



## *002: How to Do the Little Things Well with Tiffany "The Budgetnista" Aliche (Transcript)*

PT:

Thanks for joining me on the show today. The first question is always this: What's the one thing that you do that you feel maybe others don't that has been the biggest part of your financial success so far?

Tiffany:

You mean my financial success personally or do you just mean business-wise?

PT:

No, personally. Yeah.

Tiffany:

The one thing I do is I do the little things. I actually enjoy budgeting. I think people are always looking when they are thinking about wealth they look at the high end stuff, like the investing and all that stuff. I do that too, but I take care of my pennies, nickels, and dimes first.

PT:

Have you always had a mindset for that? How have you developed a mindset to be detailed like that?

Tiffany:

Honestly, my father was an accountant, and he talked to us about money all the time. It became normal talk to talk about how much each individual thing cost. I can remember when I went away to college everyone was allowed, he has five girls, he and my mom, and so you were allowed to go and get a credit card but he gave you written instructions of what it had to be, like no annual fees, the interest rate couldn't be higher than this, all this kind of stuff. He said, "I'll pay it off for you every month if you use it for books and school stuff while you're at school." I said, "Okay," but every once in a while I would slip in a McDonald's or something else and I would come home to my credit card bill highlighted and all of those little things added up and he would tell me "you owe me \$25." Early on he was always like "no, every penny counts. I said I'd pay for school stuff. This is not school stuff, so you have to pay me back."

PT:

Yeah, so you just took on that same personality at some point?

Tiffany:

Yeah.

PT:

Cool. How does that play out in your everyday finances? Do you literally write down in a note card or in an app exactly what you spend? How does the detail part play out everyday for you?

Tiffany:

I don't do that. What I do instead is I'm someone who likes to live by percentages, so I set aside percentages of my income to do certain things. I set aside 10% to give, 30% for taxes, 20% for investing and retirement collectively. Then I set aside a percentage for fun money for travel, so in that fun money I won't nickel and dime myself but I'll just say this is your budget for fun money so that way I can enjoy it without the guilt.

PT:

Right. Do those different buckets, percentages get funneled to different accounts? Well, obviously the retirement probably goes to a retirement account of some sort. Talk to me about where those percentages go and how you execute on that?

Tiffany:

Yeah, I do. Because I work for myself, my income fluctuates month to month, but it's like the envelope system but it's digital. I particularly like Alli, and so I have a number of my, I call them my money buckets at Alli. My give money bucket is there. My travel money bucket is there, and I actually will name them. I separate my money. I have a bills account, a separate checking account just for bills. I have a separate checking account just for spending that's attached to my debit card, so that way as I'm using my debit card I know I'm not using any savings money, and I'm not using any bill money. I'm always really clear that when I'm in a particular financial space what I have allotted and what I can spend.

PT:

Love it. I love it. Do you have that detailed somewhere? Outlined so people could take a look at, like a diagram of it or explanation of it in detail?

Tiffany:

Sure. I do. I have on my blog. I have a blog called the Budgetnista Blog and there if you type in paycheck, so I have this article or this post called How to Manage Your Money, like when you have an irregular paycheck or something and I explain my system and I show you all my buckets.

PT:

Perfect. You said the percentage for giving is 10%. What are the other?

Tiffany:

Ten percent for giving. I do 30% for taxes. I do 20% for, I call it my media account, half of that, 10% of that 20 is in retirement and 10% is for investing for wealth, so those are two different things. If I have extra, so no matter what those three are always done, I don't care how ... If I don't have enough I always give, I always set aside for taxes, and I always give to myself. Then if there's extra money left over then I'll set aside 5% for travel on occasion, 5% for fun money, and then the rest is for bills and to run the business. Whether it's \$1 or \$100 or \$10,000 that's my breakdown.

PT:

It's percentage based, yeah. I like it, and I like using the separate accounts like that. Do you automate some of those movements or you just sort of push the money over manually within the separate savings accounts?

Tiffany:

Well because my income fluctuates I just never know so usually by the end of the month, I keep a spreadsheet of things that come in. I might get paid by a sponsor or I might have some affiliate income and so when it comes in I try to separate it right way because when you let it sit too long you start spending it, but usually I don't let it sit for more than a week or two before I allocate all those funds. I literally have a spreadsheet where it will say the names of everyone that's paid me, how much, and next to it if it's been allocated it will say allocated, allocate, so I know all right I've done these. These are ones that are left to be allocated.

PT:

Got you. You sort of touched on the retirement piece versus a wealth investing piece. Could you explain the difference between those two in your mind?

