

Money Management (And Paying Off \$206k Of Law School Debt)



Full Episode Transcript

With Your Host

Natalie Bacon

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Welcome to the *Design Your Dream Life Podcast* where it's all about designing your life on your terms and now your host, Natalie Bacon.

Hey friend. Welcome to the podcast. Today's episode is all about money management. That is because in one week from today, October 20th, the doors open to Grow You, and the Mind Your Money class opens. I'm teaching a brand new class, and there's a workbook. What I've done here with money this month is completely different than what I've done before.

I've combined the mindset work with the very real and practical tactical money management tools that I know from being a certified financial planner. So how to track your net worth and create a budget and the money conversations to have as a family. How and when to check your credit and credit freezes. All of those things that sometimes even I take for granted for knowing, but I remember it wasn't until gosh five/ten years ago that I even understood any of this. So I'm so excited to teach it to you. So head on over to nataliebacon.com/coaching. Make sure you are on the waitlist to get in when the doors open. They'll only be open for one week.

Today I want to give you a little taste of what I'm talking about with money management and what I'll be teaching. I want to start off with a question, and I want you to think about it. Maybe write it down. So how would your life be different with more money available to you?

I think there's this balance with making money and having money and giving money and all the other things that we do with money. What I notice is that a lot of women right now are struggling with things that more money would solve. So more money means that you can hire a housekeeper to do all of the things that you don't want to do in your house. It's amazing. More money means you can save for retirement and college. More money means vacations. More money means paying off all your debt.

Money definitely does not make you happier. It does not solve health problems. Money solves money problems, but a lot of the problems that we

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have would be solved with money. I'm so grateful for my experience with student loan debt having taught me this lesson.

So I had \$206,000 with student loan debt. That was me buying money to go to law school. I'm so glad that I did this because it propelled me on a journey to learning about money and ultimately becoming a certified financial planner where I worked at a registered investment advisory firm after I quit being a lawyer. I managed high net worth individual's finances and families.

I got to see such a wide range of different ways to manage money. We helped with not just managing money but cash flow and retirement planning and estate planning and investments. Just a wide array of things that you might not even know that a really good certified financial planner does. I loved that career. I obviously transitioned from it, but from that career I have so much valuable knowledge. Some of it I want to share with you.

Starting with a really practical way for you to take a look at what you value with money by looking at your spending. So if you just go into your checking account or credit card account and look at the actions that you've taken. So look at where the money is going. Look at how much is coming in and then look at where it's going. This is going to show you what you value.

So if you logged into my account, you would see that I value my health. I have a gym membership. You would see that I value personal care, right. I get some manis and pedis. You would see that I value taking care of my puppies. There would be some grooming appointments or some vet appointments. You would see that I value personal development. You would see paying for life coaching and you would see paying for business coaching. You would also see that I value entertainment. You would see transfers going into savings. You would also see paying off the credit card in full regularly. So you would see a value of living debt free.

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I think that slowing down and looking at your spending habits over the last 30/60/90 days can help you identify what you value and what you don't value. It takes slowing down and getting out of that day to day to do this. It's a little bit of a hard sell because we all have busy lives. We have full lives. Sitting down to look at the money, especially together as a family, as a couple, isn't always the most fun. It can be the most rewarding.

When I think back to my law school debt and deciding to get out of it and having that value, it took making some major life changes and some major new decisions. So I was an attorney, and I got side jobs. I would nanny. I would freelance write. I would blog. I downgraded my lifestyle. I prioritized creating money to pay off debt even above socializing. That was a season.

That season has afforded me, my goodness, so many dividends, no pun intended there. Because right now I'm living it. I share this so you know that it didn't really stem from any coincidence or anything special about me or what was available to me or anything like that. I truly just decided that I was going to believe that I could pay off this debt, I could create a lot of money, and I could do it my way. I didn't have to know the how.

