EPISODE 1423

[00:00:00]

FT: So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1423, Jacent Wamala, money mindset coach and Founder of Wealth and Wellness University.

> *"**JW:** When I got real with myself and started looking at my finances, what I realized was in 2016, with a master's degree, I only made like $17,800, with a master's degree. So – And I went to school, and one of the narratives was you're not going into this field to make money. And so that was a belief that I kind of operated from. And so I wasn't trying to make money. I wasn't trying to serve at a high level, which is what turns into compensation, right?"*

[INTRO]

[00:01:10]

FT: Welcome to So Money, everybody. Last week, we explored how one woman, Bernadette Joy, eliminated, with her spouse, over $300,000 worth of debt. We're going to continue that theme of financial greatness with our guest today, Jacent Wamala, who's going to talk about how she squashed more than $90,000 worth of debt, a combination of graduate student loans and credit card debt. It's a financial hole, she says, that deepened after a period of grief when she got divorced from her high school sweetheart and then months later lost her father.

Jacent is a licensed marriage and family therapist, turned money mindset coach. She is the Founder of Wealth and Wellness University. As I said, in three years, all before her 30th birthday, she paid off close to $100,000 worth of debt. Today, Jacent shares her expertise with millennial women of color, providing guidance and support to write the best financial chapters of their lives. In our conversation, she shares details of how she overcame that debt, started to charge more, and advice for us as the recession gets more real. Here's Jacent Wamala.

[INTERVIEW]

[00:02:20]

FT: Jacent Wamala, welcome to So Money.

[00:02:23]

JW: Oh, my goodness. I'm super excited to have this conversation. It's going to be a good one.

[00:02:27]

FT: It's going to be a good one. We got a good debt journey that you're about to unveil. My audience loves a good before and after. You somehow got yourself $90,000-plus out of debt over a span of three years. This was partially also paid off during the pandemic. How you did that, we want to know. Then we'll migrate to then talking too about your important practice, helping women of color, black women in particular, manage their financial wellness. So Jacent, let's start with how you landed in $90,000 worth of debt. I understand a lot of this was graduate student loans.

[00:03:06]

JW: Yes. So I was born in Uganda, raised in the States, and never really had much of a financial foundation, as far as like literacy goes, right? We all know what we're kind of supposed to do with money. You're supposed to save some. You're supposed to like make sure you don't really owe people or whatever. But we never grow up with the details. Save this much. Here's how to do it.

So because of that lack of financial foundation, I was going through life, and I really do feel like we kind of all get this same checklist that says, "Go to school, check. Get a good job, check. Get married, check. Have kids, check." So I feel like I went through life checking these boxes of a scavenger hunt that wasn't customized to me and my vision for my life. It backfired, essentially, is what happened.

So I was an undergrad, and I actually didn't get much debt in undergrad because I had this distorted thought that if I avoid debt as an undergrad, then I can save all of the debt to soak it up in grad school.

[00:04:07]

FT: How did you end up not getting into undergrad debt? Did you have scholarships? Did you go to a local college?

[00:04:13]

JW: Yeah. So I went to the local university. Because I went to high school in my state, they also gave what we call here the Millennium Scholarship. So I got a scholarship that helped to cover the majority of the cost and plus, obviously, living in the same place that I went to school made it offset the cost as well. So I had scholarships and Pell grants that covered me for undergrad.

What I didn't realize was like I could also get grad school covered if I knew how to. I just didn't know how, right? I didn't have the knowledge. So I went into grad school 2013, started taking out some hefty loans.

[00:04:50]

FT: You were studying to be a therapist, right?

[00:04:52]

JW: Yes. So I want sent to be a licensed marriage and family therapist. Ironically, I ended up getting divorced in my first year of grad school, and then my dad passed away months after that. So it was a really tough season, when I look back on it. While we're in it, we're just putting one foot in front of the other. So we don't really realize the toll it's taking on us at the time. But when I look back, I can see that it was a really rough patch for me.

Then the combination of the grief, with the lack of financial literacy, was a perfect storm for me to kind of create this mountain of debt, which was mostly student loans and credit cards. So that's where that came from, essentially.

[00:05:38]

FT: Is it possible to be grieving and have some clarity around your money at the same time? I mean, I'm asking for your professional thoughts on this. I don't think we can. But looking back, was there anything you could have done differently?