Tiffany:

Yeah, for me people don't realize retirement really is suppose to help you maintain your current lifestyle, so how you're living right now, setting aside a minimum 10% for your retirement you're going to be living the same lifestyle when you're in your 80s and your 90s and stuff. For me, I want my lifestyle to increase as I get older, so I have separate money for that. My retirement account is funded, yes 10% of my gross income but like I said I want to live better so my account for wealth growth really we're a little bit more aggressive in that account because really that's money that's after you set aside for your retirement, after your emergency fund is funded, after you've given, after you've done everything else if there's extra money you want to set aside really to increase your current lifestyle and your future lifestyle.

PT:

I like it. Do you invest in different types of investments? You said one is a little more aggressive. Can you kind of share with us how maybe the different investments line up within each of those accounts and if they're in different types of accounts, meaning one being in an IRA of some sort,

one being in more like a taxable investing account?

Tiffany:

Yeah, so one is a SEP IRA since I'm self employed. Yeah, so that one is the one that is just my regular retirement account. I have a financial advisor, James, so every quarter we sit down and he shows me well this is what we are doing with your money, how old do you want to be when you "retire" but James is only one piece of my retirement puzzle. I'm also investing in real estate. Of course, I have a business so I invest in that. I don't want to depend on just one leg of a retirement stool carrying me through because I lost my job in the recession so I know how quickly things can be taken from you, so that's just one.

My wealth investment, that's just in a ... Oh what is the account names? It's not an IRA because it's not a retirement account. We are just investing in different things, so tech stocks of course. We are looking at things that are just a little more aggressive. That's money that if I lose it I can still maintain my normal lifestyle. You don't want to invest your retirement and your emergency money in things that if you lose it then your whole life is ruined. That's not what this account is for. This is really for people who are at the next level who have excess money.

PT:

Yep, I get it. That is awesome. More equities and stocks in the taxable account, just a regular brokerage account. Then with the SEP IRA what types of investments are in there?

Tiffany:

I have to look. I'm not going to lie. James just texted me yesterday, he's like "when are you coming into the office?"

PT:

I'm sure it's like index funds or something like that or target date funds.

Tiffany:

Yes. Sure.

PT:

Okay.

Tiffany:

I told him like 55 I would technically like to retire. I don't see myself never not working, but this is how much I need and how much I would like for that piece of my retirement puzzle.

PT:

Yeah. [crosstalk 00:11:43]. Go ahead.

Tiffany:

No, no go ahead.

PT:

James, do you pay him? How do you pay someone like that to help you manage your money like that? Do you pay him on a monthly basis, on a percentage basis, how's that work?

Tiffany:

At first I had someone before James who was getting a percentage of how much I was investing. There's nothing wrong with that if you don't have money to pay someone that's a good start, but now I pay James I think, do I pay him quarterly or I might be paying him monthly. I have to look at how it's deducted from my account, but now I pay him, because my dad would always say that "He who pays the piper determines the tune." Whoever is the person that's making the payment you're really the one in charge so if James is getting paid by my investments, he really has his loyalty towards those investments, but if I'm paying James then his loyalty is going to be toward me. Really making that switch is always going to be best but it's good to just get started if you don't have any money at all and you want to work with a financial advisor it's okay to do one who gets paid by your investments.

PT:

Right. I'm sure James since you're paying him on a more fee type basis, I'm sure he can do, and all financial advisors I guess can do this, but you're maybe expecting more in terms of a well rounded approach to your financial situation versus just a hyper focus on investing?

Tiffany:

Exactly. James knows that I'm investing in real estate. He knows that I have a business. I have what I call a money team, so the money team is James, my financial advisor, Carlos, my accountant, your significant other, if you have kids, people who are affecting or affected by your finances, so these are people who I'm always asking questions of. What I like about James and why I chose him and same thing with Carlos is that they're educators as well. Meaning that when I sit with them I'm like I don't know what that means, so James will do diagrams and explain or Carlos was explaining to me I was an LLC up until this year, and he told me it's time for you to switch to an S Corp because you're paying way too much in taxes. How would I know that? Having your money team and being able to ask questions like that and being able to share what's going on in your outside life so that way they can make the best choice for you and your finances as it relates to what they do for you.

PT:

I love that. I love that idea of the team like that, and it being based around conversation, because that's what this podcast is all about, open up conversations about money. You and I are comfortable talking about it. Most consumers, most people out there may not be and they may not have that team or even with their family a comfortable outlet to talk to, so I think you set something up that's super healthy for your life and for your financial life and your future so I think

other folks should certainly follow in those footsteps. I want to come back to the real estate stuff. That sounds interesting. As well as maybe more talk about the retirement, but let's go back.

On your first point about focusing on budgeting and the details, what would you say to people and I'm sure you run across this in the Budgetnista business all the time, what would you say to people who are just like oh that's just not me, it's not my personality to be that way toward money? What do you say to those types?

