

**EPISODE 638**

[ASK FARNOOSH]

[00:00:35]

**FT:** Welcome to So Money everyone I'm your host, Farnoosh Torabi, it is a Friday, October 13, Friday the 13th Oh! I didn't realize that until I just said it out loud. My sons favorite holiday is Halloween. So, we are all about the spookyness in our house. He likes to pretend he is a ghost, he thinks about his costume all year long. He loves the whole trick or treating and it's kind of fun, you know, Halloween was also one of my favorite holidays growing up and so its cute to experience it again through the eyes of a 3 and a half year old, and of course my daughter.

She doesn't know what Halloween is but she will be wearing something very adorable that only my, I will be picking out that, so, parents take advantage of Halloween when you have babies because you can dress them up as you wish. It doesn't happen anymore after they turn like 3 or 4 but we have a few ways to go until October 31st, its the 13th today and I wonder if we have a spooky financial questions today? I'm not sure.

But I want to first bring on our guest who is our co-host for today. She is an avid listener of So Money, Claritza Jimenez. Welcome to So Money Claritza.

[00:01:47]

**CJ:** Thank you so much and I'am super excited, Thank you for having me.

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**FT:** Where are you calling in from?

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**CJ:** I live in Washington D.C. So, I am in the district D.C. proper I need to point that out that a lot of people say I'm in D.C. but they're fully out in the suburbs. But I live within D.C. I'm in Golfer Park right next to Georgetown so-

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**FT:** Nice! What is it like living in D.C. in this current political climate, not that you're too political but I'm just curious like you've been there for a while. Have you noticed a change in attitude and what's going on?

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**CJ:** Well, I mean, obviously the most obvious change is the number of protests have gone up. That's empirical data, that's not subjective. We have-

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**FT:** That's not fake news.

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**CJ:** Yeah! exactly I mean it-the data shows it, at this point I think we're averaging about maybe 3 protests every weekend. I would say.

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**FT:** Wow!

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**CJ:** Yeah! You know, anywhere from maybe like a few hundred people to a couple of thousand it really varies all types of protest about all different kinds of issues. So, I think that's an obvious change that we could all agree with and I also think in addition to that, there's definitely much

more of a sense of, I mean this is already a political city but it just feels more political than ever. The conversations I think are just more political than ever you over hear them on the metro, you know, waiting in line at Starbucks. So, I do think that you see a change.

[00:03:18]

**FT:** Interesting!

[00:03:19]

**CJ:** Yeah!

[00:03:19]

**FT:** Wow! Well, what's interesting about you is that you have been able to pay off your student loans and your credit card debt and increase retirement savings in a relatively short period of time yet over \$35,000 in student loans, \$10,000 in credit cards debt, you say that the process was not glamorous, that you lived in a basement apartment and did not live on a full income. So, it was really about a mindset shift. What was that mindset shift for you and then how did you actually go about applying the steps?

[00:03:54]

**CJ:** So, when I talk about a mindset shift what I really mean, that it takes time to cultivate and I think that's why so many of us give up because it takes time to be able to start seeing money differently. So for me, I went from seeing money, due to my upbringing my mom did a great job in a lot of areas but when it came to financial stuff, you know, I didn't get the best financial education at home.

So, for me the mindset shift started in my 20's after college where I needed to stop seeing money as, as money pays off my bills, it pays-It buys me stuff, I buy shoes with money. I go to a concert and really start seeing money as a tool, as a resource to increase the quality of my life

and to give me access to more opportunity and better opportunity. And, once I did that, then the way I started spending my money and investing and saving it, it really shifts it.

So, I mean, I think, for a lot of us we spend, you know, when we graduate from college and we get that first job, I think we go through a lot of years where money is just “I’m paying off my student loans, like I’m paying the minimum every month, hopefully I have some money left over to go out to dinner” and you see it in a very transactional way and when I started seeing money as like this is like, “this is going to give me access to more opportunity” meaning, if I need to go to a professional development conference to meet new people and build relationships to get me a better job. I’m going to be able to do that if I have the savings to do that, and I think when I started seeing money play a different role then I started treating it more differently.