[00:05:53]

JW: I think it would have been – It’s almost like trying to learn how to swim while you're drowning.

[00:05:58]

FT: Oh, my gosh.

[00:05:58]

JW: So I think that what the best-case scenario could be for someone is to have the financial literacy, prior to something happening in life, right? That's why I'm so passionate about financial wellness. But unfortunately, that's not the reality for many people. So then it becomes this perfect storm in many situations. That's why I think we hear a lot about like, “Just be still.” If something serious is happening in your life, just leave things alone and give yourself some time before making major decisions when it comes to money.

Obviously, you have to deal with your day-to-day. But like if I got divorced and lost my dad, it probably wasn't the time to like make any huge investments right up front, while I'm still like in shock, anger, denial, the whole grief cycle. So I think that like you mentioned, your instinct is right. It's hard to do both at the same time, if you don't already have a foundation for financial literacy, if you don't already have kind of like something set up for you to be successful financially. It's really like trying to learn how to swim when you're drowning already.

[00:07:04]

FT: At what point did you decide, “I'm getting rid of this, and I'm going to have an accelerated plan.”?

[00:07:08]

JW: Yeah. It’s funny because I have a cousin who always gives us like books for Christmas, and I never read them. So that’s –

[00:07:17]

FT: It’s a nice thought. It’s a nice gesture.

[00:07:19]

JW: Yeah. They're still on my bookshelf. I just haven't gotten to them yet. But for whatever reason, this year, 2016, he gave me this book called *The Smart Money Woman*, and it was by someone who was relatable. Just like you, there's going to be people who read your book and then feel like seen, heard, and understood. That's why I'm so excited for you to be sharing what you've learned and to put your story out into the world because this story resonated with me.

So she was talking about net worth and like different – I’m like, “What? Like Oprah. Oprah has a net worth, and Beyonce has net worth.” I’m like, “I've got one of those things. How do you calculate it? What am I supposed to do with it?” So that was the first time that I calculated my net worth. When I realized the reality of my situation, right? Because our car loans are in one place, medical bills in another, student loans in another. We don't know what we're actually dealing with, usually.

So it was the first time I really understood what I was dealing with, and it was sobering, is the best way to put it. So that was kind of the rude awakening for me to say, “Oh, this is where I am.” That was the same time I was coming out of what I call the grief storm from everything that happened in 2014.Honestly, it really came from a very playful kind of place. Like children, when they think of what they desire. I was like, “It would be nice to not have this. I would love to not be in debt so that I can do other things.”

I said, “Okay. Well, I would love to pay off this debt. How long do I want to pay it off,” and this conversation I'm having internally. Like how cool would it be to pay off my debt by the time I'm 30. Then I can spend the rest of my life investing, living my bougie, living my best borderline bougie lifestyle, and building wealth. So it really came from a playful place, and I think that's where people get hung up is that usually when they get face to face with their numbers, and most people kind of stick their heads in the sand, it's terrifying.

Of course, I wanted to kick myself like, “What the heck? How do we get here unconsciously?” If I did it intentionally, that would be another thing. But it was kind of just like frivolous, unconscious. You know what I mean? Lack of paying attention to my finances that got me to where I was. So it was the net worth that made me say, “Where are we on the map? Where do we want to be? And how can we start creating a roadmap to that place?”

[00:09:33]

FT: So you anchored it in this image of being 30 and having your freedom back? How did you actually do it, though? Were you trying to earn more money, in addition to your salary? What were you cutting back on? Tell us the details.

[00:09:49]

JW: Yeah. It was a combination of both. So when I said, “Okay. Well, I want to pay my debt off, $70,000, three years, right?” I divided it, and it told me I was probably about 20-something thousand I had to pay off a year. That's the basic calculation because I became a therapist, because I want to do the least amount of math, all right? So that was the most math that I did was 70,000 divided by three years, about $20,000. I think it was about $2,000 a month I needed to pay.

[00:10:13]

FT: But then it was over 90,000 by the end, right?

[00:10:16]

JW: Interest.

[00:10:18]

FT: Oh.