Tiffany:

I say automation is the new discipline. That you don't have to be as disciplined. Like my dad had old school ledger and the calculator with the paper coming out the back, you don't have to do that anymore. That you can literally set it, not necessarily forget it, but set it and check on it. If you set up your bills and bill payment, if you set up some sort of savings plan, and retirement plan, once you set it up you could check on it at least every two weeks just to make sure it's doing what you told it to do. That's what I say to them. It doesn't have to be you. That automation will make those things happen for you, you just merely have to set it up.

PT:

Right. I love it. Let's take it back to the moment you realized, and I know you said your father was always hitting you with some good financial knowledge it sounds like, but was there a moment in your life where you realized you needed to become a master of your money?

Tiffany:

Yes. It was when I moved out. I graduated college. I was 21, and then I told myself I wanted to move out, but the smarter financial person in me said just wait, Tiffany. Wait until you actually have money. My dad was like "where you going? You don't have any money?" I wanted to move back because, I have four sisters, and so a house full of women and my mom, it was just too much. By then I felt like an adult coming home from college and then there's a house full of adults because we were all two years apart, so it was just too much. I thought okay, I'm going to give myself a year to work really hard and save a whole lot of money and then I was going to move out.

What I did back then, I use to have the passbooks. I can't remember what else they use to use, but I use to actually have a passbook. I started working, even though I had my degree in business I hated my internships, so I started working as a pre-school teacher assistant at the time and I was getting paid \$12 an hour, something like that, but basically I was getting paid \$900 a month. That was my take home pay. My dad was like "Good luck moving out with that money." I was determined, so what I did was I did the math of how much my expenses were. I wasn't paying rent and I wasn't paying for food because I was living at home. My expenses were \$500 a month, that included paying back my student loans, my cell phone, little things like that. I said okay I can save \$400 a month, that's \$200 every paycheck. I got a big wall calendar and every pay period I would write \$200 and then what my new balance would be. Every pay period

I would go to the bank with my passbook and deposit \$200 into my savings account. By the end of the year, 400 times 12, what is that?

PT:

Forty-eight hundred. Four hundred and 80, sorry. Wait.

Tiffany:

No, I saved more than that. I'm sorry. I must have saved ... At \$14 an hour, basically I was saving \$900 a month. Whatever that was. However much I was making, I must have been making \$900 plus \$500, okay I was making \$1400 a month take home pay. My savings was \$900 a month. I remember distinctly I had \$10,800 by the end of the year. I use to take the train. I use to walk to work. My sister use to drive me to work. I wanted a car. I told my dad, "Daddy, I'm ready to buy a car." He said, "Well cars cost money." I said, "No I have money." He was like "I've seen this girl take the train and bike to work. There's no way she's making money at this little daycare center." I showed him my \$10,800 in the bank, and he was so scared, like "Where did you get this money from?" [inaudible 00:18:22] system. I'm like "You taught me well." He was like, "You haven't been paying any rent or food. I see now [inaudible 00:18:29]."

PT:

The rents due. The rents due right now.

Tiffany:

He took me to a dealership auction. One of his friends was a dealer, a car dealer, and I bought a car, \$5000 cash, and his gift to me was he got a total tune-up of the car. I think it was an additional \$1500. He was like, "I'm so proud of you. I'll make sure that the car is perfectly safe to drive."

I still had \$5000 leftover and I found an apartment. Well not even an apartment, I found a house. It took me about 6 months. I found this woman who owned a house. An elderly woman who didn't want, it wasn't the money, she just wanted someone nice to live there. It was two bedroom so I asked my older sister if she wanted to move out. She said yes. It was two bedrooms. It was \$1100 total, including all utilities, so \$550 a month, so really reasonable. I was able to move out, I had a car paid for in cash. I had this apartment that was fairly inexpensive, and by then I found a teaching job that was paying about \$35,000 a year.

My expenses were really low, but it was when I moved out and I thought I had money down pat. I moved out. I remember I was sitting on this used couch that I bought and I was 23 and I thought to myself I don't know really anything about money because for the first time I was on my own and I had to make all the financial choices, and so it was then that I started reading every financial book that I could think of. I mean I read the Richest Man in Babylon. I read David Bach. I love David Bach.

PT:

Yes, same here. I love him.

Tiffany:

Yes. I just remembered like the other books seemed like they were too hard to understand. His was the first book that I started reading that he spoke like a regular person. I remember thinking I would want to do something like that, teach people the way David teaches people, and then it really started from there. It was really then at 23 after I had really making no financial mistakes and sitting there and realizing despite all this you still don't know anything, you still need to learn more.

PT:

Yeah. Do you think we all sort of need to go through that moment of striving for independence like that and that can lead to that financial change like it did in your life?

Tiffany:

I think so. I think at some point everyone, men, women, that at some point you should be financially independent, whether it's for at least six months to a year out of your life before you start a family, before you get married, because you're going to need those skills in order to be able to support your family and your significant other. I think everyone should know how to do some basic cooking. Everybody should know how to do basic financial management because you just never know. Even if your spouse is like super wealthy, what happens if they get hurt, or what happens if they lose the money in a recession or something? Everyone should know how to pull their own weight.