[00:05:27]

**FT:** I get it! So, money is less of a tool, more of a way to invest in yourself. And, I think money satisfies all of those things, right? Money is a resource that we can tap into to pay bills but also to reinvest in ourselves. Tell us more about yourself? What do you do Claritza?

[00:05:49]

**CJ:** Alright! So, I am a journalist. I have, its crazy, I’ve been in journalism for a decade now. I can’t believe I’m even saying that because it doesn’t feel like it.

[00:05:57]

**FT:** A journalist paying off debt. I’m very impressed.

[00:06:00]

**CJ:** I know, you know how hard it is.

[00:06:02]

**FT:** I have done it but-

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**CJ:** Yeah!

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**FT:** It's not everyday, it doesn't happen everyday.

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**CJ:** It's hard, so yeah! I mean, I started out as a television news producer and slowly transitioning into journal journalism. I mean, it's pretty much what I've always wanted to do since I was a kid. So, it feels really good. I don't think you can put a monetary value on actually doing something that you dreamt about as a kid.

So, I really, I really don't take that for granted. I think it's amazing that I get to wake up everyday, you had your bad days at work no matter what but even on the bad days I know that I'm doing something that I've always wanted to do. So, I am a tv-video journalist and it's pretty much what I've done since college I doubled in politics for like a short minute and then ran off and It was like, "I cannot do the political thing," I did it for maybe 6 months and then went back to journalism, so.

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**FT:** And, you we're determined because you emailed me on July 31st, I didn't respond, September 9th you wrote again. "Hi!, I'm resending this email in case it got buried in your inbox," and you know what, it did because I went on vacation.

I was leaving at that time, I went on vacation after July 31st and I think it was my 1st day of vacation. Two weeks later catching up, catching up, catching up, you are so smart you emailed

me again. It is the power of perseverance that gets you places and so here we are many months later, Hey! its happening.

[00:07:21]

**CJ:** Yes.

[00:07:23]

**AF:** It's all that matters. I'm really excited to get your take on some of these questions that we have and we got questions all over the place about retirement, about, well you can relate to some of these, you know, how to get out of debt. Someone's got a question about starting a podcast. I'll take that one. Unless, you have some thoughts too Claritza with your media experience, maybe you got something to add to that.

And, then we have some question about car loans. So we have a question from an anonymous person, a listener from the bay area, it's a voicemail, here we go let's listen.

[00:08:02]

**A:** Hi! Farnoosh, I've wrote in before but preferred to stay anonymous on this question. I'm in my early 30's trying hard to save money between contributing to my retirement accounts, future house downpayment, travel plans and emergency savings that doesn't left much over to buy fancy clothes, shoes or cars. My question is, how do you fight the urge to keep up with the joneses and in particular with extended family?

I know the answer is just not to keep up with the joneses but it's especially hard with family because those are the people you want to feel proud of you. And, unfortunately out really flashy things sometimes to feel, one way to show people that you're doing well. Thank you for any guidance.

[00:08:47]

**AF:** Alright, so the question Claritza from this person, thank you so much for dropping a voicemail on this show, anonymous, we hope to help you. The question is, "How do you fight the urge to keep up with the joneses and in this case sounds like an extended family," she says. So, listen I think you have to get really clear and purposeful and conscious about your money and know what your goals are. Make sure money are working towards those goals and filter out the noise.

No one should tell you how to manage your money if it doesn't sit right with you, it doesn't feel right. No one should dictate or pressure you into spending. Don't be financially bullied because that's really what it is right? Keeping up with the joneses, it's like this subtle financial bullying that you like to have to do it the way everyone else is doing it or else you're not as good, you're not as cool, you're not as hip, you're not as with it and we really bully ourselves over this, you know, feeling like, "if we don't add, do what the others are doing that we're not adding up or not, we're not being accepted" and that's a very human trait. But I think, except from the 1st day when I wrote your So Money Claritza, you got to be selfish with your finances.

