

EPISODE 303

[INTRODUCTION]

[0:00:31]

FT: Today's guest is the founder of #MoneyChat and president of Conner Coaching LLC, which gives results oriented personal finance and business coaching services. Dorethia Kelly is known for her no nonsense approach and charismatic personality in order to help individuals successfully manage their money and help business owners boost their bottom line.

Dorethia has a book entitled *#MoneyChat the Book: How to get out of debt, successfully manage your money and create financial security*. Dorethia offers her readers helpful financial advice on everything from saving for college, creating an emergency fund, budgeting and other important personal finance topics and does so in a way that makes it easy to apply to your daily routine.

Some take aways from our conversation. The biggest financial concerns she discovered people were talking about on Twitter. Her number one financial mistake, it involved a vacuum and helping a family in need at one point in her 20's. That was the first time she was able to be really charitable and she calls it her So Money moment.

Here is Dorethia Kelly.

[INTERVIEW]

[0:01:46]

FT: Dorethia Kelly, welcome to So Money. I'm very excited to talk about your new book, #MoneyChat, congrats.

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DK: Thank you. Thanks for having me on.

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FT: You have a hashtag in front of “MoneyChat”, was that to be able to trend on Twitter and other social media? It’s very 2.0.

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DK: Well, here’s what actually the book is a product of not only my financial coaching business but also the Twitter chat. I had the Twitter chat long before I wrote the book and then I decided to take the online conversation offline, put it on paper and so that’s when I said, “Hey, I’ll just do *#MoneyChat the Book*”.

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FT: Tell us about the impetus for *#MoneyChat the Book*, aside from having the Twitter chats but I mean, you yourself insert yourself much in this book. This was I think a very personal journey for you as well.

[0:02:36]

DK: It was, it absolutely was and it was a long one. I had been wanting to write a book for a long time but I did not know exactly what I wanted to put in there. I knew it will be about personal finance but I really wanted it to be something that everyone could relate to, something that if I picked it up myself, that I will be very proud of it and that’s what I believe I’ve accomplished.

So it was about my personal journey with money. It was about the coaching clients that I had over the years and heard their stories and cried with them and encouraged them and help them get on a financial path to success. It was about all the people that said, “You know what? I just don’t know where to turn.”

That is what I believe that I accomplished here. It was a very personal journey. I even, some of my Money Chatters told their stories in the book and I was so humbled that they would even take the time to do that and share so that other people could be helped as well.

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FT: You market this book as “this is the book for you in the event that you’ve read all these other personal finance books and nothing ever clicked, it never really changed your life”. How does your book deliver that promise?

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DK: What I believe I’ve accomplished here is giving people action plans at the end of the book and delivering the message in a real talk format. So it’s almost like we’re sitting in my dining room table over some tea or coffee or whatever you drink and we’re just having a real talk conversation.

I add in a little humor and I add in some real life scenarios that aren’t over anyone’s head that everybody can relate to and say, “You know what? Yeah, I’ve been there,” or, “You know what? I know someone who has been there. I’ve heard of this,” and then they want to make sure that either they don’t go back there or they don’t end up in that type of financial situation.

When I first started my financial coaching practice, I learned early that I had to hold people accountable. You can’t just say, “Okay, do this,” and then let them go off. So I started giving clients homework and I thought about that with the book. I said, “There is no sense in reading and just being the end.” At the end of each chapter, there’s homework, there’s assignments, there’s to do’s that they can go that day leave and have action plans that they can actually achieve.

[0:04:59]

FT: I have to say, as an author myself too, I really love the structure of the book where you’ve got anecdotes sprinkled throughout the book so it’s not just your voice. You are hearing from

other people. It really makes it for a friendly read, if I dare say, because personal finances can sometimes feel very overwhelming and cumbersome but this one, has ton of resources as well and of course, those action steps at the end, so well done.

[0:05:30]

DK: You know, that means a lot coming from you so I appreciate it.

[0:05:33]

FT: Absolutely. Well we should tell the audience how we met. We met at FinCon 2015 and it was just nice to — you're such a lovely energy and I don't know? It was like, when I think of FinCon, I think of Dorethia because we happen to attend a lot of the same.

[0:05:52]

DK: Oh thank you.

[0:05:53]

FT: Yeah, we were at some of the same workshops and we had drinks together so you were a big part of my experience and it was a good one.

[0:06:00]

DK: Oh thank you!

[0:06:02]

FT: So let's transition now to some So Money questions and I'm sure throughout this, we'll also learn more about you and your book and your journey, but if you had to summarize your financial philosophy in a word or in a sentence or two Dorethia, what is it? What is your money mantra?

[0:06:23]

DK: My money mantra is, “It’s never the end of the world.” And I honestly cannot take credit for it. A dear friend spoke those words to me when I was going through something very major and when she said it, it freed me. And I said, “You know what? You’re absolutely right. I’m going to wake up in the morning and come up with a new plan.”