PT:

Yeah, I love that. I love your story. Throw a curve ball at you. What's the one area of your personal finances that you're still just not really good at?

Tiffany:

Honestly, I'm the worse at investing. I'm always like "James, what does this mean?" He's like "Again?" I can see when it goes up and when it goes down. When it comes to like really understanding how stocks work, I'm taking a class right now actually, it's still like Greek to me. I'm not even going to lie. I rely on him. That's why it's important for me to have someone on my money team that also educates and doesn't just say, because I've had people that have said "oh put your money here, here, and here" but they don't explain why or how. James always explains and over explains, and [inaudible 00:21:55], that's the one area that I never quite feel comfortable.

PT:

Yeah, but it sounds like obviously you've got control of your cash so you got the money to invest. You just now have taken the steps to get educated about that and become some sort of master of that piece of it as well. I think working with a partner like that makes sense. Well that's good.

Back to prior life, tell us about during those years, obviously you shared with me some good goals that you had and achieved, moving out of the house was one of them, but any other big financial goals that you had during that time and maybe how you achieved them?

Tiffany:

Well yeah. At one point I was living such a financially frugal life that I use to forget to cash my second check of the month because I was living off of one check even though I wasn't make a whole heck of a lot. I remember thinking I have to remember, so I got direct deposit for the first time. I started saving one whole check a month. By then I was making about \$39,000 a year and I was tutoring, and I was babysitting, so I was making a little bit more on the side. In two years I saved nearly \$50,000 on my pre-school teachers salary.

PT:

My goodness.

Tiffany:

I was about 25, maybe 26, and I thought well what do you do now. I just said, "I guess you buy a house." I didn't know what else to do, so I said, "Okay." I did all the research. I took all the first time homebuyers courses. My dad really because he didn't have any sons, he really raised us to be like, I don't want to say raised us to be like boys, but raised us to be like really independent because he was "Well, if I'm not here and I don't have a son to look after you, guess you're going to have to learn to look after yourselves." To me, that was the best, because I feel like if my dad would have had a son he would have taught us nothing. He would have been like, "Well, my sons will take care of my daughters." I'm so glad that no boys came. Not for lack of trying because after five girls my mom was like, "Look it's not happening."

PT:

That's awesome.

Tiffany:

It wasn't a huge goal. It was moreso I felt like that was the next level so I bought my house and I was paying my mortgage for six years, and everything was great. Then the recession hit and my school closed its doors three days before the new school year. We all lost our jobs. All lost our income.

I held on for about two years, because people still weren't hiring, and then finally I just could not afford my mortgage anymore, and because in New Jersey they don't just take your house right away, it took about six or seven years, finally I went to foreclosure. It was the best and the worse thing. I was finally so glad to let go of that burden of this house, because after a while I could afford the mortgage but I was so far behind I couldn't afford the behind stuff. They

wouldn't take moving forward. I applied for modification after modification. I tried everything and still I couldn't save the house and I just said okay well take it. It was really liberating because now I was able to really fly forward because as it is right now I only have student loan debt, no other, and that will be paid off hopefully in the next year or two, but no other debt so it feels good to be nearly debt free, [inaudible 00:25:13] losing the house.

PT:

Back to buying the house, what year was that approximately, 2001, 2002?

Tiffany:

It was 2006.

PT:

2006 when you bought it?

Tiffany:

Yeah, when I bought it, right before the recession.

PT:

It was right before the recession. Yeah, so probably around the time you lost your job, the house was it worth less than you owed or?

Tiffany:

Yes, it was. I bought it for \$220,000. It was a condo. By the time the recession hit and I lost my job, it was worth \$180,000. It wasn't even like I could sell. That was the problem. I couldn't sell it. I was stuck in this weird limbo of I can't afford the mortgage. I can't sell it. I can't do anything.

PT:

Did you consider just like moving at that point or trying to ... I mean, I know you have the house at that point. You said you were looking for other teacher jobs.

Tiffany:

Yes. What I did was I actually moved back home. I remember I was 29. I was turning 30 that year thinking wow after all these years I have to move back home with my parents, and so I did. I rented out the house. I think I was able to rent out the condo for about \$1200. I went to my mortgage company and said, "Look I don't have any money but I do have \$1200 a month I could give you." They said no. Yeah. If I couldn't give them the whole, they didn't want any of it and I thought well that's stupid. That \$1200 though saved my life because I didn't have any other income so that became my income since they wouldn't take it. I stayed home for about a year. I ended up moving into ... A number of friends of mine, we all lost our jobs, so we ended up renting a house and each of having a room and paying \$500 a month again for a room in a house because that's what I could afford at that time, and that's really around the time that I started the Budgetnista.