Selfish with your money. That sounds brutal or harsh or mean but it's not. It's just saying that the bucks stops with you. No one cares about your money other than you. I guarantee, you're going to buy the same shoes, the same cars as your neighbors and your friends in the joneses and they don't care or think more or less of you. But, what you'll be different is that you'll have less money than you started with. What do you-do you have any experience with this Claritza? I mean, living in a city like D.C.

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**JC:** Oh, my God.

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**AF:** -as a millennial, as a young person, as any age. I mean, I think that there is a level of trying to keep up with everybody. The city, everyone lives outside, right? So, you see everyone is wearing and driving and eating. You know, it's hard to not be tempted.

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**JC:** And, I think about 2 things about this question. I think, you're right on when you said, that they need to clarify their values because I feel like that there is a disconnect. You know, there's a disconnect between what money means to them, like what are they truly value and then how can money facilitate those values versus what the family values and I think that she needs to start differentiating between the two, so that's number one.

And, I think that, that's the kind of answer that I know since nice people don't want to hear because it's not a formula right? It's not "do steps 1, 2, 3, 4 and there you go." It takes some self work and doing the homework on yourself and its a process. So this person really needs to figure out like, how does money facilitate the things in life that they really care about and I think if she come up with a list of what she really values. I think it's going to look very differently than the fancy cars and the clothes and the shoes, so that's one thing. And, to answer your 2nd question, yeah, living in D.C. I definitely do think that there is pressure here as you mentioned I lived in a basement apartment in my early 30's.

I was so ashamed of it to be honest because here I have this amazing resume. I had this fancy job title. I have the academic credentials. On the outside it looked like I should be living in an amazing apartment like I should not be living in a basement apartment but for me what I had to do is go make that connection like what matters to me and it was financial freedom. It was having options and I wasn't able to that living in an apartment where I couldn't afford the rent and, you know, spending money on things that I couldn't afford. So, I've been there, I did it, I've lived in a basement apartment for several years while paying off my loans and my credit card. In doing so in D.C. it was hard.

So, but what made it for me worked on those days that I feel bad, I wasn't there because again I went to amazing schools, I have this great education, I have this amazing resume like why is it that, I'm living here in a basement apartment like it shouldn't be this way but I had to go back to what was real for me and that was in order for me to have more options financially I need to get rid of the student loan debt, I need to get rid of the credit card debt and it means living in a basement apartment.



So, I made the sacrifice, it paid off but you need to make that connection with yourself about what matters to me and that made it easier.

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**AF:** And I would also add that's an incredible advice and I'm so happy for you. I do think it's important that whoever this person whose living the voicemail and everyone listening. When you're going through any sort of financial struggle whether it's mindset related or just plain dollars and cents related, build a community, a supportive community around that. It doesn't sound that this person has identified that supportive community, certainly hanging around extended family where you feel judged up, down, left, right, sideways. Not a great environment, healthy environment to be in.

You can't ditch your family, you can't undo your family ties but you can choose how you spend your time sometimes and if this family members are creating stress for you or you're feeling less than in their presence. You know, you don't go to so many dinners on Sunday. You don't share so much with them but I will say that it's important to share with them that you're happy, that you're fulfilled, that you're having fun and hopefully through that they'll see you know what, she's putting her money where it matters. And, not where you know, it's for showing up in a handbag.

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**JC:** That's great. That's excellent advice and also what caught my attention about this question is that she mentioned retirement account, future house, fancy clothes but I don't see anything in there but like wouldn't you enjoy like doing, you know. What, you know, in to yoga, are you into running like what activities that you engage in that has nothing to do with money? So, I think that's also part of the advice.

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**AF:** No you're right, how are you fulfilling your soul?

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**CJ:** It's funny it starts out as a financial question and then you drill down and it's not about the money.

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**AF:** Yeah, yeah! It's never about the money, right? It's not about the money. We have a question another voicemail from FK, just list to initials, also a voicemail. Take it away FK.