And that is what my message is to everyone. No matter what you are facing financially, it’s never the end of the world. You can get through it, you will get through it and you are not the only one to have faced any particular situation. So anytime I am facing anything whether it’s personal or professional or financial, that is what keeps me going. Don’t make the emotional decisions, take a deep breath, it will truly all work out.

[0:07:14]

FT: Yeah, that really brings up this entire element of emotion and money that we have the rational side of our brains, which tell us how to get to the resources, we know what we have to do to be out of debt or to be living within our means yet we don’t. There’s that emotional element, that component, that barrier that keeps us from getting across the bridge.

So what’s your advice to someone who is stuck in the mud at least just emotionally, mentally to say, “Okay, you know what? This too shall pass, the world is not ending,” but how do you actually get them to believe that?

[0:07:72]

DK: The way I get them to believe that is by having them write down what their goals are. In order to get past this emotional, being stuck emotionally, you have to say, “You know what? What do I really want to achieve? And if I stay here, am I going to be able to achieve it?” I have them write down their goals and then, we work towards a plan. What is your plan to get there?

So from writing down your goals to actually having the plan, there may be some work involved there. But at least, when you are able to see what your goals are, you can come out of that emotional funk, as I would say and say, and say, “You know what? I’m going to hold my head up. I’m going to push my shoulders back. I’m moving forward. And I’m not going to allow my emotions to stop me.”

Now, here’s the other thing because even I have to do this; you need to recognize it when it is your emotions and just call it what it is. You need to say, “You know what? I know what this is. I’m pushing past this, I’m not getting stuck here.”

[0:08:52]

FT: One of the guest that I’ve had on the show a couple of time, James Altucher, you may know him. He has got his own podcast as well, he’s a prolific writer and thought leader and he personally has dealt with so much emotional drama in his own life and he tells this story, and I’ll share it because it’s very relevant I think to what we’re talking about, about how to get over whatever you “it” is; trepidation, fear, anxiety. And he has a, I guess she’s now a teenager, a daughter who is a worry wart.

And what he does with her is he’s like, “Okay, think about something that you were worried about last week, are you still worried about it?” Or, “Hold on to this thought and come talk to me by next Friday and if this is still bothering you or this hasn’t resolved itself,” which 99.9% of the time it does, “then we’ll talk about it.” But there is no sense in worrying about things that is just something that is not stemmed at any sort of substance other than just you feeling irrational and nervous. So I try to do that to myself too. I can’t worry about what other people think all the time. I can’t worry about what other people want me to do and I can’t control everything.

What is your financial upbringing Dorethia? I mean I like to go down memory lane with my guest because I think it gives a lot of context for why we think and act the way we do with our money today. So capture a memory for us from growing up during your childhood, what money kind of meant to you back then and how you learned about it? One story.

[0:10:29]

DK: Well, to be honest, I was not taught about money. I did not know anything about money, all I knew was that we didn't have any. My money memories really come from lack thereof. So how that shake me of course, it did, is that I want to make sure that I didn't stay there as an adult.

I always wanted to make sure that I did whatever I needed to do to be able to earn money, to be able to have some money so that it wasn't always a situation where you couldn't go buy this or you couldn't ask for certain things because you knew the money wasn't there. To be honest, that is my money memory as a kid.

[0:11:10]

FT: Do you remember being that young and thinking this way or is it now only as an adult that you look back and you're like...

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DK: No, no as a kid, you know. Kids know when there isn't enough money and then my mom, she didn't play around with it. If it wasn't there, it wasn't there. There was no sugar coating. Now, parents handle their kids with I guess "kid gloves" but my mother was not that way. If there wasn't enough money, there just wasn't.

And so as a child, I remember thinking and knowing not to ask for certain things. Certain things might have been going on in school, you couldn't participate in it and I didn't even come home and ask because I knew that the money was not there. And so as an adult, what that shaped was I don't want that for my kids. It is no slight on my mother, it just was our situation. She did the best that she could but I wanted to make sure that I was in a different position as an adult with children.

[0:12:06]

FT: What kind of a financial parent are you? [Laughs]

[0:12:09]

DK: My kids will probably say “helicopter”. [Laugh] They’d probably say I’m a helicopter financial parent. I am very much involved or try to be now. They’re older, you know, they’re adults now so they’re like, “Leave me alone,” but I’m very much involved to ask them all the time and when I see them spending, I’m like, “Listen, you can’t afford that.”

Because I don’t know about you, but have you noticed it seems like those in their 18, 19, 20, they’re trying to spend as if they’re making the money of a 40 year old and I’m like, “What are you doing?” So even when my children were younger...