[00:10:20

JW: Interest. So I didn't factor in interest. When I made my calculation initially, I just was like, “Whatever. We're just going to pay this debt down.” So it was about $2,000 a month, but I wasn't – Then I had to look at my money. So when I got real with myself and started looking at my finances, what I realized was in 2016, with a master's degree, I only made like $17,800, with a master's degree.

I went to school, and one of the narratives was you're not going into this field to make money. So that was a belief that I kind of operated from, and so I wasn't trying to make money. I wasn't trying to serve at a high level, which is what turns into compensation, right? Any who, that's another soapbox.

[00:11:07]

FT: That sucks because you say that, and it's like that is so true, Jacent, that how many times have either we repeated that or we've heard someone say that, and why don't we just move on? It's like, “Well, I'm not doing this for the money.” Well, what is it then, charity?

[00:11:23]

JW: I got bills to pay, right? Like the degree –

[00:11:24]

FT: Why? No man says that, by the way. I have not heard that come out of the mouth of a man. I've heard that usually coming out of the mouth of a woman who feels just so grateful just to be there.

[00:11:38]

JW: Oh, man. You're – Okay. So here's the thing. Like the degree itself cost money, right? The degree itself costs at least five figures, high five figures for many people. So if the degree costs money, why am I not getting a return on the investment that I'm making in my education? That's what didn't add up.

So in 2016, I was like, "Okay." Or '17, sorry. I'm like, "Well, I don't even make enough money to cover my bills. That's why I'm in debt, partially, right? Because I'm robbing Peter to pay Paul." So I knew that I needed to manage my money, and I needed to make more money. There's usually – It's one of two issues. I had both. I wasn't managing my money, and I wasn't making enough money.

So until I was able to make more money, at least I tried to start managing it, which helped me build the habit. By the time I did end up making more money at the end of 2017, I was able to get another job and triple my income, essentially. Then at that point, it was working a lot. That's how I paid off my debt. I worked a lot, and I lived below my means. I prioritized my debt payoff, and I treated it like a bill.

So when I got paid, just like my bills got paid, I paid a payment off to my debt so that I didn't spend it on a plane ticket or a bag or something else.

[00:12:53]

FT: That's smart. So you started out as someone who was giving people all the therapy advice, really like therapy with a capital T. You, at some point, realized I could totally nichefy here and focus on money. Was it your personal experience, coupled with what you were experiencing from our clients that gave you that light bulb moment? Or what was that genesis?

[00:13:16]

JW: 100%, yeah. It was born out of – I think if you have a purpose or an assignment, I'll say, in life, it kind of chases you down, if you don't start going after it at some point. So I think mine started chasing me down. So it was a combination of my own personal experience with money evolving in my relationship with it and getting on purpose and seeing how much feedback I was receiving from other people and questions and whatnot.

It was also that in my therapy practice, which was made up of mostly women, mostly women of color, and I already had a niche within a niche there, that in every single case, money was one of the major stressors. It was contributing to depression. It was contributing to anxiety. It was contributing to relationship stress. There was financial trauma. Like it was one of the themes, one of the threads that I kept seeing over and over and over again in the therapy room that we did not talk about in grad school.

I don't even know financial therapy was a thing, until probably about 2020, when I started seeing it all. I was like, "What's going – Is this like a thing? Like there's a whole sector of financial therapy that we didn't even know about." So that's where it became very apparent to me that there was a gap, at least for the people that were coming into my solar system, when it came to this link between mental health and money. So that's why I kind of focused in there.

[00:14:39]

FT: What is at the root of it? Is it the lack of literacy? Is it the systemic issues? I know it's probably all of it. But what are you seeing mostly show up in your clients' lives that gets them to this point where they have then the trauma or just all the financial challenges?

[00:14:58]

JW: Like you mentioned, it's a combination of things, right? So financial trauma, like any trauma, can be handed down. So a lot of people are getting it handed down to them from family members. Let's say society hands it down, right? Like culture hands it down. So we're being presented when we're young people because what I hear a lot of people say is, "Well, I didn't grow up learning," fill in the blank. So it's because of their childhood, whatever happened during childhood that they either learned or did not learn because there's overt and covert ways that we pick up things that then shape their narrative and perspective about money as an adult.