[00:15:31]

**FK:** Hi Fanoosh, I found your podcast this year and I'm obsessed with it. I came across with Episode 580 with John Kapetaneas. I was inspired to eliminate my \$80,000 in debt. \$56,000 of that is in student loans the rest is credit card debt, car loan debt and a personal loan debt. I make about \$60,000 a year as a digital marketing manager. I bring in \$1,600 extra a month from freelancing in social media and digital marketing.

I was given an opportunity for a new job making \$70,000 a year but I'm nervous that I won't be able to continue making my freelance job money and I'm trying to see what I should do next. Should I negotiate terms that are similar to my current job, so that I can have the flexibility and then if they don't give it to me that type of position or should I just stay where I am and continue to make that extra \$1,600 a month.

And, which would be about a little over \$18,000 next year and I have another client who wants to sign up so that might even double. What would you do in this situation? I'm also using some of the money to save because I don't have savings, so I started saving and that's been very helpful. Any advice that you can give me, it'll be great and I appreciate it.

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**AF:** Alright, well first of all, John Kapetaneas was a guest on the show this year. He is a producer for ABC News simultaneously got himself out of like a \$100,000 plus in debt and I will

never forget what he told me. He said, "if you really want to get out of debt, how quickly you can do it determines how uncomfortable you're willing to get."

And, he got pretty uncomfortable for about 2 years, he worked his tail off. He said, "he doesn't recommend this but there was 1 day where he worked for 24 hours, he didn't stop working."

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**JC:** I really- I listened to this podcast and I could really relate to his-

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**AF:** As a journalist, right.

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**JC:** Many people have no- have no idea how difficult this industry can be especially at the beginning when you're starting out, during with my fellow journalist that he was committed to paying off all that debt, it's amazing what he did so-

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**AF:** Yeah, so I would say it first to this question, this person asking this question, the real issue it sounds like is that it's kind of a nice opportunity, right, you got this job offer \$70,000 a year. The worry is that if he takes this job that there won't be time or permission to continue freelancing on the side which really how they we're able to pay down the debt and so, I wouldn't assume things yet, I mean, I would talk to employees there if you can or speak hypothetically to the employer and say "hey, like if I want to get out of debt, you can be very transparent about it. I'm working on a financial plan for myself right now."

It's very aggressive, it depends on freelance income to help me with it. Could I, what are some ways- what would be a no, no around here and everyone should ask this question, if you have a

full time staff job you should always ask your employer or at least share with them what you're doing from the side if you feel as though you feel like it's a conflict of interest.

Some employers have, are totally flexible others are more restricting. So it's good to be just on the same page and to be transparent because you don't want them to find out and then surprise you're breaking rules and then it's a whole other issue. So, don't assume that you can't continue the freelance money, explore that, see if you can. If you cannot then I would say try to- you should always try to negotiate and ask for more money, so that- it's happening anyway.

But, see if there is a way to carve it out, so, you know, if you take vacation days you can continue to freelance, if you- on weekends, I don't know. See what are the parameters are around that where there maybe some flexibility or just try it make more in this job but I don't think that this should be the reason you don't take the job. If this is the job that you always wanted that you feel will get you to the next level in your career then it's a good investment of your time because you're going to learn a lot of skills, meet new people.

Really get into your career, further into your career. I think it's worth the time. You know, all things constant, what do you think Claritza?

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**CJ:** Yeah, I mean what caught my attention about this question is that there's a \$10,000 difference in the salary which is pretty good, that's a pretty good raise but I would encourage this person to also look at the benefits and this is something that I wasn't very good about in the beginning of my career because all that I was focused on was the salary.

But, if you start to looking at the 401K match the health insurance and the vacation time. Sometimes that \$10,000 difference evaporates really quickly. So, I just think it's something to consider that, you know, if the current job where you're making \$60,000 is giving you an amazing, you know, benefits package, I don't know, keep that in mind when you are making the jump because you might realize that the \$10,000 is not as big of a jump as you initially would have thought.