[0:12:48]

FT: Right. Like they want the lifestyle that you have.

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DK: Exactly, that’s it. I’m like, “You can’t afford this lifestyle I provide.” [Laughs]

[0:12:55]

FT: It’s very sobering, yeah. You graduate from college and your parents have been supporting you and finally you’re making your own money and you want all the nice things that your parents have given you, it doesn’t happen.

[0:13:06]

DK: Exactly, exactly! And when they were children because of course, being a financial coach, I make sure that they attended those Money Smart Week things for kids. I made sure that I taught them at home how to budget and even, when they got money for school — so say I’m going to buy school clothes for them, I would have them write out how much everything cost before we went. So when we went, we knew you have \$200 to spend, this is what you can buy

and there was no argument because they had already done the homework before we left the house.

[0:13:40]

FT: Nice. I like that. My son is only 17 months so we have a little wait, we have a little time before we do that but trust me, I think I'll be there with you before you know it.

[0:13:51]

DK: That's right, that's right. [Laughs]

[0:13:53]

FT: What would you say is your biggest financial failure Dorethia?

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DK: Oh my goodness. [Laughter] Oh my good, kay, so you're not going to believe this but I bought a \$2,200 vacuum cleaner when I didn't have a carpet.

[0:14:11]

FT: What? Oh no.

[0:14:13]

DK: Yes, I have. So a lady comes to the door and she's like, "Hey, hey you want to make some money?" And I'm like, "Yeah, I want to make some money!" And she's like, "Well listen, you sign up to sell these vacuum cleaners. If you sell three, you get yours free," and I'm like, "Cool but I don't have any carpet". She's like, "That's okay, it steam cleans hardwood floors". I'm like, "Beth, sign me up."

[0:14:32]

FT: When was this? Who comes to your door with a vacuum? I live in New York, I guess we don't get solicitations like that.

[0:14:38]

DK: Yeah, in Detroit. So people would come door to door. Remember, they would come door to door with selling knives and different things and all these products. I'm like, "Okay, cool. I can do this, yeah, because I'm a great sales person," right? But I don't know anybody who can afford a \$2,200 vacuum cleaner and I certainly cannot afford one. [Laughs]

Of course, you get three days to change your mind and they talk you out of it. Needless to say, I ended up paying on this thing for years really and I think I got rid of it in a yard sale one day. It was nuts, absolutely nuts. When I tell everybody this story, they just look at me across that. It was amazing.

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FT: Oh my god, well did you at least use this for steam cleaning? Did you at least get some wear out of it?

[0:15:28]

DK: No because the thing was too cumbersome. You had to add water, it was too hard! It was utterly ridiculous.

[0:15:34]

FT: Oh my gosh, you should have gone door to door like that lady had. You should have gone back to her house like that.

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DK: Exactly, I should have. Oh my god it was nuts. It was foolish.

[0:15:44]

FT: Oh my goodness, I mean I was shakin' in my boots handing over \$400 for a vacuum cleaner the other month. We need a new one and the other one broke down and you could spend thousands. It's kind of crazy, like these Dyson vacuum cleaners. I mean I don't need it to talk back to me, I just need it to eat my dirt and that's it.

[0:16:07]

DK: Exactly, exactly.

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FT: Okay, well that's a first on So Money. I was going to say I've heard it all but I have not heard that story before so congrats, I guess.

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DK: Oh my gosh, well thank you.

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FT: Okay, let's flip it and talk success. What is your So Money moment? Like your ultimate financial achievement to date?

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DK: Okay, so you know how I already talked and shared, you know, growing up, we didn't have a lot of money. For me, my So Money moment was when the first time I got the opportunity to write a check to help somebody else. So I believe in living to give and there were years when I

would see people in need and I wasn't able to help because I was barely making it myself. So even as a kid, my goal was to get to the point where whenever I saw a need, I could meet it, I could write a check, I could go out and buy whatever is needed or I could at least connect that person or family to resources.

So that is my financial win. The first time I was able to do that for a single mom, she had three kids and I was able to rally people to help her and write a check myself. I really felt that I had made it in my sense because what that meant for me was my household was stable because you can't write checks when you're still struggling yourself. What that meant was, I had arrived at the place that I had thought about as a kid, you know what I mean?

Of course, the book is a huge financial win for me because of what that takes but being able to help other people, those every day folks that need different things that you hear about and being able to meet that need, that's really important to me.

[0:17:58]

FT: Tell us more about it. How did you help them, how much did you give, what did she do with the money?

[0:18:03]

DK: So this was a young lady and at the very first time, we were both around the same age. We were in our 20's, maybe I was in my later 20's and she had three kids. She was just telling me about what she was going through and I think she was going through a divorce and really wasn't used to not having that money and had struggled for over a year.

