



LEVEL UP: How to Secure Your Financial Future Starting Today.

Personal finance expert Ramona Ortega of My Money, My Future gives us some real talk about how to take control of your finances today so you can own your time, your money, and your life from now on. Plus essential advice for starting a business—and investing in yourself.

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Alicia Menendez:

We are all at a different point in our money journey. Some of us are barely holding it together right now and looking for ways to stabilize. Some of us are finally at the point where we feel like we can begin to build. Some of us are wondering if the best investment we can make is actually in ourselves. It is all a form of leveling up. Ramona Ortega is the founder and CEO of My Money, My Future, a personal financial management platform, and she's here to talk us through how we get clear about what money means to us, get past our hang ups and our shame, and begin planning for our financial futures.

Ramona, thank you so much for doing this.

Ramona Ortega: Awesome. Happy to be here.

Menendez: I would imagine that before you were able to build a plan for your money, much like a plan for anything else in your life, that you first have to do an honest assessment of where you are. So, what are the questions you need to be asking yourself to get started?

Ortega: One of the first things that we tell people is that you have to do a look back. So, you have to go and look back at your finances three months, so take a look at where you've been spending, look at where your money is going. Part of having a better relationship with your money is being like, "Okay, do I really want to be spending \$600 on DoorDash? Do I want to be making Target richer?" It's really about prioritization of your cash, rather than feeling like you have to be sort of on a diet, right? It's about prioritization.

Do you want to spend that money towards a home, or a vacation, or some kind of an asset, versus just kind of spending it willy nilly on all kinds of things that you might not even remember in the next month?

Menendez: Well, let me say as someone who in general is not a big spender, but has been guilty of exactly that, sometimes the hopes and dreams seem so far flung, right? What it would take for me to get from here to owning a home feels like it is so far that it feels like there are creature comforts I can give myself between here and there that are much more attainable, but as you were saying, will put me behind in my ultimate goal.

Ortega: Right. Which is one of the reasons you always should be assessing. I would say do it every six months. What is the next financial milestone that you want to reach in your life? Whether that's I want to improve my credit score, because it's not about you wanting to really improve your credit score.

What you really want is maybe it's a better house, you want to qualify for a loan, you want a better credit card, or you want to refinance your student loans. It's not that one step, but that step's going to get you to where you want to go.

So, you've got the goal, you've got the look back. The other thing, and this is really interesting, and I have a whole workshop called Marie Kondo Your Finances, it's about actually organizing. How many people can off the top of their head tell me what their interest rates are on their credit cards and their loans, what are their balances, all the accounts that they have, or that they know their net worth? Most people don't know that stuff. And it's not complicated, but you actually have to like, "Oh, let me go pull that bank statement. Oh, that's right, I had that retirement account over there that I never rolled over." And that's... The organization part is really key.

Menendez: So, my hands are now sweating, which tells me that other people's hands are sweating, and so I want to come in real early and ask you if someone is listening and whether there is shame around money, or complicated feelings around money, or it simply feels tedious, what is your one-minute pep talk that you give someone who feels it is easier to tune out?

Ortega: Look, there's no shame in the money game, and you can always hit reset. The system was not meant for you to conquer it. Understand that. I'm not saying that you don't have agency and responsibility. We all do. But the system was not meant for you to actually succeed in it, so take out that shame. It's generally not your fault if you didn't understand this stuff, because if you don't learn about money at home, you don't learn about it at school, then you don't learn about it and you make huge financial mistakes like I did.

Menendez: What were the mistakes?

Ortega: Oh, God. There's so many. What would I have told myself? I would have said credit is king. Take care of your credit score, because if you don't, the lower your credit score, you pay a poverty tax, essentially. The more you will pay on every big asset. And you'll also be less likely to attain assets like a mortgage. Invest early. It's not how much you invest; it's how long you invest. Even if you start investing when you're 20 and you start investing \$50, if you do that then, you will have a lot more money than someone who starts investing when they're 40. Even then, it's never too late.

I also felt shameful about money, like not knowing, so I didn't ask questions, and I can't tell you how many people I've talked to who didn't take a match in their 401(k) because they're like, "I didn't know what it was, and I didn't... I was embarrassed to ask." So, we want to take the shame out of that.

Ad: *You all know I did not grow up speaking Spanish. My husband did. And it's really important to us that our girls have exposure to the language. When I interviewed Susie Jaramillo, the creator of Canticos, she gifted me a book for my girls, and they love it. Like, we read it all the time. And now the older one is using their bilingual learning app. They use the same nursery rhymes from our childhood, Burrito Sabanero, Elefantitos, and Arroz con Leche, to teach kids concepts like phonics, letters, math, and emotional intelligence through song and play.*

The games and the songs alternate between English and Spanish, so it's super easy to learn the languages, plus the characters are adorable. Pollitos, Elefantitos, we can't get enough. I want to squeeze their little cheeks. They've also got beautiful books, games, and toys that just bring the lessons and fun from the app full circle. If you want to learn more about bringing language and culture to life for your little one, visit CanticosWorld.com/Latina. That's CanticosWorld.com/Latina. Start their bilingual journey today and watch their Latino greatness shine.