Until they're exposed to something different, they're operating within this script. Even when they're exposed to something different, it's really hard to pull the hooks out of the things that you learned growing up because they were heavily ingrained for oftentimes decades that you heard things like, "Oh, I didn't go into this for the money," or, "We can't afford that." Like things that families will say. So I think it's really kind of this thing that's passed down in childhood that then has to be undone, unwoven, untangled by an individual in adulthood. Oftentimes, they're trying to do it by themselves, which makes it so much harder.

So I think it's a lack of self-worth, when it comes down to everything. It's just people not seeing their worth and it being intrinsic and something they came into the world with. I just had a baby four months ago. So when he came into the world, it wasn't like, "Oh, this baby is worth nine dollars, and my older child is worth more or less," right? We tie our worth to things that are outside of ourselves, instead of understanding our worth itself is intrinsic. Then the things outside of us have maybe a monetary value or whatever the case may be.

So that's why I hate the term like charging what you're worth because you can't charge what you're worth. You're priceless. But you can charge the value of your products and services. If you did charge what you are "worth," it would be like more than anyone could ever pay.

[00:16:58]

FT: Well, and that's where you get into this struggle with, well, yeah, because then you feel worthless. If you're not making a certain amount of money, then your relationship with money gets really muddled. They say self-worth is net worth, which we know is a fraught equation. That's so interesting. Well, congratulations on – It sounds like it's baby number two for you.

[00:17:21]

JW: Well, I have a bonus daughter. So she's 10. My husband had a daughter, and then I had my son four months ago.

[00:17:27]

FT: Congratulations. Has it given you any new perspectives? I mean, when you work half asleep, interesting things enter the mind. Sometimes, it's inspiration.

[00:17:37]

JW: Listen, I think that it's – I've learned lessons in two different ways from my older daughter and from my son. 100% because I didn't have maternity leave with my older daughter, right? I didn't biologically have her. So with my son, because of the choices I made years ago, I've been able to reap the rewards of my fruits of labor from years ago. I think that delayed gratification is one of the biggest thing that people have issues with, is being able to delay gratification and do now what's challenging, so they can have something later on.

For whatever reason, I mean, I did teach personal growth and development for five years. So I kind of have some practice in it. So I can't say for whatever reason. I had the understanding of how to develop into a person that could delay gratification and hold off on what feels good in the moment, for what felt good in the future, which was being able to prepare for maternity leave as a full-time entrepreneur by myself, funding it, enjoying it, having the birth that I wanted, and being able to pay a midwife out of pocket because most insurances don't pay for midwives anyway.

So it gives me goose bumps when I talk about it because I didn't know what I – I knew. Like we have a glimmer of what our vision is or like the way that we want to live our lives. But I really didn't know it, until I experienced it on the other end. I'm just like so grateful. I'm so grateful that this is how things turned out, and I also just want so many other people to have the experience too.

[00:19:05]

FT: Yeah. Which is, again, why it's important to work with somebody who's been there, who can say, "Here's what to look out for. Here are the options that your money can afford you in 5 years, in 10 years." You have brought up so many important mindset shifts that we need to consider. Firstly, that just your self-worth is not equated to your net worth. The importance of knowing your net worth, financial literacy not being taught, and all the other things that we didn't learn in childhood, how that can lead to hiccups in our adulthood financial challenges. This idea that you have to delay gratification, it's easier said than done. But when you can see the rewards, you can visualize the rewards. It becomes that much more motivating.

What are some other sort of behavioral things that you talk about with your clients, mindset shifts, reorientations of the way we have related to money or think about money that you think can be super helpful, as we are all on our own financial journeys/

[00:20:04]

JW: Yeah. I love to kind of use cognitive behavioral therapy, which is insight and action together. So one of the quick things is opening up your bank account and evaluating how you feel when you look at it. So when you look at your bank account, as it stands right now, how do you feel in your body? Where does that live? What thoughts are associated with that? Is that what you want it to be is the question. If it is, cool. Keep living your best life. If it's not, then it creates an exercise for you to be able to practice mindfulness, visualization, different things like that so that you can evolve in that relationship with your money.