So as you think about how your life might be different with more money available to you, I don't want you to get attached to how this is going to happen. So I don't want you to think that you're going to have to work more. I don't want you to think that you're going to get more stressed. I don't want you to think any of that. I simply just want you to go to the place in your mind where you allow yourself to believe that somehow someday more money is going to be available to you. You're not really sure how, but it is.

In the meantime, you're going to become this steward of your money and take care of your money just like you would if it was one of your babies. I think so often we associate money with using it that we forget that we also have a relationship with it. So if you think of a baby. It's not taking care of

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you. You're taking care of the baby. That's how we want to think of money management. It's like how can I take care of my money?

Well, first let's pay attention to it. Let's give it some love. Let's see what we've been doing. Let's see where the money's been going. Let's see what we value and if what we value is what we want to value. Let's talk about money as a family. Let's set some money goals. Let's be mindful and intentional with how we care for our money, and have that be separate and apart from how we use our money. I think this distinction is so, so helpful. So think about how you care for your money.

One example that I like to give is getting your credit reports. So every year I get my credit reports from the three bureaus, and I keep my credit frozen which I'm a huge fan of at all three of the bureaus. I lift it when I need to lift it, but otherwise it's frozen. I'm always checking up on my credit. Not necessarily my credit score. I don't really look at that as much, but my reports. I do this annually. There are other things that I do more frequently like updating the budget or saving money or tracking the net worth. All of these are tactics that come from the belief that taking care of my money is important.

So is this a value that you have? Is this a value that you want to have? Is it something that you want to start having the conversation with your spouse about? I think particularly navigating money as a family can be something that increases connection instead of frustration. So if money is sort of secondary and it never has a space on the calendar or at the table, what can happen is it just becomes something that you either bicker about or disagree about and never sit down and take a look at from the place of what do we believe about money? What do we value about money? What's possible for us about money?

Do we have the right insurances, right? Like I love spending money on disability insurance and life insurance. Then there's estate planning and

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investing and savings. I say all this not to overwhelm you but just to know that there's this whole world out there of money management that I want to encourage you to prioritize. If it feels new and foreign to you right now, that's okay. No one is born out of the womb knowing how to do all of this. So it is all learned. It can all be self-taught very simply.

I think that my experience going from being a lawyer and having all that debt to becoming a certified financial planner and managing such high net worth individual's money to now having my own business and making a lot of money. I've come full circle. So far as I've realized that you get to make your own rules for money, and those rules will determine how you live and the decisions you make. They can be either really supportive or not supportive or unsupportive.

A lot of times what we do is we borrow rules from our family, or we borrow rules from society. Like money doesn't grow on trees. You have to work hard to make money. They sound so lovely and we all sort of agree with them. Where the mindset work comes in is it's pausing and saying, "Well, wait a minute. What if we just question that? We don't necessarily have to say that it's wrong, but let's just question it. Let's just question the rules by which we live."

So, again, going back to looking at the actions you're taking and looking at your accounts, and then seeing what values you took actions from and questioning whether those are serving you. For example, if you notice that you keep a balance on your credit card. Instead of beating yourself up on the one extreme or going to the other extreme and sort of making excuses for it. It's let's meet in the middle and be really curious about it.

So why do we carry a balance? Do we believe that carrying a balance is good for us? What effect is this having on our long term financial health? Do we want to keep continuing a balance? If more money was available to

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us, would we keep a balance? What would be different if we had more money? What would be different if we had different money values?

So you're asking these questions as a family from a place of being really curious about it because that curiosity is going to lead you to create your own rules. Instead of what I see happening a lot is just accepting the rules that we sort of had programmed. It might be money doesn't grow on trees or you're always going to be in debt, or you have to work really hard to make more money. Whatever it is. We don't question those rules, and then we live them out. Then we wonder why we're in debt and overworked and not dream life living, as I like to say.

So this is sort of an invitation to you to carve out some time. I recommend doing it together as a family. Getting really transparent with each other. One thing that I really firmly believe in is transparency throughout the family when it comes to money.