And so what I did was, I reached out to all of my friends at church and asked for gift card because you know people don't want to give money and I understand that. So we all got together and we all went on and bought gift cards maybe to JC Penny's, to Target, to these different places so her kids could have clothes for school, grocery stores at Kroger.

I'm big on, Kroger is a grocery store here on the mid-west. I am big on providing groceries for people because you know that is one when times are tight, that is the thing that people cut back on or they'll buy less quality because they can't afford it. That's exactly what we did. We got gift cards, I delivered them, we gathered coats and different things that people had from their kids. You know, nice things.

That's another thing too Farnoosh, I believe in giving what I would want to receive. So we're not giving torn up things. If we got to go buy new, that's what we'd do. I'm not giving someone something that I wouldn't put on my own child or on my own back, you know?

[0:19:22]

FT: You know that's the first time I've heard someone talk about their So Money moment being the time when they were able to give back in a big way where their money is no longer serving them but able to serve others. That's really special. What is your number one financial habit Dorethia?

[0:19:38]

DK: The one thing that I do, that I teach others is they look at me at first but then they tell me how wonderful it works is, I print out my budget. I'm a spreadsheet girl. Everybody doesn't have to do spreadsheets, you can write it on pen and paper. I print out my budget and I keep it in my purse. Guys of course keep it in their wallet.

Whenever I go out and I'm thinking about deviating or I see something I want to buy, it's there tangible, I can just whip it out and take a look at it. Of course now, everybody's got apps and all these kind of things. I don't really use apps because I'm a numbers nerd so I do my own thing, but I love them. I have clients that use them.

Just have it at your fingertips and when you're going off or somebody calls you and says, "Hey, we want to go to Vegas for Christmas," and you're like, "Yeah, let's go," and then you could look at your budget and say, "Well maybe not." Or, "Yeah, sure. I can do that," and that is the one

habit that has stuck with me and I started that when I was trying to get on my own journey of financial success.

[0:20:41]

FT: How much do you budget for a vacations, speaking of? Is there a percentage allocation? Sometimes people ask me this question and I think I would say that dedicating 5% for miscellaneous expenses is fine and within that category, vacations would be one item. Well what do you think?

[0:20:59]

DK: I think 5% is a good gauge. To be honest, I budget vacations based on where I want to go and of course, how much it's going to cost me and what deal I think I can get on it. I don't necessarily use a percentage of my income or what have you. I just say, "Hey, if I want to go here, what's the best deal I can get on it?" And I'll have a number on mind and I can't reach that number then I won't go. So I have a bare minimum number and if I can't go for that price, then I won't go.

[0:21:33]

FT: Let's do some So Money fill in the blanks. This is the part where I start a sentence, you finish it. Don't overthink it.

If I won the lottery tomorrow, let's say \$100 million, the first thing I would do is _____.

[0:21:44]

DK: The first thing I would do is the responsible thing, I'd pay off my student loan, that's the last thing and I would get rid of that thing and then I would get out of dodge. I would go on a serious vacation.

[0:22:00]

FT: Wait, you still have student loans?

[0:22:02]

DK: Yes, I still have student loans. They follow you so yeah, I know right? That is my last debt. I probably have about two more years to pay and it's getting out of here. Trust me.

[0:22:17]

FT: Yikes, well you're not alone there. I mean I have friends who still have loans from graduate school, college. They're in their 40's, the debt is still there so it happens to the best of us.

Okay, one thing I spend on that makes my life easier or better is _____.

[0:22:34]

DK: The one thing that I spend on to make life easier and better is help around the house and help running errands because I just don't have as much time and I stop trying to do everything myself. You will drive yourself nuts so it's a must.

[0:22:51]

FT: When I splurge, I like to buy _____.

[0:22:53]

DK: So I don't have that. I need to though, after this I'm going to get something to splurge on because I don't have anything that I splurge on. That's not good, I need to have something.

[0:23:06]

FT: Hey and if I'm the reason for it, awesome.

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DK: That's right.

[0:23:11]

FT: When I was growing up, the one thing that I wish I had learned about money is _____.

[0:23:14]

DK: How to manage it, because I had to wing it. I didn't know when I first started. I had no clue how to manage money.

[0:23:21]

FT: When I donate, I like to give to _____ because _____.

[0:26:50]

DK: I like to give to the everyday people, the next door neighbor, the senior citizen who needs medicine. Because to me, that's an ability to meet an immediate need without a lot of red tape and rigmarole.

[0:23:42]

FT: And last but not the least, I'm Dorethia Kelly, I'm So Money because _____.

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DK: I am So Money because I teach people how to save, grow, invest and change their Money Chat.

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FT: You're #MoneyChat in fact. Thank you so much Dorethia. It was a pleasure to reconnect with you.

[0:24:03]

DK: Thank you. I appreciate it. I've had a great time.

[END]