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**AF:** Right, and that's before taxes.

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**CJ:** Yeah. Exactly.

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**AF:** It's not really \$10,000 and can you save some money within your budget to make up for that difference and then when we find still another side gig that is compliant with whatever you are going. You might be able to restructure this a little bit to continue to payoff that debt aggressively. You could change where you live, right, and pay different- a lower rent. You could change the way you spend, you could change a lot of things. Earning money is my favorite way to get out off a financial hole, earning more money.

But, if that is not something that you can do feasibly or at least the way you've been doing it, look at ways where you can cut costs and that can be a way to bringing more money. I'm going to have you ask you this question Shannon-oh sorry. I love for you to read off, of this next question for us Claritza from Shannon and she's got a question about retirement.

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**CJ:** So, so Shannon says, back in 2007 she opens a 403(b) with her former company that is now bankrupt. She gave a small percentage each week in the last few years. She was there she didn't contribute and now it's been 4 years. Today, she owns her own small business and needs to rollover this money into something else, what should she do with it and in terms of retirement how does 1 play catch up?

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**AF:** Alright, do we know how old? She is 33 years old. I have a little more background on her, I was just wondering how old she is. She's going to be 33. She's got about \$4,200 in this 403(b) at 33 you should have about your salary and your retirement. I know that's aggressive but I just read that and well, I mean, these days we're living longer, the more the money the better.

She says, she doesn't make much and the cost of living in her city is high. I think as a business owner you should open up a SEP IRA, which is basically an IRA for business owners. You can contribute up to \$50,000 or a little bit more every year, tax deductible. It's like a super hyper IRA.

You could perhaps roll that old 403(b) money into the new SEP IRA that you create or you can open up, you know, just a traditional IRA and roll that into that, a little on the traditional IRA let's you save up to only to \$6,500 but you should do something with it. You should roll it to something I think where you're keeping an eye on it and maybe you're starting to recontribute some to it.

In terms of retirement how do you play catch up? So, we don't know how much she is earning but at the minimum, at this stage with only \$4,200 in savings, I'd love to see for her contributing like 15% of her income to a retirement account maybe it's that SEP IRA, start there but definitely contribute automatically from your monthly income and I know, owning a business it fluctuates, it's never the same.

You don't get paid every 2 weeks like we do at the desk job but once you start to get in to a pattern or once you kind of can start to averaging then take 15% of that and put it towards a retirement account every single month. And, there are calculators online Shannon that can help you with this. So, if you go on to any search engine like when you type in retirement calculator, there are number of reputable ones that will pop up within the first like 10 results and just go in there and plug in what you got saved.

You can-the value of your home, the equity, you know, is a part of your net worth. It's not something to bank on necessarily but it's, it's good to know what that is and it could add that to retirement calculators. They will ask for that. "Do you feel like you're on track for retirement?"

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**CJ:** You know, I'm super aggressive about my investing and I don't like to call it retirement savings because I don't feel like in my generation where ever we are going to retire, like, I see myself working forever but it doesn't really mean that I'm going to be working like the 50, 60 hours a week but I am pretty sure that I'll be working up until the end, the end.

So, yeah, I do, I am an aggressive investor when it comes to my investment accounts and I think what made the difference for me which is probably advised that, I don't know if it's like common place to hear but it worked really well for me. I ended up getting a Knoll fee financial planner in my early 30's and it was a total game changer.

I did a lot of research, you know, obviously I just didn't like pick the 1st person that came up on Google. I spent maybe 6 months looking into someone and I found this amazing guy who I'm up and working with him for 2 to 3 years now and he really set me on a path. I was already investing pretty aggressively but when I partnered with him he made me see things so differently that I increased my contributions drastically and, you know, because of that I feel like I'm in a sweet spot. I can always do better, I feel like.

But I don't think I would've become that aggressive without his help so that's something that I actually would recommend to people like in their, especially early 30's, I feel like that's a good time to get a Knoll fee financial planner, it's like a financial therapist, you know, this financial-

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**AF:** How did you know that he was right for you?

