

[INTRODUCTION]

[0:00:11] ST: Welcome nation to the Financial Rockstar Show. I'm your host, Scott Alan Turner ready to help you get out of debt, save more money and retire early. If you missed the last show, we wrapped up our seven part series, Seven Deadly Sins of Financial Freedom. That was some good stuff so please check that out. Today, I've got a special guest for you let's roll the interview.

[INTERVIEW]

[0:00:35] ST: Stefanie O'Connell is a millennial finance writer and author of the Broke and Beautiful Life. Her work has been featured on Forbes, USA Today, The Huffington Post, Yahoo! Finance and Business Insider. Stefanie has also appeared on various podcasts, radio shows and television programs including Good Day Street Talk and the Dr. Oz Show.

Welcome to the show Stefanie.

[0:00:57] SO: Hi, thanks for having me.

[0:00:59] ST: Thanks for being here. So you are an actress living in New York City, one of the most expensive cities in the world and not going broke. So are you working six jobs, did you win the lottery, are you living off ramen, tell us the story behind that?

[0:01:13] SO: Well, the story was I came to New York out of necessity because I wanted to be a theatre actress and in order to do that, you really do have to be in the city. Luckily, I've been here long enough to learn that New York is just about as expensive as you want it to be and I'd like to dispel the myth that New York is so, so expensive because while it is, there are also so many resources to reduce cost and there are so many people who are in the same boat. That works as a collective tool to drive class lower.

I've always lived with roommates, I've always taken advantage of city resources, I use the bike share system, all of these things reduce my cost even less than a person living in the suburbs or on the cheaper part of the country. My transit cost is something like \$200 per year whereas someone might pay that a month in gas, right?

It's all about realizing what those tradeoffs are and at the end of the day, having a roommate or two or living an extra 30 minutes outside of center city isn't a huge tradeoff for the opportunity to live in New York City and pursue my big dreams and goals. So yeah, I think if there are people out there listening who have been intimidated by this idea of the big expensive city, know that there are ways to work around that and make it work for you and the payoff can be really worthwhile.

[0:02:42] ST: So you've moved there and then you started learning about personal finance, how did you get into that and start learning about that and getting your education?

[0:02:49] SO: Well, I was an actress so I didn't really have any money and I got into personal finance because I wanted to have money and more than having money, I wanted to have the freedom that money affords you. I wanted to be able to have options and when you don't have the resource and the tool that is money, your options become very, very limited and that was frustrating to me very early on.

I would look at my career and the choices that I would need to make and sometimes it would be I make more money waiting tables than I do when I'm performing getting paid and so that was tough for me to contend with but maybe if I could harness my money that I did have more and learn to use it more effectively, then I could prioritize those things that were important for me which at the time were those performance opportunities.

So I was making those kinds of choices and decisions that really made me realize how powerful money can be and how freeing it can be and so I just got into personal finance big time like blogs and podcasts and well I guess podcast even then, not that this was so long ago but podcast weren't crazy big yet not like they are now but books, some good old fashioned Suze Orman and that kind of kick started the journey and it's been rapidly evolving ever since.

[0:04:18] ST: Now, you mentioned waiting tables, is that one of the first side jobs that you had when you first moved to New York?

[0:04:23] SO: Yeah and I've done everything. I've waited tables, I've been a personal assistant, I've been a trade show hostess, I've checked coats, I've done like handing people microphones at events, I've worked for doctor's offices, signing people up at the front desk. Anything I could do just to make enough money to get by, I did.

And then I transitioned from that getting by mentality to a thriving mentality. When I got into personal finance, I was also introduced to entrepreneurship and this idea of self-driven enterprise and that kick started my own business that is the Broke and Beautiful Life and everything that's come since then, which has been a really cool and exciting ride.

[0:05:09] ST: What did you learn about money from your family growing up that has had an impact on your life?

[0:05:14] SO: My family, I'm very solidly middle class, upper middle class. So I don't come from a poor tough upbringing by any means. I was only broke by virtue of choosing a silly profession. But it was interesting because, in my town everyone had gadgets and cars and all this stuff and I didn't have those things but I still had a perk like I wanted for nothing, right? But I didn't have those extras.

I think that's the lesson I learned from my parents, is that having income isn't like a license to spend on everything, you know? And what they did is they prioritized their money to spend on two things and one was education and the other one was travel. I feel very similarly about the way I prioritize my money. I am very, very willing to splurge on classes, coaching et cetera.

I am very, very willing to splurge on experiences, travel, doing new things that enrich me. I'm not so willing to splurge on a car or jewelry or tech or anything like that. I think those were the lessons that were instilled in me that no matter what your income level is, you should still be prioritizing your spending based on what's valuable to you.

