

# Exploring Financial Confidence

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## **Stefanie O'Connell:**

If we can think a little bit more critically about the language we use casually, it will create better outcomes for everyone, especially when we're talking to the next generation.

## **Lisa Bragg:**

Stefanie O'Connell Rodriguez wants to empower women to have a firm hold on their money matters and how we talk about money today, our language choices and conversations matters for us and for our children. As a millennial money expert and author, Stefanie has seen firsthand the importance of financial confidence. I'm Lisa Bragg and this is Bold(h)er, stories of and for women who stand out. Brought to you by BMO for Women.

Stefanie, your career has grown out of your experience as a 20-something living in New York and while struggling to make ends meet. Tell me about that time.

## **Stefanie O'Connell:**

Time was a real challenge. On top of the fact that I was working gig to gig so that I didn't have access to a steady paycheck, I didn't have a lot of money coming in, and the fact that cost of living in a city like New York is no joke, I was also just grappling with a lack of financial confidence and certainty, and then just the realities of life happening. One instance in particular that was kind of life-changing for me was when I started having problems with my teeth. I had like this horrible, horrible pain in the side of my mouth. And I'm like, what's going on? I'm only like 23 years old, I shouldn't be having pain like this. So I go to the dentist and they are like, well, we're going to have to extract your tooth and give you a dental implant. And that's going to cost around \$2,000.

And I just sat there in disbelief and then crying, just weeping in the dentist chair. Because I felt like I had been working so hard to try to make my lifestyle work and to try to cobble things together and pay my bills and, you know, live that adult lifestyle. And here I am like \$2,000 later, that's a couple months rent. I don't have that money. And I'm just like, how am

I supposed to manage life when I feel like it keeps happening to me. And that kind of goes back to the idea of what I spoke about before, which is feeling at the mercy of my money, or my lack of it. So the dental implant story was one situation where I felt that way.

Another one was, I was in a relationship that I wanted to get out of, but I lived with that person. And, you know, I couldn't shoulder the cost of renting on my own. And I felt trapped because I couldn't afford to move out. I couldn't afford to just walk away from a lease I had signed on for. And it was funny because I started dating someone else who was also in the same scenario. So we were both living with our exes and dating each other. Because our financial circumstances just were, they were this thing trapping us from being able to live freely and on our own terms.

So I think a lot of those kinds of little bits and pieces of seeing how a lack of money played out in life really, really inspired me to get serious about my money. Because I bought into the narrative that, quote unquote, money doesn't matter. But that's nonsense. Money is a tool for affording a life you want. It brings you toward the things you care about, and it frees you from bad situations, bad jobs, bad relationships, bad housing scenarios, that you want to be free of.

**Lisa Bragg:**

I love it on your website, how you talk about being at the mercy of money or lack of it, and not being able to face money situations. How did you overcome that feeling that no matter how hard you worked, you couldn't afford the things you really wanted? You didn't have that number that would allow you to have, well, breathing room, even.

**Stefanie O'Connell:**

I think one of the big mistakes, or limiting beliefs, that I had about money when I was starting out was that it was all about how little I could spend. And if I could just reduce my expenses enough, then I would have the breathing room to save, and do the things I wanted, and eventually build what I needed financially to afford a lifestyle I wanted. What I didn't realize is that there's a lot more to money than how little of it you can spend. And I learned firsthand that you cannot out-frugal your way to wealth. So one of the big things for me was understanding that I can't just spend time thinking about how I can coupon, or get a

deal, or get a discount or get cash back. That's all great and well and good. But I also have to think about maximizing the money that I save, and managing the money that I make.

So, you know, I say often that there's two parts to money. There's earning it, and then there's managing it. And I think a lot of the times we talk about the 40-plus hours a week we do spend earning. But then I'm like, okay, well if I spend, you know, a third of my life working to earn all this, why am I not spending at least an hour of my week trying to maximize it? And maximizing is more than just cutting back on how much you spend. It's about making sure I have my money going to the savings account on a regular basis so it can actually earn some interest, and growing money in investment accounts, and protecting myself with sufficient insurance, and all of those other pieces. So I think that was a big realization for me.

