



What Motivates Linda Garcia to Build Wealth

The beloved financial educator explores the importance of identifying money wounds, challenges us to rethink "emergency" funds as a form of opportunity (you can hear our host hyperventilate!) and teaches us how to set a money intention. If you love the conversation, check out Linda's new book, "Wealth Warrior: 8 Steps for Communities of Color to Conquer the Stock Market."

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- Menendez: If I told you that today we were going to talk about money and investing, would your hands get clammy? Even worse, would you think that this was a conversation that was just not for you? If you said yes to either question, then it's important to me and to today's guest that we reckon with that fear and the money wounds that drive it. Linda Garcia has been there. She is speaking and writing from lived experience as much as expertise in her new book, *Wealth Warrior: 8 Steps for Communities of Color to Conquer the Stock Market*, aims to pull back the curtain on basic principles while diving deep on the necessity of reckoning with our inherited beliefs about money. Be sure to listen through to the end of the episode for what I would argue is Linda's life-changing way of framing intention setting around wealth. Linda, you and I share about a hundred friends in common. I don't understand how we have not become friends yet.
- Linda Garcia: I know, what's going on? I don't know either.
- Menendez: As I was reading your book, I was like, "This is a who's who of Latina to Latina gas and somehow Linda and I have never crossed paths."
- Garcia: We need to change that. We're here today, so thank you for having me on your platform. I appreciate it.
- Menendez: Thank you, and congratulations on the book and getting it out into the world and getting this message out into the world. I think it's super important. I start *Wealth Warrior* in a place that I actually don't think a lot of people start this conversation, which is this idea of having money wounds and this idea of having attitudes about money that you may not even realize have been handed down to you by the people you love. What was your money wound?
- Garcia: I had probably every money wound that we can come up with to be completely honest. I grew up in a house with parents that were immigrants. My mom cleaned houses, babysat, sold tacos, worked the graveyard shift at a factory and she was working those jobs at the same time, and so I grew up with the understanding that money does not come easy. We have to work extremely hard for money. I had two outfits during my preschool years that I had to alternate, so a lot of shame came with poverty for me as well, embarrassment. I was picked on because of it. A lot of my childhood memories are rooted in the scarcity of money, and it really feels like so many people can relate to that experience of a child of immigrants.

Menendez: The money one rears its head though around the time you're a young solo mom, and a lot of our listeners understand firsthand if not secondhand, the responsibility of that. What is the inflection point where you realize, "What has gotten me here is not going to get me where it is I want to go?"

Garcia: It wasn't even necessarily in my early years of being a teen mom. I had hopes that my education would take me places. I managed to become senior class vice president and really be engaged despite being a teen mom, despite not living with my parents from the age of 12. And so it was in my 20s once I had accomplished college and now I have this mountain of debt, and I'm getting paid the bare minimum at these companies that are supposed to be huge corporations that are supposed to have a lot of money that I felt once I work here, I'm going to quote, unquote, "make it." I'm going to be well off, and that was just not the case. I was underpaid continuously. I landed a job at Lionsgate for the launch of a niche movie studio that was going to be for Latinos called Pantelion, and I was making \$13 an hour.

I was in my 30s. I was eating cans of beans for dinner. I wasn't even living paycheck to paycheck. I was overdrafting until I got to my next paycheck and I was like... Can I cuss on here? Do we cuss? I was like, "Fuck this. I don't know what is happening, but this is not going to be my story. This is not why I worked extremely hard through high school as a teen mom. This is not why I went to college. Something has to change." And I really had to take a moment to reflect internally, "Can I be in control of it?" And I really found relief in that thought of, "What if I don't blame circumstances and all of the things outside of me? What if I actually start to reflect internally and believe that I have the control to change this circumstance?" And it wasn't until then that I started to reflect and change.

Menendez: There's reflection, there's change, and there's action. Tell me about the actionable piece, what it took you to make that first investment.

Garcia: The first action was taking a close look at my credit score, which was awful. That's really where it started, where I knew I needed to do something like you say, that was much more actionable. It wasn't like a vision board on a wall of being rich and having all of these things and having money. And then I began to really see the value of who I am as a person and understanding my self-worth and then asking for more money. So I moved away from the space of getting paid \$13 an hour. I went from that to getting a job offer for \$75,000 a year, which at that point was life-changing. So I started to really attract and create different types of experiences, and within a few short months of being at the company asking for a raise and making a hundred thousand dollars.

