creative world or a professional scenario where they are killing it. They're the ones who become pacemakers for the rest of us who have these degrees and advance degrees and we want to come and work for you one day.

[0:36:52.0]

FT: I love that. I will say Lauren that don't get too defensive, just keep it real. Just tell them why you didn't want to do it. Don't make any – and I am not saying you will but sometimes people ask questions and I answer them – just try to tell your story about why you didn't go. But also, like Kafi said, really expound on it and talk about how you were able to really make a lot out of your career, your life despite this. And obviously they called you in there. They are already a big fan. So good luck with the job hunt.

[0:37:24.5]

KD: Definitely good luck. You've come this far. You're going to go much further Lauren.

[0:37:28.7]

FT: Lauren thank you. Oh you found the picture?

[0:37:31.7]

KD: Yeah, Carol Ann going back to you. It actually wasn't Jelly Bellies that my dad got. It actually wasn't too much of a random purchase. It did have something to do with my mom as I mentioned. These are marshmallow circus peanuts.

[0:37:46.2]

FT: What?

[0:37:47.1]

KD: It's so random and the note to the company where he's buying the circus peanuts says, "I see my wife bought a bag of circus peanuts for a teacher friend who is crazy about circus peanuts. My wife didn't leave the town for a few weeks. I ate every last one of those circus peanuts. My wife comes back May 12th. Help!"

[0:38:12.1]

FT: What are marshmallow circus peanuts?

[0:38:14.7]

KD: I don't know.

[0:38:14.8]

FT: What are they made of?

[0:38:16.1]

KD: I mean they're a fat-free candy – marshmallow circus peanuts. Free of major allergens, made by Spangler, who knows? But my dad, according to this note, went overboard for his purchase for the circus peanuts to make up for the fact that he ate something that was meant

for somebody else. And by the way, he should not have been eating all of that candy anyway because it's super-duper not good for his health.

[0:38:45.2]

FT: But it's fat free.

[0:38:46.7]

KD: It was fat-free and free of allergens so there you go.

[0:38:51.0]

FT: See I learned all about circus peanuts and you learned about Certified Financial Professionals. So I think you can call it a day and we're even right?

[0:38:58.7]

KD: Yeah, win-win.

[0:38:59.4]

FT: Win-win. Kafi Drexel thanks so much for joining me. I hope you are having a good time at the pool and everybody, thank you for tuning in. Lauren, Carol Ann, Amber, Frederick and Jane, thank you for your questions and as always, if you have a question for me it's very simple. Just go to somonypodcast.com, click on "Ask Farnoosh" and send away. You can voice it in, you can type it in, either way we'll get back to you. Thanks for tuning in and I hope your weekend is So Money.

[END]