Menendez: Part of the challenge of talking about personal finance is that everyone is in a very different situation, so I am going to present you with a few key general buckets and ask you what your counsel is for a person who finds themselves at that point of their life. So, I will say this pandemic has rocked our community economically. There are people who were not in a great spot prior to this, are perhaps in a worse spot now, and I think there were also a lot of people who did all the "right" things, who put

six months away for a rainy day and that rainy day has now come. If you're in a position where the goal is to stabilize and to begin to rebuild your personal safety net, where do you begin?

Ortega: Yeah. Starting with that short-term plan, so putting that on paper. Literally start to create a plan on paper. As you build back up, you want to look for a high yield interest savings account, because right now the federal interest rates are really low. That can be good if you're buying a home or if you're refinancing your student loans. It's bad if you have money sitting in an account. We have a couple of partners that are giving 1% to 3%, so that's as good as you're gonna get. You want to start rebuilding that emergency savings, one. You want to look at options if you're a small business owner, for example, or if you need access to cash and you have a 401(k). There are some rules that were put in place under the CARES Act that gets you access to some of your cash at a loan at a lower interest rate.

We're going to look at all kinds of programs. There are a number of people that are giving relief programs right now. Philanthropic organizations, community development. Now, I'm not saying it's easy. It's not. But there are some out there, and hey, if you qualify for some benefits, take them. There is no shame in getting what you've paid into. If you are a worker, you've paid into federal programs. Now is the time. If you need food stamps, if you need assistance, now is the time to go get it, because what you're doing is stabilizing for that next round.

Credit cards, right now, your credit report is free until April, so you can check it almost every week. You can get that at [AnnualCreditReport.com](https://www.annualcreditreport.com). If it's taken a hit because of the COVID, this is now the time to actually negotiate with credit cards. If you feel like you're really behind and you have some cash to put a payment, you can negotiate a little bit there. This is actually a really good time to flex that negotiation muscle on all kinds of payments. Credit cards, mortgages, car payments. So, I would say get started with the plan, write down all the things that are "what are your financial challenges right now," and then what are ways to get past that in the next six months?

Menendez: Let's say that you have student debt, you have credit card debt, you want to start putting money away for retirement, you want to start putting money away for a rainy day fund. Which of those do you prioritize and how?

Ortega: It's gonna depend on two key things. One is your credit score, because if you have a good credit score, refinancing student loans, it's a good time to do that. I wouldn't do that, though, until the new administration is in, because they might reduce some student debt, so we don't want to renegotiate and refi debt that you might actually get a little bit of a haircut on, right? And if you have good credit, can you get a personal loan to pay off some of those high interest debts at a lower interest rate?

And the other piece of this is if you have good credit and a good job, then you have a lot more options, because then you can use your good credit to help pay down some of that debt by refinancing it or getting a credit card where you can do a 0% transfer balance, but you gotta be careful on those, because you need to have a job to make sure you can pay for that.

If you don't have good credit, then really you're in a different situation, or if you don't have a stable job, then we're looking at okay, let's get at least \$1,000 into your emergency savings. That's always my go-to number for folks, at least have that. The general advice is anywhere from three to six months. I say it's six to a year if you have kids, and I know that's hard. Even six months, you're better off than most people. So, you start there. Like I said, you have credit cards. If you can, refi, but take advantage actually of all the programs that are out there right now for student debt. I think that's the one place where there's a little bit more leverage.

And then, in terms of your credit, I think if you actually feel like, "I can't afford to pay down this debt right now," at least take care of your credit score by paying the minimums on that debt. Put your credit cards away as much as possible and pay the minimums so you don't hurt your credit score, because then you can get back to that once the economy goes back up, maybe you get an extra job, maybe you get a tax refund, and you put that money towards that debt.

Ad: *We asked our producer, Paulina, to try out the new Summit Intarsia Sweater from Faherty. She is the youngest and hippest among us. Her response, "It is the most delicious, softest sweater." She says wearing it feels like she's, "Hugging a redwood tree by the Pacific Ocean while the wind whips my long hair." I can see why. The whole Faherty collection gives me watching the sunset on the beach vibes. Wearing Faherty pieces feels like the coziest you have ever been outdoors, telling stories around the bonfire, taking a long walk hand in hand on a moonlit night, or looking up at the stars on the porch, and that's by design. The family-owned brand is timeless, sun soaked, and sustainably minded. They partner with Lakota designers for their beautiful blankets and Faherty products are made to last a lifetime.*

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Menendez: Let's say things are relatively stable. You have put money aside for a few months should something go wrong. You are beginning to put money into your retirement accounts, but you just don't really know what to prioritize or where to go. What does leveling up look like for that person?

