

EPISODE 1760**[0:00:00]**

FT: So Money episode, 1760. How to crash \$50,000 in debt while saving for your future.

“JS: I always say, and even on my blog posts, I always say that you can be as frugal as you can. I mean, frugality, you can save and save and do all that you need to do, but if you don't have extra money to really fund your financial future, it's going to be very hard.”

[INTRODUCTION]

ANNOUNCER: You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[INTERVIEW]**[0:00:50]**

FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. It is a bit of a full circle moment for me today on this show. I'm thrilled to welcome Jodi Smith, the creator of the blog, Abundance of Jo and a rising star in the personal finance world. But before Jodi became a go-to resource for money advice, she was like a lot of you. Googling personal finance help and landing on So Money. Jodi's journey is nothing short of inspiring. She moved from Jamaica, her homeland to Canada for her MBA, taking on and paying off \$50,000 in debt in six years, to creating a financial plan that balances debt repayment, saving, investing, and even treating herself.

She has been methodical and intentional every step of the way. Along the way, Jodi has turned her personal financial wins into a platform to help others. In our discussion, Jodi shares how she

found motivation through So Money nearly a decade ago, the strategies she used to climb out of debt while building wealth and how her blog is empowering others around the world to live their best financial lives.

We also dive into her philosophy on making money, negotiation, and why compassion is a key to personal finance education. It was an honor to connect with Jodi and I can't wait for you to hear this story. Let's get into it. Jodi Smith, welcome to So Money. Can you believe it?

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JS: I'm very excited. Very, very excited to be here.

[0:02:19]

FT: Yeah. You're excited. I'm honored. You know, folks, this is what Google can do. The power of Google and the power of having a podcast, but you – well, let's talk about how you got to know me through your own journey. I know that you at one point in your life became very vigilant about money, educating yourself, getting out of debt.

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JS: Yes.

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FT: Take me back to those early days, because now, of course, it's a different story. We're going to talk about your successes, but I like to get into the weeds a little and talk about the olden days and where we all started. That was a good story there.

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JS: Yes, absolutely. You know, I'm glad that we're going back to the olden days, because it really does feel like that. A few years ago, a little bit of a backstory on me. I'm actually from

Jamaica. You probably pick up the accent. A few years ago, I decided to go back to school and do a master's in business. I wanted to do an MBA. I decided to study in Canada. I wanted to get an international in education. I moved up north to Vancouver to do my studies there.

Now, in order to embark on this journey, I needed to get some financial aid. I had savings from before, but I needed some help to basically help to pay for my education. I took out a student loan. Now, the student loan was very helpful. It allowed me to do my studies and get through school. When I finished, I quickly realized that I needed a way out. I needed a way to pay off this debt. I needed a plan to make it through and get this debt out of my way for a very – I wanted to get out of the way, because I wanted to focus on other things in my finances.

I wanted to buy a house. I wanted to do other things. This debt was such a tough. It was very hard to look at the debt every single month. I took out about \$50,000 in loans. So, that's a lot of money when you're very young. At this point, I was in my 20s. I also realized that I really didn't know how to manage money. I learned a lot about managing business and managing people and all of that. But I didn't really learn how to manage my own personal finances.

The MBA offered that information, but it also didn't go in depth in how you can really build out a financial plan for your future. So, I said, "Okay, I'm young. I have this debt. I really need to become more financially savvy." I went on Google, as you mentioned, and I Google personal finance information. Believe it or not, you were the first one.

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FT: One fact. I don't pay a nickel for SEO. I just think when you don't give up and you're on the internet for at least 10 years.

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JS: Yes.

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FT: Consistently 15, maybe at this point, 20, actually, my whole career. You know, longevity is the best SEO, I guess.

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JS: Absolutely, absolutely. So, you came up, So Money. It was a podcast. I said, “Oh, my God. This looks fantastic.” I started to listen to your podcast. This is at least I would say nine years ago. It's been a long time.

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FT: We can see, we're now almost at year 10.

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JS: Exactly. Exactly, and its infancy, exactly. I started listening, and I was just blown away by the information. You had people from different areas talking about different things, so investing, budgeting. I listened to – there are so many folks that I've now been following, because I found them on your podcast that they've literally changed my life. The Budgetnista, for example. I know her. She's fantastic. People like Kathy Heller, she's also amazing. She's also helped me chart my course in my life.

