

**EPISODE 1421 NEW**

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**FT:** So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1421, crushing \$300,000 worth of debt in three years, with Bernadette Joy.

***BJ:** I had gone back to the MBA program thinking, well, okay, I'll just do what a lot of other people do. If you don't know what you want to do next, go back and get more education, right? And I was 10 weeks away from graduating, and I still didn't know exactly what I wanted to do, and I could literally feel my chest tighten up."*

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. We just have a really inspiring money story today. Sometimes, it's just going back to the basics. I know we cover a lot of the economy and money at the intersection of politics and race and gender. Sometimes, I just want to listen to a really good get-out-of-debt journey, and today we're going to do that with Bernadette Joy. She's a nationally recognized money expert. She has been featured everywhere, Good Morning America, NBC, USA Today, and So Money. She has two degrees in business and a degree in psychology.

As a first generation Filipino American, she and her husband, AJ, paid off a whopping \$300,000 of debt in three years, and they grew their first million dollars of net worth in their 30s. Nothing was inherited, and she did this. Bernadette did this while transitioning from a decade as a corporate HR professional to now a business owner. She runs a program called Crush Your Money Goals Academy, designed for those who are overlooked and underestimated by traditional financial services.

We talk about how she came to wanting to get out of so much debt so quickly. This included her student loans, which weren't carrying that high of an interest, her thoughts on the FIRE movement. She considers herself part of the Financial Independence, Retire Early movement, but why it's not for everybody and lots more. Here's Bernadette Joy.

[INTERVIEW]

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**FT:** Bernadette Joy, welcome to So Money.

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**BJ:** Thank you so much for having me. I'm so excited.

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**FT:** You're So Money, crushing \$300,000 worth of debt in a matter of a few years. You are the founder of [crushyourmoneygoals.com](https://www.crushyourmoneygoals.com). You've been featured everywhere; CNBC, The Doctors, MarketWatch, Real Simple, Good Morning, America. You've been busy, helping people with their money, and I want you to share everything you know with us in 30 minutes.

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**BJ:** 30 minutes or less. Got it. Got it.

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**FT:** 30 minutes or less. It's going to be a sprint. But with you, no doubt, lots of valuable information. But first, Bernadette, introduce yourself to our audience. Tell us a little bit about how you became the founder of Crush Your Money Goals and how you crushed your own money goals.

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**BJ:** Sure, sure. So I am Bernadette Joy. Just some quick context, I am first generation Filipino American. I am the eighth of nine kids on my dad's side. I live in Charlotte, North Carolina, and I am married and proudly no kids, no dog, no anything. I always think it's very important to provide that context, so people can get an understanding of where the story came from.

My personal money journey, I would say, started in 2016. Theoretically, we all started from the moment that we started spending money. But when I started taking it seriously was when I found myself in \$72,000 of student loan debt. I had two mortgages that I clearly could not afford. I had all the normal things that people had, credit cards and cars and just trying to make it through paycheck to paycheck and realize this is not a sustainable plan for me.

I have had a history of kind of mental health challenges in my family. It kind of rendered my family. I also grew up in a household where money was a very contentious topic, and I decided that I just didn't want that for my life. So 2016, when I started researching, I literally went on Google and said, "How do I pay off all this debt," and found that a lot of the advice was pretty generic. I didn't find a lot of people who looked like me or I felt like I could relate to. I also found a lot of the advice tended to be kind of geared towards, well, if you have a steady income and a normal family and kind of all of those things, and this is going to work for you.

So I kind of hodgepodge my whole money plan together, and I started off with just paying off the \$72,000 of student loans, and I said to myself, "Well, if I could get rid of those and I could feel I could have some breathing space." What I didn't realize is that I can talk more about it that I got really gung ho about it. I paid off the \$72,000 of student loans in less than a year. Not all by myself. My husband definitely helped in that journey too. Then we said, "Well, you know what? What would it look like if we were just completely debt-free?"