PT:

Got you. Did you ever go back to teaching?

Tiffany:

No. Aside from really teaching financial education, yeah. By then, I realized as much as I love kids, I didn't like the school system. I just felt like I was a really good teacher. I mean, my three year olds, and four year olds, they were reading by the time they left me. It was so great, but the school system was always changing the rules. I'm like, "well this doesn't benefit them." It was very frustrating. After 10 years of fighting with them about what was really best for the kids was not what was best for their pockets, I said I don't want to do it anymore.

PT:

You're such a good saver before the house. Did you continue that sort of level of savings once you had the house, and did you use the school retirement savings plan to do some retirement investing through?

Tiffany:

I did. I was saving a good amount of money. Not as much as before because I had a mortgage to pay. I had maybe \$10,000 or \$15,000 saved. Then I did have money in a retirement account, maybe like \$60,000 or \$70,000, in my retirement account at the time. When I lost the job, at first it didn't hit me as hard as it hit the other because I did have money saved and I moved back home very quickly, but that money quickly dwindled because I had to make a choice between paying my bills, the rest of my bills, or paying my mortgage. One of them had to go. It was either not pay anything else and pay the mortgage, or not pay the mortgage and keep up with everything else, so I wasn't late on any of my other bills, just my mortgage, so I decided to be late on one so I could be current on everything else.

I went through that money and then after a while I was down to my last \$100 and I had to make a decision of what to do, which I tell people never to do, I took the money out of my retirement account and lost like half of it basically. I took that money and I told myself, "Tiffany, you have a year to make the Budgetnista work" and that was about 2012. I said, "You have a year to make the Budgetnista work." I think at the time I calculated that if I could make \$1500 a month that I could basically break even and so after that year the Budgetnista started working and I was able to continue.

PT:

I want to come back to that. Let's just tackle it now because I'm interested like you're someone who's worked in the public school system, or a school system, and educated traditionally, college, and then all of a sudden you go through foreclosure, a recession period, losing your job, "oh I'll just become an entrepreneur." That's like quadrupling down on risk. How did you get to that point?

Tiffany:

I'm risk adverse, and it's because for me I thought to myself when my friends were losing their jobs, teachers don't lose their jobs, I'm totally safe. When I lost my job, my thinking of what's safe was totally flipped on its head. Something in me said traditional jobs are not safe, that the only thing safe is me. I'm a sure thing if I'm willing to put in the work.

It's so weird because people are always like "oh you were so brave." It wasn't that. I was actually so afraid to go back because I was afraid they were going to take it. I thought the only thing I could do is if I create something at least I know what's happening, there's no secrets, I'm not wondering if it's working or not, I know. I'm here. I'm in the mix, so it was just this transition in thinking of what safety really was, and I don't see traditional jobs as safe because I've seen how a teacher, you closed down a whole school, where are the kids going to go, and if they could do that then to me anything can happen. I didn't want to put myself in that position and I'm so glad that I didn't go back because there was an opportunity at one point to go back and just maybe two or three years ago, I worked in this quasi public school system, but it was specifically for pre-schoolers, called the pre-school system in New Jersey, and about two or three years ago, they totally wiped it out. Every teacher in that system lost their jobs. Imagine if I would have went back. A couple years later I would have been right back to losing it all again and it was just like confirmation to me of what safety really looks like and it wasn't that.

PT:

Wow, that's a huge lesson. Yeah, thanks for sharing that. What about this business? What was your idea for starting the Budgetnista and how was this going to produce income for you?

Tiffany:

My initial thought was I was going to do one-on-one because I use to do that for my family and friends just to help them out. Sit down, here's how you make a budget, give me some money. At first I was like oh I'm going charge like \$100. That ended up being \$25 because no one wanted to pay me. Then people would always talk me down, like "how about if I give you \$15." I'm like "Sure," after three hours of work. I'm like I hate this.

I realized that people who are looking for one-on-one typically were looking for me to do the work not to do the work themselves. I thought well this is not working. I can't even do enough one-on-ones to justify or to make \$1500 a month, which is what I needed, what can I do.

I started thinking well what if I could do more people at once. I'm like "Tiffany, you're a teacher. Why not teach this?" I know how to do a curriculum. I had my masters in education and supervision. I know how to create lesson plans, and I emailed everyone in my inbox at the time, because I did a lot of volunteer work when I was out of a job, so I worked at every non-profit you

can think of. I had connections there. I emailed everyone and said "Hey, I would love to teach a budgeting class to your staff. If you are open to it I'd love to do that." One person emailed me back from the United Way and she said, "Hey the woman that you're emailing no longer works here." It was like 300 emails and I was like "well that didn't work out." I wrote her back and I said, "Well could I meet you?" She said, "Okay."