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**CJ:** It was a combination of things, I think the journalist in me kicked in so I did a lot of research. I talk to a lot of people. I remember calling this one guy, I put in list together like 10 people in the D.C. area that I have researched and then I called up this 1 guy who really got a good reputation and I'm going to be very honest now. I ended up-I came up with my list based on

names that would come up and like really high end magazines at the D.C. region, like basically where the wealthy people are going to get financial advice.

I wanted to know where the wealthy people, really wealthy people in the area. Yeah, getting their financial advice from because obviously they're getting the best advice. So I put my list together based on that and then the journalist in me started calling up people and I called up this 1 guy and he was like, "look I'm about to retire actually but there was this another guy that I would love to work with, he focuses on millennials and younger professionals and I think he would be the right fit for you."

So he was the one that put me in contact with my financial planner and we talked on the phone and met him in person and it just worked, I mean, he is someone who was so, first of all so knowledgeable, so patient with me, he answers every kind of question and I know it sounds so cheesy but I don't think that he's only in it for the money, like you can tell that he really enjoys what he does and obviously I'm not a high net worth client.

He has people that make way more money than I do and I feel like he treats me just the same, you know, I can tell that I get the same kind of respect and attention that his, you know, his wealthier clients get. But, yeah, I'm a big believer in paying for help like paying for quality help tends to do everything on our own and, you know, when it came to getting a financial planner it just changed my whole perspective- in terms of I look at investing so it really helped me out.

[00:28:18]

**AF:** What a great success story, you know, people always ask me on this show, on this episode, "how do I find a financial adviser? Who can I trust?" You just gave us so many great leads. Thank you so much. I'm glad that, that is working out for you.

Our next question is from Natasha and she wants advice on starting podcast. Well, you've come to the right place Natasha. I don't know if we can get it all in, in this particular episode. She says, she's been Googling for almost a week now and finds nothing that goes into detail any insight or advice would be greatly appreciated.



So, with podcast like any other I think media platform like video or blogs, there is the idea side and then there's the technical side, right? And, you have to work on this both simultaneously before launching, while launching. So you really want to get really clear on what your show is about that's as important, that more important than getting all the technicalities figured out. You know, I didn't know much about editing or how do you get somebody to read an intro to my podcast or how to even get it up on iTunes.

But, rest assured that all of those resources and how to's are out there and once you're ready to execute, you can just connect those dots and it's very easy and if you want it, you can email again and I can give you some resources but I wanted to spend time answering your questions Natasha by explaining the importance of really getting clear on what your show is about.

First question you want to answer is, "why do I want to do a podcast?" Be clear on that. Bad answers include because everyone else is doing one because I think it would be easy, because it will be a fast way to reach millions of people. You should really want to do a podcast because unlike maybe doing a blog or video series. Podcasting, you feel most comfortable doing, you feel like you are someone that can be conversational that you have a lot of thoughts to get out and, you know, voicing them is kind of your jam that you want to bring content rich, smart content to the world.

Podcast listeners are really smart. They're not passive, they're very active engagers and so you really have to be really, I suppose thorough on how you want to deliver this and really thoughtful about how you want to execute it. And, I would survey all the other podcast with in that genre or category of podcast that you want to launch in to see what's already out there.

"What are people saying they want more of, less of." Really, survey the landscape, talk to other podcasters. I'm a member of a wonderful podcast support group on Facebook called She Podcasts which I don't think you can be a member of until you actually have a podcast. But, I feel like these days everyone is like, 6 degrees to separation from a podcaster so if you can find 3, 4, 5 other podcasters that are within your town or you can easily Skype with that like you have relationships with that you share in common, call them. That's what I did. I just spoke to a lot of podcasters in the beginning. I said, "what kind of microphone do you use. How do you launch on iTunes, any advice for me. What is the cost? How do you get guests?"