So for the next couple of years, we focused on paying off our house and all of the other things, and people thought we were crazy. They are just like, "You're in your 30s. You have all this time. Mortgage and student loans aren't bad debt, so why are you paying it off?" Then lo and behold, 2020 came, and we had paid off everything in 2019. When the world was doing what it was doing in 2020, my husband and I were able to say, "You know what? We can actually figure out

what we want to do and how we can help other people on this journey,” because we saw people who are just really stressed out, obviously, during that time, more so than ever.

At that time, we had paid off all the debt. So that's when I started Crush Your Money Goals in 2020, and it's been two and a half years and about 3,000 students later and lots of talking. Here I am sitting with you.

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**FT:** Wonderful. A couple of questions from your story just now. So firstly, congratulations. This is like so incredible. While I probably would have been that friend who was like, “Bernadette, why are you tackling the student loans? Why are you worried about the low interest mortgage,” it was something that was very important to you. I don't want to know why.

Like going back, I mean, we didn't know, obviously, that the pandemic was going to happen, and this would be helpful in the short run. Why was it important to you to be such a debt crusher and not maybe invest more or earn more? Or maybe you are doing those things as well. Tell us a bit about like the thinking behind your approach to crushing your money goals.

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**BJ:** Yeah. Well, for me, a lot of it stems to psychology. I, myself, have a bachelor's in psychology. I also have a bachelor's in business and a master's in business. But I find my psychology degree to be way more useful in this sense. To be honest, I grew up with a father who made a lot of money. He was a CFO of a company in New York City, and he passed away last year, actually. But he didn't have much at all. It was a firsthand account of me seeing that, wow, well, you can make a lot of money, and you can know about investing. It doesn't mean that you're going to be wealthy, right.

So for me, it was a very visceral kind of reaction to what I saw in my own like household growing up. I remember specifically, it was January of 2016, where I had about 10 weeks left in my MBA program, and I had done the MBA program specifically because I didn't know what I wanted to do next for a day job. I had been in a role that I thought was the dream job. I was head of HR for

a tech company at 20-something years old, and I was always stressed out. I was working all the time. I didn't get to spend a lot of time with my family or friends. I had gone back to the MBA program thinking, well, okay, I'll just do what a lot of other people do. If you don't know what you want to do next, go back and get more education, right?"

I was 10 weeks away from graduating, and I still didn't know exactly what I wanted to do, and I could literally feel my chest tighten up. I could literally feel like I don't know if I can breathe, thinking that I made this commitment to this. Now, I still don't know what I want to do, and I have \$72,000 of student loans. I don't think it was for lack of ambition or lack of trying. It was, I think, for a long time just trying to follow what everyone else did. It wasn't until I said, "You know what? What if I tried to do the opposite of what a lot of my family and friends said? Maybe I'll have a different result." It turned out I actually did.

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**FT:** Do you consider yourself part of the FIRE movement, Bernadette? FIRE is Financial Independence, Retire Early.

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**BJ:** I do. What I think is serendipitous with my branding, someone pointed out to me that my name is Bernadette, like Bernadette and FIRE. That's actually how I got started into it. So it's just like, "Are you part of the FIRE movement because your name is Bernadette?" I was like, "Oh, that's interesting." That's how I learned about it. But I take the interpretation that I think a lot of people have moved towards, which is financial independence, and I like to say relax every day. If you learn anything –

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**FT:** I love that.

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**BJ:** Yeah. Thank you. Some people say retire early. That's the original terminology of it. But I like to say relax every day because I don't think you necessarily have to wait until you hit that magic FIRE number to be able to take a breather. A lot of the running thread in what I teach my students and what I taught myself was to find these kind of bits of reprieve and peace throughout the financial journey.

I did decide to kind of formally join the FIRE movement after I paid off my debt. Because after I paid off the debt, I was like, "Well, what's next?" The next thing seemed to be, well, what if we don't have to work for the next 30 years? What if I could retire early? I realized that my husband and I, we're actually in a really great position to do that because we were debt-free, and that's when we started to learn more about investing and growing our income.