Ortega: You're essentially gonna have five things that you need to check off. I call it the financial foundation. Do you have an emergency savings? Okay, check. Do you have a 401(k) that you're at least hitting the match if not maxing out? I would look at making sure that your portfolio is in check. Are you in the right risk profile? If you're young, you should be aggressive. If you're not so young and you're closer to retirement, obviously you should be less aggressive. I know a lot of people who have a 401(k) and they've never looked at their portfolio, so they have some of that money in a money market account not making any money, so there's a whole other level of things that you need to do once you have a 401(k). Then, you need to also be looking at okay, do I have a child? Do I need a 529 plan? Right?

Menendez: Right, and a 529, for those who don't know, is an account you can use to save for college or higher education.

Ortega: Exactly, and it gets you a little bit of a tax discount at the state level. You might want to have a brokerage account. If you are young, and single, and making good money, and you have extra cash, essentially, now is the time that the rich are getting richer, and that's because the stock market is really on a bull rally. So, if you have money, put that money to work. There's ETFs you can get into, but there's also some aggressive strategies if you want to learn how to do that.

You need insurance. Make sure, especially if you have kids, single moms, have some insurance. Life insurance is key to your wealth building and your intergenerational wealth strategy. If you own a home, make sure your life insurance is enough to cover the mortgage, especially during COVID. I hate to be like that, but the fact is folks are dying, so make sure that those things, those beneficiaries are allocated. And then the last thing is like thinking more about your legacy, right? Making sure that you have your will in place. And especially right now, I'm talking a lot more about power of attorney, your health proxy, because so many folks, and we're not even talking older folks. Even what we call the mature millennial, you're late 30s, your parents are maybe in their 60s, they might get sick. This is the time for all of us to have conversations with our family. Where's mom and dad's money? Where are their proxies? What is the plan if something goes wrong?

That's your financial foundation. It's credit, emergency savings, insurance, legacy building, and investment accounts.

Menendez: Now the fun part. How do you really, really make money?

Ortega: I love this question. If you start young and you have quality financial advice, you can be a millionaire by the time you're 30, but you have to follow the steps. The best scenario is this. You're young, you're educated, and you're making 75 and above, and let's say in your early 20s or even mid-20s.

Maybe you even live at home, like a lot of Latino and African American young folks do, right? So, now you're even saving some money. This is the time you want to start building your emergency savings, but really, this is the time to start investing. This is how the rich get richer. In times of volatility, like right now, in March, April, the stock market essentially crashed, people with cash moved some of that money into the stock market, and I've seen now 80% returns already from April. Remember that the average stock market return is anywhere from 8% to 15%, and 15% being high. In your 401(k), it's probably about 10% to 12%.

So, that's the kind of insanity of money you can make in the stock market if you know how to do the right things, and you're safe, and understand the risk. So, that's one thing, right? Having a very aggressive investment strategy.

The other thing is start thinking about property. Obviously, that should be part of your portfolio, but the key is that should not be the only thing you invest in, because what we've seen in the last crash of the real estate market was that Black and Latino communities lost half of their net wealth because they put all their eggs in one basket, because that's what they know. They know real estate. And real estate's good. You should have it as part of your portfolio. But it should not be the only thing, because it doesn't bounce back as fast.

The other piece is building businesses. I mean, right now, there's a gold rush in Silicon Valley, and that's part of the reason that I chose to go this route in building a tech company, as terribly hard as it is. It is the biggest return for your buck. If I build a quality business, and scale, and then sell for 10, 20, 100X of what I put into it, you will not see that kind of windfall. There's a ton of people who build apps you never heard of, and they get a check for 10, 15, \$20 million. Look at all of the classic, very rich, legacy billionaires in history. The Rockefellers, and the Carnegies, et cetera, all built businesses. That's where money is made. That's really how you level up. It's the investment and then it's building a business somehow, some way, and making that business successful.

Menendez: We all love the stories of the person who took their \$10,000 in personal savings and turned it into a mega-million business. How do you assess what level of risk is worth it? In terms of how much of your personal wealth you want to take and invest in yourself?

Ortega: Absolutely. This is a really important question. It's also the racial wealth gap is why we don't see more women, more folks of color in technology, because you need a certain amount of money to even play this game. You need to be able to say, "Okay, we might not have revenue for the next three years and we need to go raise VC money." That's the whole point. That's why you raise venture capital dollars. The problem is that, and we all know this, women get less than 4%. Women of color get less than 1% of venture capital, so even playing that game, it's gonna be extremely hard.