[0:06:46] ST: That's excellent advice, investing in yourself and investing in memories as well. I was actually running through a fancy neighborhood on a jog a couple of days ago and I saw two cars out in front of two different homes and one was a beat up old pickup truck and the other was a BMW and I immediately knew that those cars were purchased for the children who lived in those homes. I think the guy or gal who's driving that beat up pickup truck is going to have a better lesson in life than the one with the BMW.

[0:07:14] SO: Yeah.

[0:07:15] ST: You mentioned Suze Orman, what are some of the other resources that you would recommend to someone who's new to personal finance to check out that influenced to you?

[0:07:22] SO: Well, there are so many. When I first got into personal finance, I had no idea how huge the resource pool was. Google is a beautiful thing like if I have a question about anything in life, I'm just like, "Google it" and be smart about your Googling but it's a good starting point for anything. So yeah, I started with Suze Orman but I am also a fan of Personal Capital which is an app where I track my net worth and my spending.

It's like Mint and that it tracks your spending and your income but you can also track your investment portfolio which has been very sad the last few days but nevertheless, it's kind of nice to get like a snapshot of where I'm at and what my goals are and just to check in with that every day and make sure I'm still on track so I use that and I read tons of blogs. I'm always, always learning.

I treat my personal finance education the way, I'd like to call it the way I treat my partner and that I say "I love you" every day, right? Because we need to keep that communication going and I think the same thing applies in personal finance. It's like I may know I need to have an emergency fund and track my spending and all these things but that doesn't mean I don't need to continue hearing that lesson and having it re-enforced.

So I like to keep those things fresh just like I like to keep my relationship fresh. So relationship with money is a lot like relationship with people and you need to put effort into it and nurture it all the time and the payoff is huge so why not?

[0:08:54] ST: When your friends and co-workers in the acting industry, they find out you're a personal finance guru, what questions do they end up asking you about most frequently?

[0:09:02] SO: It's mostly, "Where do I begin?" And I think that's true across the board whether you're an artist, a young person or not. I went to a conference a couple weeks ago and there was a panel on women and money and someone said, "I'm 50, I have two children and I don't know where to begin," and it's the same question I get from the 21 year old who just graduated college.

Ultimately, it just starts with starting. It starts with picking up that book or going to that website and then in terms of what you can do, literally my biggest piece of startup advice is to write everything down. Write down everything you spend and write down everything you earn because it sounds really simple but until you have that full picture, it's really hard to make adjustments to get to your goals.

I liken it to looking at a map, when you look at a map, you not only need to know where your destination is on that map but you need to know where the "You are here" mark is. If you're looking at a map without those two points, you're completely disoriented. And I think when we talk about money and goals, we're pretty good at knowing what we think the destination is but we don't know where we're starting from.

I think we have an idea of where we're starting from but we don't have a solid grounding. So tracking where we are and where we want to go and then figuring out what the steps are to get in between those two points and that really just starts with the writing it down.

[0:10:29] ST: When you run into these folks occasionally later on after you explained to them, "Here's how you start," do you run into them and say, "Hey, what a nice Louis Vuitton bag you just bought," or did they actually end up following your advice?

[0:10:42] SO: You know, it's hit or miss. Occasionally I'll get a message from someone which makes my day that says, "Oh my gosh, I read your book and I opened up a Roth IRA," and I'm like, "Oh my God, that's amazing." And then I run into another person who's like, "Oh it's still so tough," and then like, "Oh, I'm going to go buy some clothes at H&M to make me feel better." It totally depends on the person. Ultimately, advice is advice and it's how you take it and put it into action that's going to matter.

[0:11:16] ST: You mentioned tracking your spending, how can we make budgeting a freeing experience rather than eliminating experience?

[0:11:23] SO: I think you need to remember that a budget is about making room for your priorities and values and if you think about it in that way and that it's a tool to help you achieve the things that really matter to you rather than something that's restricting you, then that really opens up the excitement around budgeting and the possibilities that can come along with it.

[0:11:48] ST: Do you feel you've missed out on anything by not doing what most of us do and that's being living paycheck to paycheck?

[0:11:53] SO: No, my life is a complete 180 since I took ahold of my personal finances and I sometimes think about the things that I decided not to do or to opt out of and I don't regret any of it because it's just opened up more and more opportunities.

[0:12:11] ST: Your book *The Broke and Beautiful Life*, when people contact you after they've read the book, what's the number one question or comment you get?

[0:12:20] SO: It's hugely flattering when people contact me, but I guess the number one thing is, "I get this and I get you and I get what you're talking about," and that's my biggest goal in the world of personal finance. There is a lot of jargon and that intimidates people and there's really no reason to be intimidated because at the end of the day, once you have a vocabulary for understanding these very basic concepts, you are perfectly capable of harnessing control of your money all on your own.