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**FT:** You talk about how your psychology degree really sort of – Is that the degree that you have like kind of really has impacted you most in your financial journey. Not so much maybe like an accounting class or something like that. What were some of the ways that you overcame what sounds to be like a bit of trauma, yeah, tied to your financial past, your financial story growing up? What were some of the exercises or mindset shifts that you had to consciously perform to get in a good place to then get out of debt and continue that momentum? Because as we know, you have to really – There's a stick-to-itiveness that is required. It's not just like press a button, you're done. Day after day, you have to be committed to this until you reach your goal, and that takes a lot out of you.

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**BJ:** So this could probably be an entire episode. But the three concepts in psychology that I took away from my very expensive psychology degree that I think is still useful for anyone in their money journey, one is just a simple understanding that our brains are not meant for storage. They're meant for processing and understanding that meant that we're actually, as human beings, like not good multitaskers, not good at doing multiple things at once. That's where a lot of people get overwhelmed in their financial journeys and where people fall off.

So there's always a lot of debate about, "Oh, do you pay off debt? Or do you invest first or whatever it is?" I found for myself to focus on paying down debt first because it was one thing at a time, and it helped me not get overwhelmed with trying to pay off debt and invest and try to do all the other things that people were doing. The beauty about paying off debt for me and that one thing at a time is that once you're done with debt, if you did it well, then you're done with debt for good. Whereas investing and growing your income can be a much longer tail process. So that concept really helped me.

The other concept that I really had a hard time getting over is the idea of the sunk-cost fallacy. So that's just the common thing that all of us do. The most common example I like to use is all of us, I'm sure we have a piece of clothing in our closet that we're like, "Oh, we spent good money on it. Even though it doesn't fit me or I don't like it or it doesn't work for me, I still have to keep it." But we do that with so many things in our life, and a lot of my sunk-cost fallacy was around, "Oh, but I spent all this money on these degrees. I should use them, right?" Or, "I am in this career path, and I should stay in it." Or, "I had this credit card." Or, "I had this way of doing money for a long time, so I should keep doing it," versus understanding that that sunk-cost fallacy tells us you're actually having a greater opportunity cost by not switching out of that thing or getting rid of that thing, right?

Then the last piece that has been really a game changer for me and what I base a lot of my Crush Your Money Goals education on is around Maslow's hierarchy of needs, which basically is just that pyramid that maybe you people have seen before that says your needs are at the bottom, and self-actualization is at the top. What I noticed about not being able to stick to your money goals, like you had mentioned, is that people are trying really too quickly to get to the top of the pyramid to say, "I'm self-actualized. I'm the best version of the person I can be." But they've skipped over the basics of do I feel safe? Do I feel like comforted? Do I have a community? Do I have all of my basic needs covered first?

Like starting from the bottom of the pyramid and working your way up, most people tend to skip over those pieces, and that's why they don't end up staying on the journey. For me, that was definitely true for myself. I was skipping over sleeping properly and eating properly to just grow my income, and that wasn't going to be sustainable.

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**FT:** Going back to how you did it, though, Bernadette, how did you do it? You didn't mention like how much you were earning, how much you were saving so that you could get out of it. Let's just even just start with that \$72,000 worth of student loans. How did you map that out?

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**BJ:** Yeah. So at the time, I think it's relevant to know, my salary at the time was about 30k, plus commissions, for – I used to be a recruiter at the time, and then my husband was a project manager. At the time, he was making maybe about 80 a year. We looked at what we wanted to do for kind of all of our debt together, and we said, “Let's just tackle the student loans,” because that was something that, again, so many of our family friends – Like I said, I'm first generation Filipino American. Cliché of Filipinos is that like everyone is either a nurse or a doctor or an accountant. So everybody I know who's Filipino has student loans.

I said I get it. Everyone else wants to hold on to their student loans for 10 years, but I don't want to. So I decided I wanted to pay it off in two years, and that's how I started mapping it out to say, “Okay. \$72,000 in two years is \$36,000 a year. That is more than my salary. That's going to be a problem. How are we going to do that?” Instead of just stopping right there, I said, “Well, let's keep reversing back into it and see if we can make this more manageable.” So \$36,000 divided by 12 months in a year is about \$3,000 a month. That still is a lot of money for most people. So let me break it down again. \$3,000 a month divided by four weeks is \$750 a day. I mean, \$750 a week. If I break that down by day, it's about \$100, give or take, a day.