And so when I started to break those limitations, there was one thing I knew for certain and I didn't want to screw up making this type of money. I wanted to be intelligent. I didn't want to make the same mistakes that I had made with \$13 an hour. I wanted to really build wealth. And so that's what really propelled me to take investing seriously and understand the different facets of money, not just exchanging my time for money, but actually understanding money for the tool that it is.

Menendez: Why the stock market though?

Garcia: Oh my gosh, I love the stock market and here's why. There is three ways to build generational wealth in this country. The first one is to become an entrepreneur

and you have to be an excellent entrepreneur and understand how to leverage your time and hire the correct people, and have this grandiose idea and execute that idea and find the capital and the support and all of that, which is great. The second way is through real estate. And with real estate, you have to have some sort of funds upfront. You have to have a great credit score, you have to have a two-year history to purchase a home. There's all of these things that you have to have, prerequisites that you have to have in order to start investing in real estate. The beauty about the stock market is that you really only need your social security number or an ITIN number to open up a brokerage account and own an asset the next day.

That's really all it takes, and I think that this type of investment is very underrated. Only 15% of Americans are direct investors in the stock market. I'm not talking about someone that has exposure via mutual funds or their 401(k). I am talking about you are a direct shareholder of that Apple phone that you use every single day. I am talking about ownership in the companies that you are consuming. My understanding of money was that in order for me to make half a million dollars, I was going to have to exchange so much of my time for money. It was mind-blowing, truly mind-blowing to watch my investments climb in this way after all I was doing was holding a position. I wasn't even investing continuously. I was just watching this money grow. And I thought to myself, "What a disservice that most of us do not understand how this process works." I really feel like it's a life mission to explain what the stock market is, how simple it can be.

Menendez: I want to put an asterisk here, which I think you'll agree with, which is that part of that has to do with your appetite for risk. So I have had other financial experts come on and one of the things they say about the stock market is that if you are the type of person, type of person I am, who is every day going to go look at those numbers and you see it one day trending in the wrong direction and your hands and feet start to sweat, it may not be the correct type of investment for you. That there is a risk relationship that you have to be in tune with before you make that choice.

Garcia: I'm going to have to disagree and be a contrarian here, and here's why. Because we're okay with pulling out a \$300,000, if you live in California an \$800,000 loan to purchase real estate when we're not guaranteed if we'll have the revenue coming in from our full-time jobs continued, that's a huge risk that you're leveraging. And the stock market is different in that you have access to your liquidity. Here's what I think the issue is, and I think that part of the problem is financial experts, that they themselves have never really explored this part because I'm telling you, only 15% are invested. And so that tells me that there isn't enough people that are exploring this space, but yet we continuously for years and years and years are consumers of Coca-Cola. We are consumers of Disney, we are consumers of Johnson and Johnson, Proctor and Gamble, Apple.

I mean, I can go on and on, on the consumption of publicly traded companies, but yet we're afraid to own a share. And the thing is that I think a lot of our perception is that we have to invest our life savings or everything has to go towards this, and that's just not. It should just be a small part of your investments, but you should at the very least understand the way ownership works over just being a consumer. And so I think that there's this space where we can emotionally disconnect with money and use it for the tool that it is.

Menendez: How is it then that you are assessing which companies are worth the investment in?

Garcia: I try to keep it as very simple as possible. I think it truly has to be something that we are all consuming. A lot of the time we think that you need to really find a needle in a haystack like, "What's that one thing that I need to identify that's going to make me rich?" And what we need to understand is that the more folks that consume a certain product, the higher that stock is worth. So it's not finding a needle in a haystack, it's something that is glaringly right in front of your face that you can identify that is something that you cannot live without today. It doesn't have to be rocket science or you don't need to have a fortune cookie to tell you the answer of what you need to invest in. It's way more obvious than that.

Menendez: And yet, going back to this question of risk, you are clear that there is a difference between an emergency fund and an opportunity fund. How do you define those two things and how does someone assess when they have enough in their emergency fund to begin an opportunity fund?