PT:  
Nice.

Tiffany:

I ended up meeting her and she was at the time the program director for the United Way and she had just started the job that year, so she was looking for programs. We ended up talking and laughing, and I ended up helping her with her budget right then and there. I ended up giving her, I had my book at the time, the One Week Budget, and she was like "that was so helpful. Could you do that for my staff?" I said, "Sure. Do you guys pre-pay?" By then I was on my last leg, and I think it was \$300 or something. She paid me in advance and the next day I came back and I did it and the staff loved it and the staff that missed it heard about it and they were like "bring that girl back. We want to do it too."

She had me come back and then she said, "Can you create a program, like a series for us because we have this IDA program and the way it works is that banks will ... If constituents deposit money in a bank they will match them, but they have to take a series for [inaudible 00:34:11]. The current series we have is not working. The person is really boring. Could you do that? Do you have a series?" I said, "Sure." Meanwhile, no series, no anything. She said, "How many weeks is it?" Literally on the spot, I'm like "Six weeks." She was like "Okay." She told me, "Can you make a proposal?" I said, "I'll have it to you next week."

No experience with a proposal. I literally tweeted, "Help. Somebody help me write a proposal. I don't know how to write a proposal." Someone tweeted me back. She was the communications director for the city that I lived in and she said, "Tiffany, I've been watching you on social media. I'm really proud of you. I'll help you with your proposal. Send me all of your stuff and I'll put it in proposal form." I did and she organized it for me. It's the same proposal I use to this day. It's gotten me hundreds of thousands of dollars worth of money. The same proposal from that tweet. I gave it to her at the United Way. They were my first contract, and I started teaching the series and it got to be so popular that, I'm teaching one right now on Tuesdays with them, and it's just one of my hallmark products and I've done it over and over for them and other people. That one email to those random people asking if they needed something and getting someone saying this woman doesn't work here anymore, that turning into this whole product that I created as a result of that.

She and I, the woman from the United Way, Katherine her name is, she and I are really great friends. I just saw were yesterday. I told her I'm starting a foundation and I wanted her to be the head of it. You just never know where [inaudible 00:35:42] this will build to.

PT:

What's your foundation?

Tiffany:

I really want to adopt a school. Being a teacher, I see that if you can get kids really early on that really the sky is the limit. I want to adopt a school in the worst neighborhood, in a failing school, whether it's like a Detroit, wherever, and then take those pre-schoolers, one classroom, and promise their parents that if you can get them to high school and beyond, I will take care of part of that beyond. Meaning whether it's college, whether it's trade school, whatever that is.

I want to start putting the 10% that I set aside for giving, I want to start putting aside half of that into an account for them and then every year encouraging my friends, maybe once a year having some sort of like give-a-thon where people give into that account. Not only just give them money because the teacher in me knows it's not just enough to say "Hey, I'll see you in 15 years." Those students and their parents have access to services so if your phone is turned off, you can call here, this is the service connected to the scholarship for your child. If you've lost housing, here's a place where you can call and they can help you for that because what I find is that how can a kid learn if they don't have food to eat, if they don't have a place to sleep, so I want it to be more than a scholarship. I want that that child helps to uplift that family up as a whole. To give hope to where there would normally not be hope and so that's what I want to form.

I told her I read about a woman in high school, when I was high school, a woman who adopted a classroom in, I think it was Chicago, and she said the same thing, that if you get them to college, I'll pay for college. She did that. I'm like I don't know if I have money for college but at least I have something. That's really what I want to do and I told her about it and I'm like we've been friends all this time, from her being the first person to hire me and I've seen what she's done in our city through the United Way, and she's now the executive director of that United Way, and I said I really want to adopt one classroom. You never know. I mean the Budgetnista is doing better and better. I might have enough for all of them to go to college one day. I want to just start doing more than just what I've been doing right now currently to give back.

PT:

Yeah, and I know you certainly have enough followers and friends in your circle that could help you reach that goal certainly. That's awesome. Let's talk a little bit about ... Where do we go from here? I wanted to chat about any tools or services. You mention I think Alli Bank. Any other tools or services you use on a regular basis to help you with your money?

Tiffany:

I'm an Excel girl. I mean I know there's all [inaudible 00:38:21] because actually I like maneuvering the numbers. I know there's Mint and there's other You Need a Budget, but I like just the regular Excel doc that I look at at least once a month and just make sure my numbers are kind of adding up. All of my bills are automated so I don't have to worry about them being paid, so my bills account at the bank that I use. I also like Digit for like fun quick savings. If I'm saving for coat or something like that I know within a month or so there will be enough money in Digit and then I'll pull it out and get the things that I need.