I think the second piece of it is actually about the earning side. Which is that, you know, at some point it really does help to earn more money. The more money you do have coming in, the easier it is to create that breathing room. And so I had a lot of time that I spent thinking about, how could I command more, and how can I build the confidence to ask for what I needed. And for me, it was really about identifying where I could provide value, and getting really specific when I walked into negotiations about, you know, what the metrics of success were for any role I was in or project I was doing, and how I was exceeding those metrics and therefore deserved some more money.

**Lisa Bragg:**

So why is it so important for women to have their own money plan?

**Stefanie O'Connell:**

Most women will be single at some point in their lives. Whether it's when they're in their 20s and earlier when they are out on their own before they're in a relationship, it could be their entire lives as well. It could also be after a divorce, or when they're widowed. And so, because we are all probably going to be on our own at some point in our lives, we have to have the information and the tools and the confidence to be able to take full ownership of our money.

It is really, really detrimental when women leave a marriage, for example, where they were not engaged with their finances, and then they don't even know where the money is and how it's working. And that is just such an additional layer of stress and things to figure out on top of an already really traumatic time. Same thing after a spouse passes. You know, we all need to be our own money plan. And I think that's true no matter what your relationship status is. Because the fact is life changes, and it can change at any moment. So we always need to be prepared, and have the information and tools to be able to manage things on our own.

**Lisa Bragg:**

It's very much like managing your health. It's an ongoing process, a practice if you like.

**Stefanie O'Connell:**

Exactly. I always like to say money is a practice, similar to how people talk about a meditation practice or a yoga practice. It's not something you wake up and do one day and then check off your list and you're like, okay I'm fit for life. No. It's something you do a few times a week maybe. And I think it's the same with money. If we think of it as an integral part of our health, which, to be honest, our financial health really does dictate so much of what's available to us in terms of outcomes and opportunities. So I think if we frame it from that perspective, of dedicating time to it, we can start feeling more confident about it and start hopefully having better outcomes.

**Lisa Bragg:**

You know, we're so quick to talk about, we're going to the gym, or we're going to do yoga, or we are doing meditation. But we're not so quick to have, still, I think, financial conversations, or talking about money at the dinner table. It's just not, you know, we might not have grown up with it, but it's also still not something we quickly talk about nowadays. Surveys show that 57 percent of women wish they were more confident in making financial decisions. What do you think of that stat?

**Stefanie O'Connell:**

[Stefanie sighs] I mean, I feel it. I completely understand where that feeling of insecurity and overwhelm comes from. And I think part of it is just that, you know, if you've never had

someone engage you in those conversations before, then of course it's going to feel overwhelming. But I think what we really need to do is not confuse a lack of confidence for a lack of competence. In other words, just because we don't know how to do something right now doesn't mean we're not capable of learning it. And the only difference between knowing something and not knowing it is really just taking the time to learn about it and engage with it.

**Stefanie O'Connell:**

And that's where I come back to the idea of this money as a practice. We tend to think of optimizing our finances as something that is beyond our expertise, beyond our reach, when I think a lot of it is much more simple. I think a lot of it comes down to giving yourself the time to sit down, look at the numbers, reach out to resources and experts for the support you need. And then you can really start to implement and build your confidence along the way.

**Lisa Bragg:**

There are also so many stereotypes about women and money. And I took to Google Trends, to see if there are spikes around some of the language that we've heard sometimes, if we're thinking about the term gold digger, and that one really pops up through at least the last, since 2004, it pops up quite a bit with some spikes. And I think that's because of some popular culture and movies. You know, there's also the term retail therapy. Any other words, the stereotypes, and they're usually about women, that come to mind for you that maybe is part of the millennial or the people that you speak to, that audience?

**Stefanie O'Connell:**

The big trend in millennial culture is this idea of like self care as a splurge. And it's always connected to this idea of spending money. You know, I'm going to indulge in the spa day, I'm going to indulge in this, another word for retail therapy, let's be honest, as a form of self-care. And it's not to say that spending money is inherently a bad thing. But I think what we really need to do is reframe the conversation around this idea of self-care as something that is much longer term. It's not about making ourselves feel better in the moment. It's about setting ourselves up for living a life on our own terms. And to me, you know, taking care of my money is the ultimate form of self care. And I wish that was part of the

conversation a little bit more. And maybe a little bit less of the judgmental terms, like retail therapy and gold digger, that are really gendered, really based on stereotypes, could fall by the wayside.

