



SOPHIA BERA:

FINANCIAL GUIDE FOR MILLENNIALS



Words by ANTHONY JONDREAU

Photos courtesy of Sophia Bera

It's not something they teach in school, although they probably should. It's not something parents sit down and talk about, like the birds and the bees. Nor is it fun, like the birds and the bees. But it is the most important and stressful thing that characterizes adulthood: managing finances. Usually associated with men and women in the later stages of their careers, financial planning can mean the difference between life and debt. When Sophia Bera, the founder of genyplanning.com, realized she was the one answering all of her friends' financial questions, she found that adults in their 20s and 30s (so called "Gen-Y" or Millennials) lacked a very important resource.

"What prompted me to get into this field was that I kept having my friends come up to me asking me good financial questions, and not really having anybody to go to for the answers."

Part of the problem was the way the system had been set up. "[With] traditional financial planning firms, you have to have a set amount of assets in order for them to work with you," Bera said. "You had to have \$500,000, \$1 million, \$250,000. And that is really out of reach for most Millennials, given our age."

Getting to those traditional thresholds requires a completely different type of financial planning, and saving for the future is a much more difficult task for a person surviving paycheck-to-paycheck. The rising cost of living, as well as mountains of student debt, make getting enough money to hire someone to manage it a brutal "Catch-22". Bera understood this, which is why she set about making a point to change it.

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FINANCIAL PLANNER, THEATER MAJOR

While she discovered her love for finance in college, it took her some time to get into financial planning. After all, most people don't grow up wanting to be a financial planner.

"My interests in high school were theater and choir, and I'll tell you, those things totally saved my life... I met the best people in my choir classes and the different shows that I got cast in," Bera says. "Had 'Glee' been around, I would have been totally cool."

Her passion took her to Minnesota State University, where performing in 15 plays taught her a wide range of skills. She didn't know it at the time, but those skills would help her pursue what has become her career. What she did know at the time, however, was what she didn't want to be.

"I was determined not to be a starving artist. So basically, I went into the personal finance section of Barnes & Noble and I would read every book I could get my hands on," Bera recalls. All those hours reading allowed her to start answering her friends' financial questions, creating the spark that led to her current career. But Bera would have been remiss in

not using that advice to help herself as well. "I read 'Smart Women Finish Rich,' by David Bach, and he talked about buying a home, the importance of home ownership as one way to accumulate wealth and build financial independence. And so I thought, okay, I want to buy a home when I graduate from college."

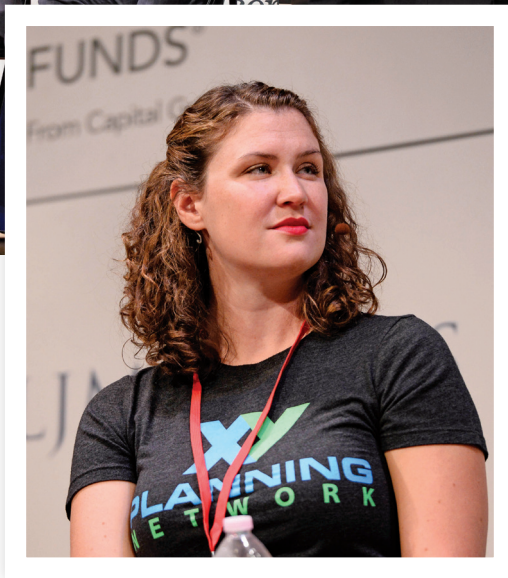
That's exactly what she did, although she admits that the market in 2005 was very different from what it is today. She then did everything she could to cut overhead expenses, even moving back in with in-laws. After a few years of working in banking, Sophia found herself with the means to do what she most wanted to. Ironically, she soon realized that owning a home, the goal she had set for herself, was now exactly the kind of purchase she discouraged other young adults from making.

CHOICES

One thing becomes very clear when speaking with Sophia: she likes options. Settling down can wait. It's a way of thinking that eschews the kinds of big purchases young adults make as they transition — things like cars and homes. Sophia herself was guilty of this.

"I bought a house that, today, they wouldn't let you buy. I was making \$30,000 a year and the house that I bought was \$189,000, and I think I made a 5% down payment. Nowadays they wouldn't let you do that. So, that was a poor financial decision."

Such purchases create financial commitments that leave little wiggle room. A house requires a commitment to a location, and a car can easily turn commuting into someone's



largest monthly expense. This results in little money left over to do the things a person may love to do.

“When you look at studies that deal with money and happiness, people who spend their money to free up their time and people who spend their money on experiences often get a lot of happiness out of that.” It was a lesson learned the hard way when she bought the house, Bera admits, but it was also an important lesson.

Bera’s business has grown to the point that she can now work remotely, providing her with the flexibility to do things she loves, such as to travel. She’s set up office everywhere from Chicago to Peru. Financial security and flexibility can provide a lot of freedom. That freedom must be earned, however, and no amount of planning and saving can avoid being shackled by the ultimate investment: work.

As a Theater major, Bera already knew she’d be facing long work weeks if she wanted to pursue what she loved. The trick was to find two jobs that she loved. Performing in plays in the evenings, Bera would spend her days working as a banker or bookkeeper, gaining experience she could ultimately parlay into financial planning. Even though becoming a Certified Financial Planner was her main goal, it remained important to her that theater continued to be an important part of her life.

But that kind of dedication can mean working 70 or 80 hours a week. To compound that type of commitment with home ownership or car payments creates a cycle that can virtually

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trap a person by restricting options during early adulthood.