So as I managed lots of different family's accounts, they were all high net worth. So millions and millions of dollars. There was always a variety of ways that people had accounts set up. So some people had everything combined. Others had some combined and a couple separate accounts. The consistent theme was that even with separate accounts, nothing was hidden in the family. There was transparency. So I really believe that. I think that that's the way to go forward and have that money connection as a family through being really open and honest with what's going on with money.

If you do that with each other from a place of nonjudgement, it makes it a lot easier to have these conversations. Then getting on that same page with money and deciding what you want to believe and what values you want to have about money is sort of the first part. Then you can set money goals. From there you take action. So then you calculate your net worth. Then you budget, then you save for retirement, then you make sure you

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have all of your insurance in place, or you do estate planning. Maybe you hire a certified financial planner.

Whatever it is, you make the decisions and take action from a place of having these money values set. So it's not random that I pay off my credit card more than monthly, right? I never carry a balance. That's not random. That's from the decision that I want to continue to live debt free. I wasn't always like this.

So back in the day about a decade ago when I was first practicing law, I didn't know anything about money. Not really. Of course I had a checking account, a savings account, and I had a lot of student loan debt. That was pretty much it. That was fine, but I realized through my student loan debt that I needed to learn, or I wanted to learn so much about money. So I learned it. I taught myself it. Then I decided that I liked it so much I wanted to help other people with it. So then I became a financial planner and got certified as a CFP. I loved that career.

So I share that with you because I would still identify and describe myself as someone who likes that dopamine shopping hit. I like to shop. I like nice things. Now I know how to do that through my value system. Now I know how I can create wealth and have savings and pay off all my debt and buy the fancy things, but that's a rule that I came up with based on what I wanted to create from my future, not from my past. There was nothing about my past that suggested that that should be my future.

So no matter if you are the breadwinner, if you are the stay at home parent, if you are a dual income household and you have kids and money feels tight for you right now. It doesn't matter. You can still decide what you want your values to be. You may not be able to take all the actions. You may not decide we're going to pay off our debt tomorrow and hire a housekeeper, but you can decide what you want to value. You can decide how you want to live with money in the future.

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Carrying that belief will guide you into taking the right action. Because all of those little actions every day that you make will create your future. The only way that you stay in the money position that you're in now is if you keep making the same decisions that you've always made.

So I am so, so grateful for my student loan debt. I would have never become a certified financial planner. I would have never started a business. I truly would not be where I am today without my student loan debt. It is definitely something I'm grateful for.

So that is another way of looking at money and debt and anything kind of going on in your life right now or in the past that you necessarily don't want to have to do again. Like I'm very grateful for my debt and I appreciate it and I love all the lessons, but I don't want to go into another \$200K of debt for school and then pay it off. So appreciating it and accepting it and welcoming the lessons doesn't mean that you would rechoose it.

So notice that for yourself and any stories that you have that are negative. And see if there's a way that you can retell that story in a way that you can retell that story in a way that's really supportive for the direction that you want to go.

For me, balancing taking care of my money with creating more money has been such a gift in so far as I've cultivated this relationship with my money that is very gentle and nurturing and, in a way, even using those words to describe a relationship with money is so not what we are socialized to do. I want to show you that you can do that, and it can have a really positive impact on your life so that money doesn't feel tight. So that money isn't a stressor. So that you have a family planned with money. And so that you are open to whatever you want for the future. That may be a lot more money, it may not be.

I always say why not. Why not have more money? That takes cleaning up those money mindsets, those money values, and getting really clean about

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your money relationship because that will drive all of your actions, which is the tactical money management part of it. So if you would like to dive deeper into the money tactics and the money management, this month Mind Your Money is a new class I will be teaching in Grow You. Doors open next week on October 20th. I will see you there.

If you loved this podcast, you're going to love Grow You. Grow You is my virtual life coaching program where I take everything on the podcast to the next level. I invite you to join our amazing community of women and moms and deepen your own personal development. Head on over to nataliebacon.com/coaching to learn more.

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