**Lisa Bragg:**

Yeah, because I think sometimes these labels that we put on people, or labels on behavior that really diminishes people thinking that, well maybe I shouldn't have the conversation. Or that's the, you know, some people will say it in passing, that they didn't mean harm but it is harmful to say, "Well why don't you just marry rich?" or you know, those aren't realistic terms for people to really be empowered and to move themselves forward.

**Stefanie O'Connell:**

Yeah. To your point, I think a lot of this is just a vestige of the language that we've been using for generations, and maybe don't think much of it. Some of it is really probably the result of a time where, you know, women were economically dependent on their spouses, because they just simply didn't have access to earnings or wealth creating opportunities of their own. But now here we are in 2020. And I think we need to recognize that language as being dated and actually harmful in a world in which we are trying to have everyone be financially independent.

**Stefanie O'Connell:**

And so I think if we can think a little bit more critically about the language we use casually, it will create better outcomes for everyone, especially when we're talking to the next generation. You know, if you're a parent today, you definitely don't want to be using those kinds of terms with your kids, and specifically your daughters, because it's disempowering. And if that is internalized at a young age, you know, that you're not good at math or you have to marry someone to have any kind of financial stability, then that really takes those girls out of their own financial destiny before they've even begun.

**Lisa Bragg:**

I was talking to my daughter today about what she knows about money, thinking about talking to you. And she says, she feels she knows a lot. And she said, "I've been listening to you and daddy talk about money since I was three years old, so I know a lot about money,

just to tell you," she said. So I thought that was really funny, but I'm so glad to hear that confidence. And I wonder how I can keep up that language and that sense of empowerment that you just spoke about.

**Stefanie O'Connell:**

What's really valuable is modeling behaviour where everyone is fully engaged in the financial decision-making process in the household. Even kids can be a part of some of those conversations. Yes, at the end of the day, in a two-parent household, for example, the parents are going to be the ones who make the ultimate call. But encouraging kids to be a part of the conversation and the decision-making process of saying, "Okay, if we do X, it might mean we can't do Y," it just allows them to feel like they have agency, and to think about things in terms of long term, trade-offs, building something bigger, working towards a long-term goal. I think that's really valuable.

I'm not saying that there shouldn't be any division of labor within a household. Obviously some people are going to be involved in some tasks more than others. You know, traditionally speaking women manage generally more day-to-day finances, where typically a lot of men in the household will manage the bigger picture, wealth building pieces of the finances. So that could be things like the investment portfolio, for example. My thing is division of labor is okay, but everyone needs to be fully involved in the decision-making process. And then the actual implementation, that stuff can get divided out as needed. But everyone needs to know where the money is, they need to know what's going on. And as it's possible to engage the next generation, that's a great way to not only model that behavior, but teach that behavior.

**Lisa Bragg:**

And it's so essential, isn't it, for women to have agency, to take charge of their financial destiny from an early age. You know, it's not 1920, right? We're in this new world, this modern way of life.

**Stefanie O'Connell:**

I think in other dynamics where, for example, I was at this one event where a father came up to me and he said, you know, my daughter's getting married. And I don't know how to

tell her that I think she should sign a prenup. And what I said to him was, you know, I think that's a completely legitimate concern, but I can almost guarantee you that if it comes from you, she is not going to listen. And in that scenario, I think you have to understand the dynamics of a relationship. Because, you know, an adult father telling their young daughter that they need a prenup, it can sound like a judgment. It can sound like my dad doesn't believe in my marriage. That might be the first time he's ever engaged her in a dialogue around money. You know, traditionally speaking, unfortunately a lot of the data shows that there is no communication between parents and children and especially with young girls about money and their finances.

And so, you know, if you haven't built that framework that this woman is in charge of her own financial destiny, and then all of the sudden that first interaction is, well, you know, you might not be totally involved in your finances, but you're about to merge my finances--dad being the "me" in this scenario--with your partner, well then I need to protect myself. And then the conversation isn't even about her. It's about the family. That is just completely disempowering. And I think it comes with a lot of judgment and a lot of confusion about, you know, you haven't engaged me in this dialogue for a long time, and now I don't really have a sense of what I'm protecting. And you're still skipping over me as having agency in this major financial and life milestone in my life.

