

Not Your Mother's Library Transcript

Episode 33: Money Smart

(Brief intro music)

Rachel: Hello, and welcome to Not Your Mother's Library, a readers' advisory podcast from the Oak Creek Public Library. I'm Rachel.

Leah: And I'm Leah.

Rachel: It's Financial Literacy Month, which is a nation-wide campaign aimed toward improving financial education. This is especially important around tax season, which is ending soon. So, if you haven't filed yet, be sure to hop on that as quickly as possible... 'cause time is running out. I know it can be intimidating. Trust me, you're listening to a person who isn't numbers-oriented in the least.

Leah: In the least!

Rachel: (laughs) But when it comes to improving finance skills such as tax reporting, budgeting, or statement balancing, there are a lot of avenues for assistance. Since you're here, it's safe to assume you enjoy listening to podcasts. Right?

Leah: Probably.

Rachel: Well, there are a metric ton of money-smart podcasts out there. In the show notes, I've linked a timely article via U.S. News that covers 10 of the most popular finance podcasts to listen to in the year 2022. If reading is more your thing, there are plenty of books on the subject. Of course, we will recommend a few titles in particular during this episode, so keep listening. If you think you might need professional advice when it comes to investing, loans, or credit, you have the option of speaking with a financial advisor. These people can assess your situation and help you plan for the future. I find sitting down with someone and talking things through to be reassuring. Even if it's just hearing what they have to say on the subject, I always come away having learnt something new. Luckily, there is an opportunity to do just that at an upcoming library program. Leah, would you be willing to tell us more about it?

Leah: I would.

Rachel: (laughs)

Leah: So, local residents might have noticed that a branch of Educator's Credit Union is being built right here in Drexel Town Square. Which, I believe, just had its grand opening not too long ago. In any case, we're so happy to announce that we've partnered with Educator's Credit Union for a program—or maybe a 'workshop' is a better label—entitled "It's All About Credit!" You'll learn answers to questions like: How can I improve and maintain my credit score? How should I best monitor my credit report? How do I read my credit report? What appears on a credit report? And what determines a credit score? This is a free program to attend, and you'll have a chance to ask any questions you have. It's happening the evening of April 13th, 2022, and you can register using the library's events page. We'd love to see you there. Now, if you can't attend the program or if you're interested in a virtual option, I might recommend one of our newest databases: Udemy. You can find all sort of information at www.mcfls.org/udemy, which we'll have linked in the show notes.

Rachel: Mhm.

Leah: But basically Udemy Business offers 10,000+ online video courses. Now, this just covers a super wide range of business topics, but finance is one of the major components. These might not be quite as beginner friendly as the credit program we're offering here, but maybe you're ready for a deeper dive and want to check out a class like "Investing Success: Learn Keys from a Millionaire Investor!" which is one that you can find on Udemy! If you visit the CountyCat Udemy page we've linked in the show notes, you'll also find a helpful "Getting Started on Udemy" video.

Rachel: It might also be useful to start your journey into financial literacy by gaining an understanding of its history. In "Money Changes Everything: How Finance Made Civilization Possible," author William Goetzmann takes a deep dive into the past so that he can better inform his readers' future. The blurb puts it way better than I can:

"In the aftermath of recent financial crises, it's easy to see finance as a wrecking ball: something that destroys fortunes and jobs, and undermines governments and banks. In Money Changes Everything, leading financial historian William Goetzmann argues the exact opposite—that the development of finance has made the growth of civilizations possible. [He] explains that finance is a time machine, a technology that allows us to move value forward and backward through time; and that this innovation has changed the very way we think and plan for the future. ...finance was present at key moments in history: driving the invention of writing in ancient Mesopotamia, spurring the classical civilizations of Greece and Rome to become great empires, determining the rise and fall of dynasties in

imperial China, and underwriting the trade expeditions that led Europeans to the New World. He also demonstrates how the apparatus we associate with a modern economy—stock markets, lines of credit, complex financial products, and international trade—were repeatedly developed, forgotten, and reinvented over the course of human history. Exploring the critical role of finance over the millennia, and around the world, Goetzmann details how wondrous financial technologies and institutions—money, bonds, banks, corporations, and more—have helped urban centers to expand and cultures to flourish. And it's not done reshaping our lives, as Goetzmann considers the challenges we face in the future, such as how to use the power of finance to care for an aging and expanding population."