Garcia: Here is my perspective on this, and again, this is going to be completely different. I'm a total contrarian. I really like to test spaces and I've been like this since I was really little. I didn't do my first communion because I told my mom that I didn't believe that God was in church, that's who I am. So I will continuously push and question rules that have been set that I have been told to follow. And one of those things is also the possibility that what if we don't necessarily have to look at an emergency fund as an emergency? What if we have been continuously taught to catastrophize and live our lives so that the worst can possibly happen? And so that's why I like to call my emergency fund an opportunity fund. It doesn't mean that a, quote, unquote, "what someone else" would call an emergency isn't going to take place.

It doesn't mean that if my car completely breaks down, I can't use my opportunity fund. It's an opportunity to explore a new vehicle, to look at things from a completely different perspective than continuously catastrophizing our life. I think that when we catastrophize it or call something an emergency, it taps back into that money would scarcity mindset, "Oh my goodness, something's going to go wrong. I have to plan for the negative." And here's the thing, the negative is going to exist. That's always going to be there. I just like to change the way I perceive things.

I think that there's a space for the emergency fund to be approached as if it was an opportunity fund. And by the way, in the book, I don't push for anyone to live their life as risky, quote, unquote, as the way I live it. I'm very levelheaded in the book in that even your budget to begin investing should look extremely small. I wrote the book for Linda 10, 15, 20, 30 years ago. The book is for someone that doesn't understand the market. It is a complete starting ground so that you can understand the lay of the land.

Menendez: To back it way up, I wonder, Linda, if in the process of writing this book, exploring your own relationship to money, going back to your origin story which involves both living in poverty and not knowing you're poor and then later realizing that you're poor because other people point your difference out to you, if it has opened other wounds or if there were other pieces of your story that you realized

remained unresolved as you went back to explore your life through this particular lens.

Garcia: I think that there's going to be so much unsolved till the day I die. I truly take my journey and my life as a practice. I am not seeking an end result of happiness. I am not seeking an end result of joy or peace. I truly understand that I will be a student of my journey until I take my last breath, and I take a lot of pride in that. I really take a lot of pride in that because I think it separates me from a quote, unquote, "expert." It separates me from a quote, unquote, "master" or anything in that space. I really just want to learn and share what I have learned along the way.

I'm very cognizant that as someone that hasn't lived with their parents since 12 years old, that was a teen mom, that was addicted to drugs, that lived with a teacher, with a high school teacher, that she took care of me and worked really hard to propel me in a way that she could from being homeless. The amount of trauma that I have in my life, I know that there's a lot of unresolved issues and I don't know that the point of my journey is to resolve those issues. I think that the point of my journey is to simply be a student of it and just do better today, tomorrow, the next week, and that's it.

Menendez: I will tell you, Linda, my very favorite part of Wealth Warrior is this idea of setting a money intention. Can you articulate your money intention? Because in some ways I've got to tell you, your money intention helped me clarify my own money intention. So I'd love for you to share it and then also to share the tools someone else might need to clarify what their money intention is.

Garcia: So my money intention is to be able to redistribute wealth in the way that I see fit in a different capacity than we've previously seen. I feel like I have a really high responsibility to identify, for example, the woman that helps me keep this house clean, to make sure that she's getting paid fairly, to the folks that cut the grass to make sure they're getting compensated fairly. It's not just enough to hire them. It's best to identify what is a fair exchange of money, and it's not just them having enough to pay a bill or to live day to day, and so that's something that's really important for me that I'm continuously working on.

And I think as a tool, how we can identify the clarity of money that it shouldn't be clarity that is going to impress upon anyone else, that is going to make you look good or bad upon anyone else. This should be a very intimate reason why you get clear in your heart and it's nobody else's business. And the closer you get to listening to what your heart has to say, the cleaner and pure your intention will be, and the easier it will be to obtain your intention. I believe that consciously we have the capacity to tap into our personal story and what we want to create for ourselves, as we become more conscious, we generate more of that power.

Menendez: Linda, congratulations and thank you so much for having this conversation.

Garcia: Yes, thank you so much for having me. I appreciate it.

Menendez: Thanks for listening. Latina to Latina is executive produced and owned by Juleyka Lantigua and me, Alicia Menendez. Paulina Velasco is our producer. Kojin Tashiro is our lead producer. Tren Lightburn mixed this episode. We love hearing from you, email us at ola@latinatolatina.com. Slide into our DMs on Instagram or tweet us @LatinatoLatina. Check out our merchandise at latinatolatina.com/shop. And remember to subscribe or follow us on RadioPublic, Apple Podcasts, Google

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