And so I think we really need to think critically about the way we set our kids up for making smart financial decisions. It doesn't start at 22, or 35, or 40, or whenever we start making our own financial decisions. It starts when we're five, and we can talk about these things and understand simple concepts of save and spend and share. And that is something any five-year-old, boy, girl, can have some agency over. Even if it's in a small capacity, like a piggy bank. So I think if that dialogue had already started then, it wouldn't be so jarring when these major decisions, like combining finances with a potential spouse, come about.

### **Lisa Bragg:**

Your story about the father reminded me too of, you know, so often we say to young girls, "Oh princess," and we use the princess language. And then on your website, you have that the life you want isn't built with magic, it's built with money. So we have that princess, "Oh you're a princess." And we know princesses, in all the movies, they don't really need to

worry too much about money. Any thoughts to that whole princess language, and also with your thoughts on what you wrote on your website?

**Stefanie O'Connell:**

Yeah. I mean, at the end of the day, money is a tool and it's incredibly valuable. And the rest of that sentence, I can't remember if you said it, was, "The life you want isn't built with magic, it's built with money." And I think, you know, this idea of magic, this idea of the princess, the idea that there's a savior, whether it's in the form of a partner, or the dream job that's going to fix all your money problems, it's a fairy tale. And that's not reality. Understanding that is not a bad thing. I think understanding that is an empowering thing. Because if you're waiting around for magic, or if you're waiting around for a fairy tale, or if you're waiting around for a dream job or a dream partner to save you, that puts it out of your control. Whereas if you accept that, okay, money is this tool that I can use, that I can take control of, that I can take action on today to build the things I want for myself, that is bringing the power back to you to take ownership of your future, and that is really powerful.

**Lisa Bragg:**

I think a lot of it, too, is we put in our own brain sometimes that we aren't good at math. And that math equals financial literacy, or understanding anything about our own wealth overall. So I think it's that, you know, really making sure that you try to have a growth mindset when you're thinking about mathematics. So you might not have been good at it before, but maybe you will be good if you--if you applied yourself, at this point, you'd be good at it. Or you can get help. Right?

**Stefanie O'Connell:**

Yeah. And I think it comes back to this idea of, again, the fact that we tend not to engage girls in a lot of this dialogue early on. Even in classrooms, you know, young women I know, say things like, well I'm just bad at math, so I'm not good at managing my money. The problem with that is that that language is framing our relationship with money through the lens of identity. Meaning that we are this, and that's who we are, and so there's nothing we can do about it. If I'm bad at math, okay, that's who I am.

When in fact, you know, we're not bad at math, or bad at money. That's not a fixed trait. If we have made money mistakes, we have made, maybe, some not-so-great choices. We maybe have practiced some bad money behaviors. But every moment offers us a new opportunity to choose new and better money behaviors going forward. And I think switching from this fixed idea of identity to a growth mindset, where we really focus on behavior, and how we can change our behavior to be better with money and better with math that we employ in our practical lives, I think that's really critical. And understanding that this is an evolution. And where I am today doesn't dictate where I can go in the future.

**Lisa Bragg:**

So how can we start reflecting on the kind of language that we use, and make better choices in language that we're using around children and young people? It's so often easy and automatic, right?

**Stefanie O'Connell:**

We need to be incredibly cognizant of the kinds of words we use and the kinds of behaviors we emulate. With children especially, just because they're absorbing so much from us. You know, if you're a parent, you're the number one teacher, right? So if you're using language that disempowers, by putting the focus of control, if you will, that is by putting the agency of someone's future in the hands of someone else. Let's say if you're using the term gold digger, or if that would be, you know, putting the power in the hands of the partner who has the money. If you're using the term princess, you're putting the power in, I guess, the prince or the kingdom, right? So think about language that puts the power and the agency in the hands of the person you're speaking to. Whether they're boys or girls. We really need to be cognizant and conscious of the way we use language and the way we model behavior, so that we all understand that we have, within us, a lot of the tools we all need to get started and take ownership over our financial futures.

**Lisa Bragg:**

And that's exactly it. What we're doing doesn't have to dictate where we're going. So what would be three steps that you would suggest somebody listening to the podcast do for themselves to help them gain more financial confidence?