It could be the history student in me coming out to play, but dare I say this book actually sounds interesting? Money has a huge role in modern society, so to see how that has evolved and impacted other aspects of culture throughout time might even manage to make me pay attention. It's a mildly thick volume at around 520 pages, but I did read chapter one, and it went by fast. I learned all about ancient tablets and tokens that are thought to have been used to make calculations in accounting. Financial tools such as these have been dated back to the start of the Bronze Age. So think old. Super old. Like, around the same time as cuneiform writing and the invention of the wheel. There are images and graphs scattered throughout this book to better illustrate the author's points. Visual aids are always nice. They remind me of my days as an undergrad trying to stay awake during early morning classes. A full bibliography and index at the end means that Goetzmann did his due diligence, which is incredibly important when it comes to historical writing. If you want to find out how civilizations are capable of expansion, "Money Changes Everything" comes highly recommended.

Leah: Another really good place to start is with an easy to understand overview of finance, and boy did I dig up a fun one. "A fun one?" you ask, wondering how the topic of finance could inspire such a word.

Rachel: (laughs)

Leah: Or maybe that's just me that's surprised by that descriptor. But nonetheless, "Napkin Finance" by Tina Hay delivers. Are you a visual learner like me?

Rachel: Sure!

Leah: Or appreciate a visual aid like Rachel?

Rachel: Definitely!

Leah: (laughs) In Tina Hay's own words, she "started sketching financial concepts on napkins when she was a student at Harvard Business School, as a way to help her unpack the dense material of her classes. What started as a personal educational tool grew into a library of content—and then into a visual learning movement." Tina turned these napkins into a website and later into the book we're discussing today. It's densely packed with information from the first chapter, "Money 101," to the 12th chapter, "Wow Your Friends," which covers things like crowdfunding, game theory, and hedge funds. But each chapter is broken down further into topics, and each topic has a super helpful infographic that breaks down the concept in a visual way. These infographics are very easy to understand and read, and really, who can't use an illustration to help break down a complicated topic? Each chapter also ends with a little chapter quiz to help you test what you really picked up that information while reading. There are also fun facts sprinkled throughout the book, and guys, I love a fun fact.

Rachel: She most certainly does.

Leah: Just for you guys—and, honestly, for me, too—I'll now read a few of the funnest fun facts I saw while looking this book over.

Rachel: (laughs)

Leah: (clears throat) If you buy a whole bagel in New York, you don't pay sales tax. If the store slices the bagel for you, it's considered prepared food and you do pay sales tax.

Rachel: What?

Leah: In Texas, cowboy boots are exempt from taxes but hiking boots aren't. Which I find offensive as a hiker.

Rachel: Rightly so.

Leah: In Italy, there's a bank you can take out a loan using Parmesan cheese as your collateral.

Rachel: (laughs)

Leah: Now, that one surprised me, as it probably did you, and made me a little curious. I looked up a Forbes.com article all about it. As you might know, Parmesan cheese is aged to reach its full delicious potential. Farmers will turn young Parmesan over as collateral for credit loans, and the bank has special areas where that Parmesan can safely age. How cool is that?

Rachel: it's very Italian.

Leah: (laughs) As an added bonus, the farmers can save on operational storage costs for storing that aging cheese! And my final fun fact: The average American family spends in a year \$710.00 on pets, \$558.00 on alcohol, and \$110.00 on reading materials. I'm going to just assume that that last one is so low because the average American family knows you can cut your reading material budget by patronizing your local public library!

Rachel: Of course!

Leah: My personal plug: Your local library has loads of great reading material, databases full of information, and just so, so much more. Although, if you're listening to this podcast, chances are you're already familiar with some of the alternative things library offer. Like, say, a podcast?