Then I had to really sit with myself and say, “Bernadette, are you not smart enough to figure out at least something that you could do to either save 100 bucks or make \$100?” Even if you don't do it every day, it's still better than nothing. That's really how I started. I just would find things or do things that could either save me 100 bucks or make me 100 bucks on a daily basis. Some days, I would hit it. Some days, I wouldn't. Some days, I would hit more than 100 bucks a day, and I would say, “Okay. Well, I did that for the next three days. So I can take a break, right?”



So it'd be anything from like selling things on Poshmark, to trying to get more – At the time, my side hustle was doing resumes because I was an HR. So I would say, “Well, I will charge \$39 for a resume.” But actually, if I just raised my rate to \$99, that will take less work, right? So just there wasn't anything formulaic about it in the beginning. But once I started seeing what was working well and what wasn't. So for example, I was looking at what I was making in Poshmark, versus what I was making in my resume thing. It was clearly obvious that the resume thing had more potential for me to make more money.

That was actually the predecessor for Crush Your Money Goals. Everyone who started out with me started out with me because they were a resume client at first, right? So doing that, and then on the other side just being really stringent about what we were spending our money on that time. I would love to say that we were able to do all the things and also save the money. But truth is the first year, like we really did buckle down and just try to save as much money as possible and put it towards the debt.

Would I go back and say was it worth it for that year? That was, to be honest, like not that exciting. We didn't get to go in very many vacations. We didn't like eat out a lot or anything during that first year. But the tradeoff was I paid off \$72,000 in a year, and I didn't have to worry about it again. So that's how it started. Then what it evolved into was what is now the steps of Crush, which happens to spell out the word crush, and that's what I teach people in my classes.

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**FT:** So crush is an acronym?

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**BJ:** Crush is an acronym. I'm a big fan of acronyms.

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**FT:** Walk us through the acronym.

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**BJ:** Sure. So the C in crush, based off of what you've already heard me talk about, stands for clearing out the mental clutter. So it's really just taking an inventory of what are all the thoughts that you're keeping in your mind that's holding you back from your financial journey and clearing them out so that you can move forward. R stands for reverse into one goal, and it used to be just around reversing on paying down your debt. But now that I'm really more on the financial independence journey, it's a reversing into your financial independence numbers, and so figuring out your FIRE numbers.

Then U stands for use your assets. So get an inventory of all of your assets. Calculate your net worth, understanding what you have available to you and also understanding not just from a money perspective, but what assets do you have personally, right? Like are you good at certain things? What does your relationships look like? What does your network look like? Then S stands for my favorite, spend shamelessly. I really am not a fan of personal finance, and I know that you're very much aligned to this, right? I don't like the personal finance that tells you to don't spend anything, right.

I spent a lot of money on bubble tea and K-pop concerts, and I will never apologize for that. So finding the things that you really enjoy to spend on and making sure that they're part of your plan. Then the H stands for hustle smart, not hard. The example of that is like what I figured out with all of the different side hustles I had at the beginning. You can try a bunch of things at first but then hustle smarter by figuring out the ones that you can get them most bang for your buck, pun intended.

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**FT:** I love it. It's fun. I mean, your website is fun. There's a picture of you like in a field and in front of like an ice cream machine. Like you're just fun. I think it would be so much fun to work with you, and I'm sure that's a word that a lot of your clients use and, "Hey, Bernadette Joy." I mean, come on.

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**BJ:** I know. My name –

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**FT:** It just oozes. I wanted to talk a little bit about FOMO and FIRE. I'm working on a piece right now, and I would love your insights on this. Because I feel like while I completely appreciate the FIRE movement, I think it has a lot of merits, I also like how people are making it into their own thing. So while maybe, initially, it was sort of live as frugally as possible, but you're getting your bubble tea in. Like you're not prescribing to that particular way of practicing FIRE, although that's what some people do.