I'm not huge on a whole bunch of apps but I do like extensions on my computer, like there is something called Wikibuy that I am obsessed with right now. You download it to your computer. It's a Google Chrome extension and every time you are ready to purchase something it pops up and says hey you know it's cheaper over here. I love it. One it gives you coupons. Two it will tell you there is another website that has the exact same thing cheaper, so I've saved like \$25 on a vacuum cleaner that I was ordering on Amazon because it was on Jet.com for cheaper. I love having extensions like that on my computer that pop up. Ebates pops up and says you know you can get 5% cash back on this website so I love having those so I don't have to remember.

PT:

Yep. I love that. I'll have to put the link to that in the show notes. When you started the business, how long was it before you hit that \$1500 mark or hit a point to where you were kind of making as much maybe as you have been with the teacher salary?

Tiffany:

It took about two and half years. The \$1500, I probably made in the first, I don't know, maybe the first year, but it wasn't really enough. It was just enough not to starve to death, that's what that was. As far as making about what I made, I would say it probably took about two years to match what I made as a teacher and then I want to say last year was like the year, so last year was 2015, was the year that I was like "Okay, the Budgetnista makes good money now." Every other year it was kind of like okay, doing a little better, but no last year was like wow. This is real. This is like a real business and you can afford to hire people. This is the first year that I have a full team. Up until now it was basically me and I would do vendors here and there, like could you write this article real quick for me but no one I could hire on a regular basis.

PT:

What's been the difference do you think between two years ago and last year?

Tiffany:

Honestly it has been the Live Richer challenge. I did it as just a give back. Like "oh I'm going to give back to my community." That thing has taken on a life of it's own. I mean, I had about 20,000 people in my community when I started it in 2014. Now we have over 200,000. It was

free. It was just a free thing that I created and said hey take it, it's yours. It grew my audience and as my audience grew they start buying more things and asking more things about to buy. It made me write another book that was best seller on Amazon. I never even heard of referral stuff. This is the first year that I was like where are the referrals coming from. You don't have a referral. What is that? That's been new income that I can't believe. I'm like wow, this is great. Yeah, it just has transformed my business. It took my business from, last year I think I made about \$150,000 to this year we'll probably make about a half a million.

PT:

Unreal.

Tiffany:

Yeah. Honestly unreal. When I tell my dad ... His thing was you don't have a business or you're not really making any money until you crack \$100,000 so every year he would ask me, "Did you make \$100,000 yet?" I'd be like, "No, not yet daddy." He was like, "Well you're not a real business just yet." Then last year I was like "Daddy, I made \$150,000." He was like, "Okay. That's cool." He knows that, in his accounting mind, he's subtracting like taxes, and this and that, so he's like "Yep, but you're still like not quite in the range of next level." Now I can't wait to be like, "Daddy, I made a half a million dollars." Well you know gross, not take home, but still. He's going to be like, "wow. Okay."

Honestly, next year I would be very surprised if we don't make at least a million dollars next year, because the way things are just growing so rapidly we can't even keep up sometimes.

PT:

Wow, congratulations. That's wonderful.

Tiffany:

Thank you.

PT:

Back to your personal finances, how do you keep those from ballooning out of control now that you've got a little more income coming in?

Tiffany:

Honestly, I'm a cheapo by nature. I'm like my father's child. I mean, I honestly need a new car. I'm still driving my 1999 Toyota Camry. The muffler sounds like an angry bear. Every time I turn around, I'm like, "Tiffany, get a car." I'm so busy and I don't drive that much. You know what it is? I just grew up where we didn't have all of these fancy things. We didn't get a whole lot. I didn't even know kids got more than one gift on Christmas until I got a little older. I'm like "You got how many gifts?" We always got one gift from our parents and then maybe your sister would get you something. I never grew up with a lot of material things so I didn't grow an attachment to

them. As an adult it doesn't really move me. Clothes don't really move me. Cars don't really move me. It's just what I like is experience and if I do spend extra it's on travel.

PT:

Yep, and you said you have the extra account for that.

Tiffany:

Yep, exactly, and so that's what I do. In order to spend money without guilt, or without busting my budget, I set aside money in my travel account and as I said I'm really savvy about getting people to pay for travel for me, so if I'm speaking somewhere, like in New Orleans, I'm going to New Orleans in December, it's because I'm speaking at this retreat that they do every year, so I asked them can I come and stay for the whole retreat. I'm only speaking one day for one hour. I said "Can I bring my fiance?" She said yeah. They paid for his flight, hotel, we get to stay in New Orleans, so it's like that's free. I'm like hey that's a vacation I didn't have to pay for.

PT:

Nice. Always looking for the angle. I love it.

Tiffany:

[inaudible 00:44:36].

PT:

Yeah. I see you on social media always sharing these exotic places, the Caribbean, Europe, so I know you're out there taking some cool trips. I got a little jealousy going on here. Good on that. What about now? What about goals now? Do you have any that you set for yourself and how do you plan to take action on them?