Rachel: (laughs) You are kind of preaching to the choir. (laughs) All right. Long-time listeners may recall my next recommendation from a previous episode of this podcast. In "The Meta Episode," number 12, our guest Sarah discussed her top podcast picks. She spoke of one in particular, called "Bad with Money," which is all about how the host, Gaby Dunn, is bad with their money and continues to learn from their mistakes. They take a very real approach to advice, which I find refreshing. Gaby's show is so popular that it spawned a book: "Bad with Money: The Imperfect Art of Getting Your Financial Sh*t Together."

Leah: (laughs)

Rachel: The back of this book claims that it will help you do the following: Learn how your family and mental health shape your money habits. See past the buzzwords of financial gurus and decide how to budget for you. Understand that capitalism is not your friend. And realize that whatever money mistakes you've made, someone else (probably Gaby) has done it first, frequently, and way worse. As you can tell, the author possesses a healthy sense of humor. It's so easy to feel overwhelmed by money, even just as a concept, so them taking a more spirited approach certainly put me at ease. Another thing I find fascinating is how Gaby critiques our modern financial system as a whole, claiming that maybe your average Joe isn't bad with money so much as the system we're using is a bit broken. That in turn makes us feel badly about how we spend, how we don't spend, and so on. If you need a boost of courage to take control of your financial future, pick up a copy of "Bad with Money." It's both easy to understand and very fast to read.

Leah: So, the flip side of that, my next pick is entitled "Get Good with Money: Ten Steps to Become Financially Whole" [sic] written by Tiffany Aliche. Written just in 2021, this book feels really fresh and

current. It kicks off with Tiffany's personal story of how she came to be in a pretty big financial hole and how she climbed out of it. But Tiffany, better known as "The Budgetnista," did one better. As she climbed out of that hole, she learned. And as she learned, she taught. And as she taught, she continued learning. Just an amazing, inspirational and super-smart lady. Beyond this book, you can find more on her blog, thebudgetnistablog.com, which we'll have linked in the show notes! But anyways, back to the book. This book covers 11 chapters, with each chapter tackling a major topic. For example, budgeting to estate planning. She uses this concept of "financial wholeness," which really illustrates just how interconnected every aspect of financial health is. Each of the chapters starts with really clearly written information then different 'assignments' for how you can apply that lesson for your own finances, and then a little recap of what you learned. Or, in her words, the "plan, do, and review." I can't stress enough just how achievable each of the assignments feel. Truly, this seems to be a pretty comprehensive read for how to get your financial life in order.

Rachel: One of the seemingly more abstract concepts to do with money smarts is retirement. Savings are important, obviously, but trying to plan so far ahead into the future can be complicated. Stressful. A big pain in the arse. For this struggle, I recommend "How to Retire with Enough Money: And How to Know What Enough Is" by Teresa Ghilarducci. The sub-subtitle claims this book will provide readers with "A Clear Answer in 116 Pages." Yes, please! The less time I have to read about stuff I don't even want to think about most days, the better. The author provides a set of hard-to-ignore facts about why you need to start planning now, if you already haven't. She gives basic advice on how to estimate your retirement income, how to save and spend and overcome debt, and even how to question your fund manager when it comes to investments. Near the end, Ghilarducci also takes time to explain why voting matters when it comes to personal finance. To some extent, we are all in the same boat. Therefore, paying attention to policymaking that impacts not just you but everyone else in the same system is paramount. Let's just say you don't care about other people. Hot take, but whatever. Either way, you will still be affected by changes made to Social Security and Medicare. As Ghilarducci puts it, "Our young selves take care of our old selves." Do your future self a favor by learning about these things before it's too late. The author herself is a scholar on labor and retirement issues, so she does appear to be a pretty solid source if you are getting started.

Leah: We've reached the end of today's episode on financial literacy. Check the show notes for our list of reading recommendations and the useful links that we mentioned in the podcast. Please subscribe and rate the podcast if you like what you hear. As always, feel free to reach us through the Oak Creek

Public Library website or Facebook page by messaging @OakCreekLibrary. Until next time, happy reading.

Rachel and Leah: Bye!

(Brief outro music)