Because the thing is that when we lack gratitude in the present moment, we'll lack gratitude when we get to the destination. So if I don't enjoy – If I didn't find a way to have gratitude, even though I hated the job that I got because it was so stressful when I started my debt-free journey, I was in crisis management. I was on the suicide prevention team. So it was really, really, really stressful. But it was a really, really necessary and impactful job to have.

So what I would do was write in the morning. I would script and say, “I'm so grateful that I get to go to this job and use my skills to help my community,” as opposed to what automatically usually came up was, “Ah, I have to go do 10 hours, and I have to have this crisis phone.” That literally, I would dream about the phone going off. That's how stressful it was. So I think it's being able to reorganize our associations with things. If you don't like your bank account when it says negative $10, if you don't find a way to say, “Wow, the fact that I can even have a bank account, where in some countries, you can't even get a bank account.” You know what I mean? Like if I can't say, “Thank God that they even let me go negative, and that I can even go, that I can even check out and pay for something, and then figure out a way to pay for it later,” or whatever the case may be, is a weird way to reframe or to reorganize our relationship and say, “I'm grateful for where I am now, and I'm also accepting of abundance and prosperity coming into my life every day moving forward. That this can change, and I'm going to evolve this.”

So I would look at my student loans, and I would envision them being zeros, that the number was gone. Then one day, they were all zeros. So I think it's a combination of evaluating your relationship with money, with physical outside things that are triggers for you like your bills, like your bank account and then scripting and also visualization.

[00:22:35]

FT: It reminds me of my grandmother. She's passed now, but she grew up in Iran, lived in Iran. When she would visit us in America, she would say, “We had so many more privileges than anyone in Iran,” and she just would say, “Count your blessings.” But also in the same breath, she'd say, “There's always a lower level. There's always a lower level. Just so you know. When you're having a bad day, someone's having the worst day.” I'll never forget it, and it's just these reminders.

We've had guests on this show, this very show, who, for example, lost their life's worth through various reasons. Like one person, Bernie Madoff took all her money. She said that she went through all the grief, as you should. Ultimately, decided that I want to move on but how, and what helped was recognizing not what she had lost but what remained. It may not be a lot. As you said, if you're in America, you probably have running water. You probably have Wi-Fi. She had a house, and she had a partner, and she had a lot of rich resources that we don't – They're not dollar signs, but these were resources that she could leverage. She's back on her feet, and it was – Not to undermine the moment, but she made a commitment to recognizing what endured, as opposed to the loss.

I'll say, if you're looking at your bank account and it says negative 20, and the next day it says negative 15, hey, it's progress. Things are moving in the right direction. You got to just look at the bright side.

[00:24:02]

JW: You mentioned something so significant, as far as commitment goes, right? So what happens is we want money to commit itself to bring us wealth. We want a job. We want outside sources to bring something to us and add value to us. But we oftentimes don't make a commitment to ourselves. So if you have Netflix, you've signed the contract. If you have a job, you sign the contract. What I have my students do is have them sign a self-commitment contract that says that they are committed to showing up for themselves. It's not about perfection. It's just saying, just like you've signed contracts with everyone else, and you take those contracts seriously, usually, that you signed a contract with yourself to take yourself seriously as well, in order to see what can happen. Do an experiment and go from there.

That's really what happened for me was I was like, "Let's do an experiment." It's like science. The question is can we pay off the debt. Let's see if we can do it in three years, and then we have to detach ourselves from the outcome. So I said three years. But if it was 4, 5, 10, 20 years, I was committed to doing the experiment to see what could happen, as opposed to being committed to it happening in three years. Because what happens is someone will be on their journey. A year and a half in life is going to happen, and they're going to feel so discouraged by life happening that they quit altogether, as opposed to continuing on because it's about the experiment, as opposed to the outcome.

So I think that that's one of the huge things that you mentioned is commitment. Instead of making commitments to everyone else, which we're oftentimes really good at, how can we make commitments to our self to be able to evolve? That's why I'm talking about relationship before I'm talking about tactics because we all know what we're supposed to do. Why are we not doing what we're supposed to do? That comes down to psychology and mindset. When we evolve there, just like when you take medicine, it makes your symptoms go away. You tell the doctor you have a cough, but you want them to cure whatever is causing the cough.

Your money issues and challenges are a symptom of something else. When we attack and eradicate and get out, whatever that thing is, everything else – Not magically because you got to put the work in. But everything else, eventually, follows suit and evolves as well.