So-

Menendez: And with venture capital, there is a pressure to build very fast.

Ortega: Oh, absolutely.

Menendez: I mean, the clip at which you have to be moving is hard for most businesses to scale that fast.

Ortega: That's right. There's two different ways to build businesses. One is what I call the more traditional business. You can get loans, SBA, you build by revenue, you have a product, and you go and sell it, or if you have a restaurant, or you have a service. Those are not tech-enabled, scalable companies. That's not venture backed companies. Venture backed companies, granted it is usually the higher return, but it is a lot harder. It's like playing the NBA, right? It's like that's a big one.

Now, in terms of when you decide what level of risk you're going to take to do something like that, I always say do your homework. Make sure that you understand what problem you're solving, what product, why is your product better, what are the margins? A lot of people are like, "Turn your passion into profit." I love that, but you gotta make sure that your passion also produces some

income. I always say limit the amount of your own money that you're gonna put in to 15% perhaps of your net worth, and understand how you're going to go out and either generate revenue, maybe get a loan, raise venture capital, get angel investors, get partners. That's part of your job and you should not be leveraging your home, especially if you are the breadwinner in your family. If you are the core person in your family that people rely on, yeah, you can't be putting that kind of thing at risk, and you shouldn't.

You should be able to build your business, at least the minimum viable product, on a smaller pot of money, and then figure out how to generate revenue, go get money, whether VC or a small business loan, but I see too many people being like, "I'm gonna just fund this myself." It's like don't do that. You don't even know if it works yet. Go get something in the market. See if it's a viable business first. And then if you need to get access to capital after one year, two years, after you've like, "Okay, this is what I actually consistently see as revenue coming in," then cool. You can take that risk. But risk is a hard one.

Look, I come from a place where I think I've always just had a high risk tolerance. I think part of it's like, "Well, I came from nothing, so I have nothing to lose." And so, it's allowed me to take that risk, and I've made very specific decisions, though, in my life, that have allowed me to take that risk.

I had one child. That's it. I didn't get married. There was a lot of things that I did that were like, "I know my lifestyle is gonna be a lot different." For someone who's already chosen a much more center life, where like my kids, my house, that's gonna be a different... You're gonna have a very different risk profile.

Menendez: Just the word risk is hard for me.

Ortega: Right. And see, that's right. If that sends chills down your body, then that might not be the thing for you, and you can build wealth in a different way. It's that gut feeling. It has to be.

Menendez: Here's my final question and you can tell me if you have anything up, which is not everyone cares inherently about money. Money becomes a proxy for a lot of other things. So, if someone is hearing leveling up their money and feeling a bit of resistance or lack of interest, what are the other ways to frame this question of leveling up your money game?

Ortega: I love that. I will say money is just a means to an end. What's your endgame? I think that's the way to frame it, because you're exactly right. For a lot of people, money is just like, "I want to open a community garden. I want to be able to give to social justice organizations. I want to start a co-op." Great. Awesome. That's your end game. Do you need a little bit of money to get there? Probably. Will it help? Absolutely. You want to be more philanthropic? You want to support more organizations? Awesome. Let's make that part of your giving strategy. And I'm gonna tell you how to do that and how to save some money on taxes, by the way, so more money goes in that direction.

Your end game might be like, "I want to make sure that my family never thinks about money again." Never has to feel the stress of money again. Great, then we're gonna work on a strategy that's much more about that financial security, making sure you have homes, making sure you have retirement and an insurance product, so that you know that everyone would be okay. It could be that I want to live the best life that I can and be free. All right, I got you. So, we're gonna work on a different strategy. We're gonna work on credit. We're gonna work on buying a condo that you rent out, so that you have passive streams of income.

So, it's really about what's your endgame? Money, I agree. I mean, there's a plateau where happiness is... There's a number to it, and after that, really you're not much happier making more money. So, it's never about the money. It's about what you want to feel when you have that security. For me, it's about having opportunity. It's about having the ability to have financial freedom, whatever that means for you.

Menendez: I'm ready. Thank you. I feel ready to go do the things I need to do. Thank you so much.

Ortega: Absolutely. So happy to be sharing.

Menendez: Thanks for joining us. Latina to Latina is executive produced and owned by Juleyka Lantigua-Williams and me, Alicia Menendez. Virginia Lora is our managing producer. Cedric Wilson is our producer. Carolina Rodriguez mixed this episode. Manuela Bedoya is our social media editor. We love hearing from you. Email us at hola@latinatolatina.com and remember to subscribe or follow us on RadioPublic, Apple Podcasts, Google Podcasts, wherever you're listening, and please, please leave a review. It is one of the fastest, easiest ways to help us grow as a community.

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