Again, I don't want to spend the whole show telling you all my facts but I'm happy to follow up with you, with a follow up email but I would reach out to other people that maybe more accessible to you, friends of friends of friends of cousins of neighbors who can give you their do and don'ts. I think that's a great place to start.

Jessica's last question here for us. She's got \$11,000 in car loans and the debt is just under 4% interest. She has about a \$100,000 between her savings and her investments, should she continue investing or pay off her loan first?

Well, I might sound crazy here but I almost feel like don't worry about paying off the car loan. Well, it's not that high of an interest rate. The car loan is what, a 5 year term? If she just stays the course she will pay it off. Calculate the interest, what would be the interest payment be over those 5 years or I'm guessing like 3, 5, 7 years is not going to be more than that at this rate.

Calculate how much interest you're paying, compare that to how much interest you could potentially earn investing in the stock market over the next 5 years looking at how much you've earned over the last 5 years. Now, I know that the historical returns are not future predictors but, you know, on average the market returns anywhere from 68% over the long run, so that's better than what this interest rate is and I don't know about you Claritza, but I'm a little bit worried about the future.

I'm not going to be all doomsday on everybody here and I am not going to be all apocalyptic but I do think that the, at least the stock market is looking a little too hot, a lot hot to me right now. This is the highest levels I've seen before. I feel like there has to be some correcting at the minimum. Some people are throwing the "R" word and so in that environment, cash is king.

You know, so I mean, I'm keeping a little bit more cash on hand right now because I'm a little risk averse and I want to be prepared for who know what more than I would want to be more prepared for who knows what 5 years ago.

I'm a little more concerned now, if I have sort of a colored meter of Farnoosh's own like worry meter.

[00:34:10]

**JC:** Wow! My goodness.

[00:34:10]

**AF:** It's kind of like at orange right now. Yellow orange, I'm an optimist but I'm also a realist.

[00:34:18]

**JC:** Yeah, that I mean.

[00:34:20]

**AF:** I'm not paying off my car loan, I tell you that much.

[00:34:22]

**JC:** So many of this when I look at that question. My gut, my instincts was to pay it off as long as she keeps at least like \$10,000 in cash saving. I feel like for me \$10,000 is a good minimum to have. She doesn't really tell us, she has a \$100,000 between savings and investments but we don't know the split between savings and investing between those two. I feel that if you don't go below the \$10,000 cash savings like that for me is a threshold, I would pay it off just because of the psychological boost that I get from knowing that I don't owe anybody money.

That for me is a motivator but that's very subjective. I also see where you coming from in terms of cash is king and we don't know where the economy is headed so, you know.

[00:35:13]

**AF:** I mean the thing is it's a short term loan, car loans are short term right? And so we're not talking, this is probably not thousands of dollars in interest. I mean we're talking, do the math,

that's probably just \$500 in interest. You know, so that's the benefit of paying off the car loan early, you're going to get \$500 in your pocket.

I think you're going to make more money investing in the stock market in the long run and the earlier you do it, compounding is so powerful, so that would be my advice. I mean, yes there is a psychological benefit in not owing the money to people but there's also a psychological benefit to knowing you have a lot of cash when things might not go your way. So that's where you have to really decide Jessica is what makes you feel comfortable and also how compelled are you by the math because the math to me says continue investing.

Alright, that's where we're going to end and thank you Claritza for coming on for giving us your own personal story and the lessons learned. I'm so happy to hear that things are going so well for you on the financial front. Yeah, again, to the listeners you guys asked the best questions keep them coming go to [somonypodcast.com](http://somonypodcast.com), click on Ask Farnoosh and that's either you can leave a voicemail or send in type in a question. We're looking forward to hearing more from you and Natasha, seriously if you got more podcasting questions email me and hopefully I can send you some links and some resources but start with your immediate community, I'm sure there are a number of podcasters, there are people who know podcasters who'd love-podcasters are generally nice people.

We're not an intimidating crowd. We're people, people. I'm sure they would love to help you out. Claritza have a great weekend and everyone else. Hope your weekend is So Money.

[END]