[00:26:16]

FT: I wish this was a video podcast. People need to see you. You totally light up when you're talking about money. You have a sign behind you that says, “Good things happen.” I mean, everyone should work with you. This is like a no-brainer. Well, Jacent, when you were going through your debt payoff, and towards the tail end we arrived in a pandemic, were there moments where you were like, “Life's happening. I got to take a break”? Or not. What kind of kept you motivated?

[00:26:39]

JW: Heck, no. By that time, I was like, “Burn it all. Here we go.” Because there was – I think it was no interest or whatever. I was like, “Let's put some hefty payments on this baby.” I ended up paying off my debt a little bit earlier. But it was probably about six to nine months prior that I felt like quitting. So sometime fall of 2019, when I had about like $30,000 left, is when I was like, “Oh. You know, everyone has about $30,000 in debt. I could just slow down and pay this off slow, whatever.” But by the time the pandemic hit, for me, it was confirmation that everything that I was doing was on purpose and for a reason, was preparation. So yeah.

[00:27:21]

FT: Yeah. I mean, imagine. I mean, it was just the beginning. But, of course, there were years following. So to be able to live during the pandemic without financial burden is such a privilege. Now, we'd be entering a recession. So as we say goodbye, Jacent, some encouraging thoughts. For those of us who are really concerned about job security, inflation is still a problem.
2023 is the year we're going to be in, they say, in this recession. How are you preparing your clients?

[00:27:52]

JW: So what comes to mind is when you mentioned job security is that you're the only one who can secure your job. Your job may not be with a corporation or an organization, though, right? So you securing not just your job because that's a part of the mentality that keeps us stuck, right? We need to secure your financial freedom and your independence by making sure that you cover your bases on a foundational level, by saving and having at least some kind of emergency fund, working to learn how to manage your money so that even if you have a dollar, you should be managing it. If you have a million, you should be managing it, right?

So somebody is going to be like, "I don't make enough money. I don't have enough money to manage or to budget." You need to start budgeting whatever you got, okay?" Whoever's listening. Honestly, I started my online business with my old broken iPhone in my closet, in my garage. I can't attest to it just yet. But maybe at the end of this recession, I can, right? They say like plenty of millionaires come out of recessions. Instead of thinking of ourselves and automatically disqualifying our ability to be able to thrive, what would it be like for you to become one of those people? What would be necessary? Who would you have to become? What would you have to learn how to do so that you can have the financial freedom independence?

Even if you want to be a thousand a day or if you don't want to be a millionaire, that's cool. If you want to be a thousand a day or you just want to keep it simple, live your best life. But I would say don't count yourself out when it comes to being able to get through this and get out of it on the other side on top. What would that require of you as far as who you need to become, what you need to learn how to do so that you can have what you already see in your mind for yourself?

So I would say my words of encouragement are you're the only one that can secure your own job, whatever that looks like for you. You may not have to start a business but don't let anyone else – Well, don't disqualify yourself before anyone else does. That's what I think a lot of us do is we say, “Oh, well. I'm not going to be able to get that job. Oh, I'm not going to apply for it because,” blah, blah, blah, especially women. Well, we're not going to apply for jobs that we seem like we're under qualified for. So I would say don't disqualify yourself in this season especially because there's going to be a lot of opportunities.

[00:30:13]

FT: Yes. Jacent Wamala, thank you so much. I loved our time together, and you will hit that seven figures, okay? I’m saying it now. That's going to happen for you.

[00:30:24]

JW: I love it. Thank you so much for doing this work, for sharing stories, and making sure that we're all learning and growing together.

[END OF INTERVIEW]

[00:30:34]

FT: Thank you, Jacent, for joining us. To learn more about Jacent Wamala, check out wealthandwellnessuniversity.com. She has a podcast called just Jacent’s Gems, and she's @jacentsgems on Instagram. I'll see you back here on Wednesday. We're going to be kicking off a series of episodes, showcasing the new voices of personal finance as part of NextUp, which is NextAdvisor’s celebration of the future of personal finance. Guest Adam Auriemma, editor-in-chief of NextAdvisor will be joining us to share all. Thanks for tuning in, and I hope your day is So Money.

[END]