I think we are now at a place where people are designing their own FIRE map. Yet I think that people can try to pursue this and get burned out or get overwhelmed, frustrated. I'm not making money fast enough. I'm not saving fast enough. Sometimes, I think you might fall into this movement and not really know why. But you feel like, well, this is what everyone else is doing. This is the ideal. I should really go with this parade. What are your thoughts on all of that?

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**BJ:** I had my reservations about the FIRE movement in the beginning as well because I also – When I saw kind of the original kind of format of it, to your point, it was very heavy on frugal living. I also think it was to a certain extent only available for kind of “privileged” folks who already had a high level of income. I think just like anything else, there is – I kind of look at all of these different things, right? The debt-free community and the FIRE movement and all of the different kinds of personal finance flavors as like different recipes. Like you can take the recipe, and then you can add your own little twist on it, your own little spice on it.

I think that one of the negative impacts that I've seen recently with my own students is when I ask them to calculate their FIRE numbers, I mean, everybody gets overwhelmed, right? Because if you live anywhere in the US, your FIRE number is going to be at least a million dollars, at least, right? Whenever someone sees that number, they go into literal immediate shock. So part of my program is to say, okay, now that you know the number, have your freak

out moment. Get all the stuff out that needs to be said. All of the, “Oh, gosh. I should have done things differently. Oh, like I've been so dumb with money. This will never happen for me.”

Where I think it can go awry is if you really don't have other people who are kind of flying in that same journey with you and helping you realize like, “Okay, this is interesting.” Let me give you a real life example. I have 40 people in my current cohort. When they all first calculated their FIRE numbers, you could see that their eyes just get big and bold. But then they're like, “But you live in California, and you live in New York, and I live in Charlotte, and we're all feeling the same way. We've never met each other before. So it can't be me, right? I can't be the only dumb one, right?”

I think, especially for women, a lot of the things that I don't think is talked about enough in the FIRE movement is that whether or not we want to admit it, like the stats show that we're at a bit of a – We're behind from the beginning, right?

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**FT:** Yeah, of course.

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**BJ:** So when I explained to my clients, as an example, to say, “Well, the median net worth for a woman is like 55 cents to what a man has,” like it actually gives them a little bit of a sense of relief to say, “Oh, okay. Well, with that context, then I understand why some of this is happening. It's not entirely my doing.” So what I really think it needs to be addressed within the FIRE movement is more around diversity and equity. Like those messages in there, I think that's often missing.

But I also think that while we can't necessarily remedy those things right away, that there's still a lot that we can do with it that's within our own capabilities, right? That's what I focus on for myself and for other people who are in the FIRE movement. It's like, “Okay. Well, we can't fix the systemic issues right now, but I can figure out how to do my budget, right? I can figure out how

to calculate that number. I can figure out where I can save a little bit or negotiate that raise or whatever it might be.”

But I also think that why I’m sticking to the FIRE movement now is because I think it has evolved with so many great voices in the finance community. I just came back from FinCon, and there was a ton of people who I'd never seen or met before, who had really unique perspectives on this, not just myself. So I think it's really evolved beyond just the frugal like work your butt off for 10 years. I really like how it's evolving. So I think there's a lot of new ideas that are still yet to come.

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**FT:** I agree. Going back to that FIRE equation, which I've seen a couple of calculations, one is like you take your anticipated annual expenses in your early retirement and multiply it by 25. That should be enough to hold you over, assuming you're taking out like three to four percent of that a year. Then there's another calculation that takes the annual expenses, and I think divided by .03, which is a little bit more conservative, and you get like a bigger total. But that idea is that you're really sticking to like that 3% withdrawal for 40 years. That should theoretically sustain you.

But I also think that given that we have evolved with FIRE, and not everybody does “retire,” but they are no longer, say, working for an employer tethered to a nine-to-five, those responsibilities. Like plenty people in the FIRE movement continue to make money. Plenty of people who've retired early are still making income through blogs and online programs and real estate and etc. Their investments continue to grow. So I think that we also need to take that calculation and remind ourselves that that's not it. Like that number is not the only thing that's going to be left for you. Like you also have the option to continue working. You're not not doing FIRE, if you're still making money somehow.