**Stefanie O'Connell:**

A big thing is to think about what your goals are. What do you want your life to look like? And then think about money as the tool that's going to help you afford it. It's really hard to stay motivated with your money and excited about it and engaged with it, if you haven't connected those dots. If it's just numbers on a page, or spreadsheets, or stock charts, or whatever it is, it can quickly feel overwhelming and exhausting and intimidating. If you start to remember that those numbers are about affording you the things that you want and care about, that can really help you stay motivated throughout the process. So again, connecting the money to what you want it to afford you by getting really clear about your goals is step one.

I think step two is taking inventory, making an assessment of where you're starting from. So if step one is identifying the goals, where you want to go, step two is saying, "Okay what is my you-are-here mark?" Where am I beginning this journey? And then I can identify, "What do I need to do first to get to where I want to go?" And in terms of taking financial inventory, I think that process is twofold. One is the act of understanding where your money is going. So tracking your money, opening up those bank account statements and seeing where the numbers go out and where they come in. I'm a big fan of spreadsheets. You can do pen and paper. You can check your bank statements, keep it all electronic, do whatever works for you, but look at the numbers and engage with them.

**Stefanie O'Connell:**

And then the second part of that second step is really taking stock of your full financial picture. What do I own, financially speaking? Checking account balances, savings account balances, investment account balances, any assets with significant value. And then on the flip side, what do I owe, financially speaking? So medical debt, for example, might be credit card debt, other forms of consumer debt, anything debt-wise. What do I owe? And then you will have a much clearer picture of where you're starting from, and then you can navigate what you need to do first to get to where you want to go.

And then I think the third piece is identifying your resources. So what are the things that you still need to learn to take those next steps? Who are the people you can reach out to? What are the tools you can use to maximize where you are and to optimize the journey between

where you're starting from and your goals. And so, again, that might be getting a book. It might be reaching out to a financial professional. It might just be walking down the block to your bank to go talk to somebody, and just opening up the dialogue so that you build an infrastructure of support that helps you along the journey.

**Lisa Bragg:**

Great. Thank you. Before we wrap up, on Bold(h)er we always ask the same three questions: What's the boldest thing you've ever done?

**Stefanie O'Connell:**

Oh, my goodness. I've started three businesses. So I would say that's probably got to be it. I think, you know, I am very blessed to have a lot of confidence. I also have a lot of imposter syndrome, but, though they balance each other out quite well. And I think really being willing to take risks, and bet on myself, and invest in myself in the form, in my case, of starting businesses, has been tremendously scary but also tremendously rewarding. And they're the most lucrative investments I've ever made.

**Lisa Bragg:**

When do you wish you were bolder?

**Stefanie O'Connell:**

With my family. You know, it's really funny, because I feel very comfortable in a professional environment. I feel very comfortable with strangers, and talking to people I know as acquaintances. But I think for me, the more intimate relationship, the harder it is for me to feel like I can really stick to my guns and stand up for myself, in a way that I'm able to stand up for myself in those other environments. So, you know, for me professionally, I'm all about being my own best advocate. But I think, you know, more intimate relationships, they present a challenge for me in that, you know, I want everyone to be happy. It must be the people pleaser in me. So I often moderate what I want and need, so that I can please others. And I think that's also a stereotypically female trait, but I'm working on being better.

**Lisa Bragg:**

What would you tell your 12-year-old self?

**Stefanie O'Connell:**

Oh, man. I want to say, money matters. I know that's not a really sexy message to hear. But, you know, I grew up in the ultimate millennial American dream. Basically all the messages were, do what you love and everything will work itself out. And I just think that's some nonsense. I am all about doing things I care about. I'm a very passionate person. But at the end of the day, the money is what enables you to do the things you care about.

And pretending that that will somehow work itself out magically, whether that's through some magic opportunity that's going to make it all come together, or some magic relationship, or some other magic, is just really disempowering. And unfortunately, I didn't learn that until I was already in it. I wish I knew that understanding my money, caring about it, that's okay, and it's actually a good thing, because it's going to be the tool that allows me to do the things that I care about and spend money on causes I want to support, and be there for the friends and family that I really care about at the end of the day.