Tiffany:

Yeah, so I want to be able to say, I guess just to say because it sounds insane, I want to be able to say I run a million dollar a year business, so that's one thing. Then too because it seems crazy to go from teaching pre-school to running a business that actually hires people. Two I'm actually working on children's books now. Children's books, personal finance children's books now, so I'm really excited about that because I know firsthand from teaching and reading books to kids that there weren't enough books that talked about money in a way that was age appropriate, so that's something that I'm working on. I just got approached by a couple of production companies about possibly creating a show and so we'll see, like we're putting together a reel so that would be awesome. I'm open to it. I want to be well known in my industry, not famous. I'm open to it but it has to be the right thing. It has to be positive. It has to be about helping people, not shaming people. I love Suze Orman but that's just not my personality. To me, I encourage through love and kindness not making you feel bad about your choices, so as long as that's in alignment with the way that I maneuver I'm definitely open to helping people on TV as well.

PT:

How do you gauge whether you're investing back enough in your business?

Tiffany:

As far as money?

PT:

Yeah, or too much, or how do you get a sense of ... ? That's part of growing and scaling as a business is being able to take the money you profited and then put that back into it, like you said hiring a team, having folks do stuff with you, so what's your thought process with all that?

Tiffany:

If the business has not grown, because by nature I'm risk adverse, I don't like spending money, so if the business has not grown, then I know "Tiffany, you need to move to the next level." The first time I hired my first full-time employee this year, Sierra. She's my COO and when she first came on as a intern, she doubled my income, as an intern, so that's when the light bulb went on to say "Tiffany, you're not saving money by not paying her. You're losing money by not paying her." When I brought her on and started paying her, she doubled my business again. Now that I've made her full-time, we went from the \$200,000 to half a million.

To me, it's been a really great lesson this year for me because I've never spent more money on help and staff than I have this year, but we have blown it out of the water as far as the income that we are bringing in, so the more money I spend on quality help they always ... I do the math to see "well I pay her this much, how much am I making in return," and as long as there is a clear return on investment, and it has been, and there has been people that there hasn't been a return on investment and we've let them go, so that's what I look for. I'm less risk adverse about spending money on help now because I see just how much it could really grow your business. I want to take it to the top. You never know, maybe one day we'll be a billion dollar a year business.

PT:

No limit, right?

Tiffany:

Yeah.

PT:

When you're driving the ship you can go anywhere you want typically. Well that's awesome. I could do a whole interview I feel like about business, but I want to stick to the personal finances. I appreciate all your generosity with your time here today with us. One last question I have is I always ask folks to look back over the past several years, maybe since you left the house and went off to college and stuff, or maybe after college when you tried to go out on your own, the

tough times, the rough times, the wins. How do you feel about it all now?

Tiffany:

Honestly, I feel like it's all been worth it. To me, I believe and I've known this for a long time for myself, I watched this documentary on Fred Rogers of Mr. Rogers Neighborhood, and everybody loves Fred Rogers, right? I remember thinking I wanted people to feel about me the way they felt about him. You can't say Mr. Rogers without someone smiling. You smiled when I said his name, and just the feel, you could tell that he was kind and generous. He actually was a Presbyterian preacher. I was watching this documentary about him on PBS when I was in my 20's and on his wall in his office it said "The purpose of life is to live a life of service." I remember something in me lit up and I said that's it. For me, I look back, whether I was a pre-school teacher, when I lost my job from the volunteering, from starting the Budgetnista just because I wanted to help, that was long as whatever I'm doing is of service then to me it doesn't matter whether it's making me a million dollars or making me \$30,000, either way I know how to manage my money on any level. To me if I were to pass away today I would be happy with the way that I've lived my life for the most part.

PT:

That's great. Well you've certainly been a service to us today by sharing your story and walking people through the steps you've taken to be where you are at now and become this money master, so thank you for being on the show with us today.

Tiffany:

Thank you for having me, PT.

PT:

How can people find out more about you and what all you have going, the many things you have going on?

Tiffany:

Well you can always find me as The Budgetnista, like fashionista but Budgetnista, on Instagram, Twitter, Facebook, the Budgetnista.com, so on every social media network it's just the Budgetnista. Yeah, you can find me, tweet me, at me. I just love hearing people's stories and love helping so if you need help I'm here to guide you.

PT:

With the new year coming up do you have another financial challenge rolling out?

Tiffany:

Yes we do. I'm super excited. This is our third year. Well 2017 will be the third year for the Live Richer Challenge. It's totally free and this year, the 2017 years focus, is credit. It's the credit edition. In 22 days we are going to show you how to raise your credit score and fix your credit report. We're hoping people will buy more houses and really start to live their best live now that

they know how to manage and maneuver through their credit.

PT:

I love it. Awesome. Well thanks so much for being on the show.

Tiffany:

Thank you for having me.