“Sometimes we get caught up in the dreams of previous generations, right? So there’s a lot of pressure from our parents or grandparents. You have that college degree, you have a good job, now you’re supposed to buy a house,” Bera notes. But that hasn’t been her experience with the current generation. “A lot more Millennials value mobility and flexibility, and home ownership does not provide that.”

ACTUALLY SAVING

Planning for the future is a common sense concept, but it is not easy to implement: after all, the present is calling, and it’s a lot louder

than the future. Things need to be taken care of every day, every week, and every month. Those are the things that are pressing and visible, that stay at the forefront of our priorities. On the other hand, financial planning is something that happens four times a year (meeting quarterly with one’s financial advisor is generally recommended). With this as a starting point, Sophia went about creating a system that she thought made more sense.

“We pay for our lives monthly, right? Most financial planners charge quarterly fees. That doesn’t make sense, because we pay for our lives monthly. We pay our rent monthly, our mortgage monthly, our monthly bills, our cellphones, our Netflix. All of that’s monthly.”

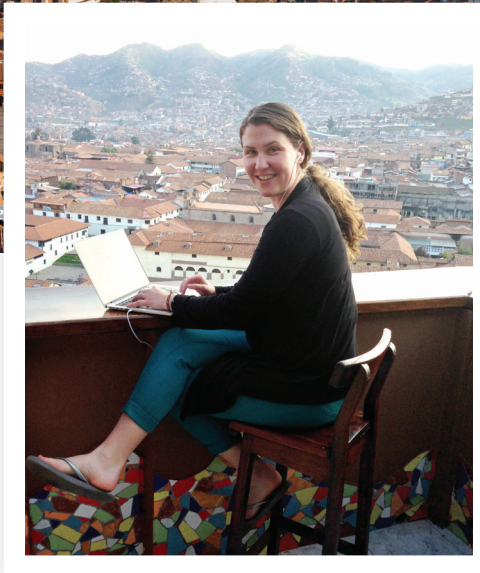
Structuring her fees on a monthly basis (after an initial starting fee) allows people to more easily schedule it into their monthly budget, so it becomes less abstract. If “out of sight” is “out of mind,” Sophia aims for the opposite. The monthly fee is also a break from a commission-based system, which allows both parties to focus more on planning for the future and less on lining Sophia’s pockets.

“I didn’t really like the way it had been done, and I thought that a good number of Millennials were willing to pay for ongoing financial advice and pay for a service if they knew what they were getting.”

Sophia’s ultimate goal is to help people manage their money. “I love teaching. When I talk to my clients, oftentimes I’m explaining these complicated financial terms, something like a 401k, and making that accessible to people, making that understandable... [I am] ex-



Cuzco, Peru: one of the many exotic locales Bera's business has allowed her to work remotely



plaining it in a way that makes sense, that uses layman's terms instead of financial jargon. And so that's one of the things I really pride myself on."

ADVICE TO OTHERS

One of the most important things she can teach is how young entrepreneurs can get off the ground. "The first thing is to start by working on your own personal finances. If you have a ton of debt, it's really hard for you to start your own business. If you have a ton of high monthly expenses, it's also going to be difficult."

Sometimes, this can mean humbling oneself in order to eventually reach greater heights. Bera knew she couldn't let pride get in the way of her goals, especially with a mortgage to pay off.

"When I launched my firm, my only debt was my mortgage, and I moved in with my in-laws to cut down on rent. Some people aren't willing to do that. They want the nice lifestyle and they want to run their own business."

Freeing up as much money as possible to dedicate to the business is a great place to start, but it also helps, Bera says, to have some sort of steady income (even if that requires having a separate, full-time job). If it sounds time consuming, that's because it is. But a business can't be built overnight.

"If you're working full-time, find 10 hours a week to put into your passion - it might turn into income. Those things will ultimately lead to a very fulfilling career," believes Bera. "The most important thing is that you have to start."

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SOPHIA THE ACTRESS

At the center of all of this is the girl who grew up wanting to act, and went to school for exactly that reason. Where did she go when the financial planning itch took over? Nowhere, it turns out. All of the classes she had taken, and all of the plays in which she had performed, may not have taught her how to balance a checkbook, but her work goes far beyond the numbers. At the other end of those numbers are people who are relying on Sophia's advice.

"It's so funny because I was so embarrassed about my Theater degree when I decided to get into financial planning. I wasn't a finance major, I didn't take math in college," Bera admits. "But now, what's interesting, is

that it's like my secret weapon. There are a lot of really nerdy, geeky certified financial planners who can't talk to anybody. They have poor communication skills, poor interpersonal skills, and they can't relate to people. I can talk to anyone about anything."

Her ability to relate to others has not only helped advance her financial planning career, but has also opened up opportunities. Podcasts, in particular, have increasingly been asking her to be on their shows, and a company recently asked her to be in a commercial. Being able to understand and communicate complex information has given her a career that is more than just financial planning. No part of majoring in Theater pointed in this direction. Looking back, it turns out that it was exactly the education she needed.

LIVE A GREAT LIFE

Ultimately, for Sophia, it is not about accumulating wealth or striking it rich: that's not her vision. If it were, she'd be doing the same thing as every other financial planner. Instead, she has turned an opportunity to help her friends into a business with the potential to help thousands of people just like them.

"That's what I help people do every day - use their money to help live great lives." ■

To learn more about Sophia Bera, visit www.GenYPlanning.com