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**BJ:** I 100% agree with you. I'm actually an example of that myself now because technically, my husband and I hit our FIRE number last year. We hit \$1.2 million in investable assets last year. I

really did think about it. I was like, “Do I just stop now? What do I do, right?” I'm 37 this year. My husband just turned 40. What is really cool about this space that we're in right now is that we're not really stressed about the future as much anymore as we used to. There's plenty of things that we can't control, right? But I also think that it's allowed us the opportunity to try different things that we wouldn't have tried, if not for the fact that we had pursued FIRE.

So Crush Your Money Goals will not exist at its current state right now, if I was still stressed about having to make the money every day, versus now I get to choose to. I also think there is an appeal, at least what people have told me about. What I do in Crush Your Money Goals is that one of my kind of strong standing points is the reason to pursue FIRE is to be able to spend your time with whoever you want to. So what's been really cool about this is that I get to choose who I get to work with. I don't I don't take every request for a client. I don't take every request for a partnership. I don't take every request for a podcast, right? I get to pick the ones that I get to be on because it's not just about money anymore. It's about doing something that I really feel strongly about.

But I also think that what you talked about earlier with the FOMO is a lot of people kind of associate FOMO with being responsible with money, which I think is so – It's been so interesting. I've been hearing a lot of people who tell me, “Well, Bernadette, I don't want to pay off my debt, or I don't want to focus on saving more money because I want to be able to like travel and do all these other things.” But then lo and behold, I've had people who told me that before, and they see me now traveling and doing all the things that they wanted to do because I sacrifice a couple of years of kind of figuring all of this out.

There's actually probably more FOMO to be had on the other side of it, if you don't at least even attempt to try to be more financially independent. So I love that people like you and other women, particularly in this space, are really touting both the pros and cons of it because I do think it's important to share that there it's not all rainbows and sunshine on the –

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**FT:** Yeah. It's really not for everybody. It's not for everybody. I think – Look at me. I am still running my company, but I also last year decided to join CNET as an employee. Benefits

earning, salary earning. I did that and I think there's this celebration out there of like, "Quit your job. Be your own –" I support that, if that's what you want to do. But there's absolutely nothing wrong with also working for a company, nothing wrong. Most people do. What are we saying? That most people are doing the wrong thing. Like that's not accurate, and it's not fair.

I think I don't want anyone to feel like they're doing money wrong because they're not so aggressive like people in the FIRE movement are. That everyone is entitled to their own pace and their own way of money-ing. Obviously, there are concrete principles and values you want everybody to espouse and like live below your means, invest, save, get out of debt, all that, of course. Everyone – We would want that for everybody. But it's this lifestyle that is maybe not for everybody.

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**BJ:** 100% agree with you. I think – I'll be honest. Like in the beginning of this, when I escaped corporate for the first time, and then I was able to be somewhat successful as an entrepreneur, I was like, "Why would anyone ever want to go back?" But then I ran into kind of those hurdles of like, "Oh, yeah. Health insurance," and paying my own payroll and my 401(k) and all that stuff.

My husband is a prime example of someone who he is technically on FIRE, but he goes to his job because he wants to, not because he has to. Some of the things that used to annoy him before about the job like doesn't annoy him anymore. So he –

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**FT:** He knows he can leave. Just knowing that sometimes is what is perfection. Well, Bernadette, we're so grateful that you chose to spend time on So Money because I know you get a lot of requests. We're grateful for you, your program, your advice. If I ever make it to LA, I'll be calling you.

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**BJ:** Sounds good. Thank you so much for having me.

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**FT:** Thanks, Bernadette.

[END OF INTERVIEW]

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**FT:** Thanks so much to Bernadette for joining us. Check out her website, [crushyourmoneygoals.com](http://crushyourmoneygoals.com). I'll put that link in our show notes, and I'll see you back here for Ask Farnoosh Friday. Send me your questions. It's not too late to, [farnoosh@somoneypodcast.com](mailto:farnoosh@somoneypodcast.com). You can also direct message me on the gram, Instagram. Until then, I hope your day is So Money.

[END]