No matter how intimidating it seems in the moment and my approach is such that I want to kind of strip away the taboo, strip away the jargon and just bring it back to what matters. Bring it back to my life, your life, I share a lot of personal stories in my book just because I know that so much of this money thing is about connecting to what's important to us.

I think revealing some of my humanity and weaknesses and experience helps people connect with their own and ultimately, that's my goal so that we reveal that we're all in this together and we're all figuring it out together and then if I could do it, you can do it. It comes down to goals and values and things that we all share and are not reserved for people who are bankers or in investing. I think it's a human endeavor ultimately to use money as a tool and I want this message to reach as many people as possible so they can use it effectively.

[0:13:51] ST: For most of us, eating out is one of our biggest expenses and it's also one of our few budget categories where we can make significant impacts. You have an article on your website, thebrokeandbeautiful.com, where you talk about frugal foodie fails. What are some of the "gotcha's" we should be aware of to avoid when we're eating out and overspending?

[0:14:11] SO: Oh, it's so hard. I mean I love eating out. I know this about myself and so that puts me on high alert, which helps, I think being mindful of what you know your triggers are. A couple of things that I know of traps I fall into are the not planning ahead, the thing where I get into a situation where like, "Well, I guess I have to pick something up and go to a restaurant because that's my only option." So kind of giving myself an excuse to splurge and overspend which is never a good idea.

The other thing is, when it's social, I think that can be a trap. I'm not saying that you shouldn't go out and be with people and be social. It's just if it becomes habit that can be a very expensive habit to go meet up with your coworkers after work for drinks that becomes dinner with more drinks. And then the more drinks you have, the more another drink sounds like a good idea and then so do nachos and then, "Oh my gosh, let's go get cupcakes."

So it's just like, "Alright maybe here's what I can do to limit myself before I get into this bad cycle." Maybe I will withdraw X amount of money in cash, that will be my budget for the night and because it's in cash, I can't go above that limit. So that's just kind of a way to reign in the spending and being mindful and then just kind of enjoy both worlds. Have the social thing, have the food thing, have the things that you like to splurge on but within the parameters of your means and the mindfulness of your values and your budget.

[0:15:41] ST: That's a great tip. What was your last foodie fail that you had?

[0:15:46] SO: Oh last night.

[0:15:48] ST: Me too.

[0:15:49] SO: Yeah, it's a big problem. I actually had drinks with another entrepreneur friend and that's the worst. When you're under the guise of like, "I'm building my business," right? And I am, it is a good thing but those excuses can kind of get you carried away. So that's what happened to me.

We were on a rooftop bar overlooking Times Square which was gorgeous and I was just so caught up in the moment. I'm feeling super inspired talking about business and money and it gets me going and I had a drink and then it becomes another drink and you know, probably spend a little too much.

[0:16:30] ST: I hear you. I was sitting around last night at 9 o'clock, I was like, "Hey, I could use a Starbucks Frappuccino at 9 o'clock would be great". I told my wife I was going out and she said, "You deserve it."

[0:16:41] SO: Yes, validation and our bad choices.

[0:16:46] ST: Stefanie, we're can we go to find out more information about you?

[0:16:49] SO: Well, I have my website, thebrokeandbeautiful.com and my book is the same name, The Broke and Beautiful Life which is available on Amazon and Barnes and Noble and you Google that, you'll find it. And I also have my own site, stefanieoconnell.com — Stefanie with and "F". S-t-e-f-a-n-i-e-o-c-o-n-n-e-l-l.

I write all around the web, you'll see a lot of my stuff on Huff Po and Yahoo. So keep an eye out, I write about millennials and the latest in millennial land, which is always interesting. So yeah, it's fun to read what the news is coming out.

[0:17:29] ST: Great and we will have those links in the show notes for people to visit your site and find your book as well. Stefanie, thank you so much for this conversation. I really did enjoy hearing your story and your perspectives on money.

[0:17:40] SO: Thanks for having me.

[0:17:42] ST: Awesome Stefanie, thank you so much and I appreciate your time today.

[0:17:45] SO: Thanks.

[END OF INTERVIEW]

[0:17:47] ST: Lots of great information from Stefanie there, please do check out her website. Next time, I'll help you discover the best way to prevent identity theft and to save you money in the process. Don't miss that one.

That's it for this episode. I am your host, Scott Alan Turner, rockstar Katie is my producer. All the links mentioned on the show are available on the show notes on scottalanturner.com. Today's episode is powered by Ben & Jerry's ice cream. Thanks for listening.

[0:18:18] ANNOUNCER: You're not alone on your journey to live a financial rock star life. That's why we put together a free eBook just for you. Go to financialrockstar.club to receive your free guide on how to save \$1,000 in one week and start getting out of debt, saving more money and retiring early. See you next time.

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