I started listening and I started to put together a plan to pay off this debt. There were quite a few podcasts, episodes where you talked about how to manage that. Even things, do you manage that by paying off the debt and just putting all your savings towards it, or do you actually just focus on saving money and then just servicing the debt? So, things like that. Based on listening to the podcast and just really taking a leap, I decided to come up with a plan.

My plan was very simple. The plan was, while you're working, save as much as you can, but also make extra payments towards a debt. I did that for a few years. I will say, I'm not one of those people who paid off all my debt in two years. It took me a while. It took me a while, because I had to save. I had to learn. I had to also just manage my overall expenses, but I

followed that trajectory for a few years. Within about six years, I was able to pay off all of my debt. So, not only my student loan, but also my car loan.

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FT: Wow.

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JS: Now, I'm a debt free. It all came back to listening to the podcast and actually taking that information and making it practical and applying it to my life.

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FT: Well, I'm going to give you all of the credit. I think – even your dedication to listening to a podcast is something. I'm going to give you all the credit, because slow and steady. That's a long-term commitment. Six years is not a short period of time. How did it feel when you had a zero balance? What did you do? Did you celebrate?

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JS: When that time came, and I had a month where I did not have my student loan payment come in. So, every month they send you the statement and I take a look at it and I get depressed. When that month came in and there was no debt, I think I almost cried, because I was so accustomed to seeing that statement and believing that I would never be able to pay it off. By the way, I paid off this loan four years early, not intended. So, it was supposed to be a 10-year debt. I paid that within six years. So, I was able to save interest by doing that. When that happened, I was proud of myself. I was also very joyful to know that I really stuck to my plan. It was tough. These were tough years. Lots of sacrifice.

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FT: Tell me about the sacrifices. What were the tradeoffs? But first, were you able to do other things with your money to build wealth, like were you able to invest? Were you able to create a rainy-day savings? That's maybe why it took six years, right? Because you were trying to do a little bit of everything.

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JS: Yes, yes. Here's the thing. That's why it took me so long, because I had a plan. I have this belief when you're working, and especially when you're young, if possible, always try to save. Saving money is crucial. It's important. I spend time servicing my emergency fund. You know, typically we save three to six months of your expenses, right? I focused on doing that. Every single year, I would ensure that I'm putting extra money towards that emergency fund. So, I set up a separate emergency fund account and I save. I'm still doing that, even to this day. I put money towards that.

Now, at the same time, I also made extra payments, maybe about 200 extra on my student loan. Then so that was being serviced. Then at the same time, I was also servicing my 401K. So, ensuring that I'm saving for retirement, because eventually you have to have a plan, because we won't be working all the time. I wanted to have a plan in place to ensure that I have some retirement saving. I was servicing my retirement.

Typically, when I get any windfalls, I would make a split. Some of it would go to the retirement account. Then the other amount would go to the student loan, right? Then on a monthly basis, I put towards about maybe I would say 5% of my income goes towards my emergency fund. Then I would put a little bit of money towards my fund account. I can at least do something fun, go out to eat with friends or even travel, if necessary, right?

That was how I was able to basically build a full financial plan that allowed me to pay exactly to pay off my debt, but also save money for a rainy day and save for the future. So, that was my strategy. It took a while, but at the end of the day, I can look back now, even though I've paid off my debt, but I still have some money, because I was saving over the years.

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FT: Those hard moments were like what? Did you say no to a lot of things? You know.

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JS: Yeah. So, the hard moments, I always wanted to get like really nice handbags and stuff like that.

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FT: Now that you have the capacity to buy handbags, do you want them as much?

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JS: No.

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FT: See.

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JS: No interest –

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FT: Down the no, but I do think that when you have – and I know, because I experienced this. When I had not enough for the wants, I wanted more, like I wanted stupid things, I think, for me, that once I started to make more money and have the – you know my student loans are out of the picture, my credit card was – I was like, “I don't actually know if that's what I want to do with my money first.” As it turns out. It's interesting how you change your mind on things. You mentioned also part of your strategy was to earn more. Tell us a little bit about your job and how you were maybe earning and earning more in some cases.

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JS: Okay, awesome. The biggest step I took towards earning more was actually going back to school. My first degree was in communications and public relations. I wanted to round out my skills, so I decided to go back to school and get a business degree to help me develop business skills. With that, when I was finished with school, I was able to parlay that and move into the retail industry and basically work in e-commerce and merchandising. With that, I've been able to move up in my company right now and develop skills along the way while also earning more money. The biggest step I took towards earning more was just going back to school, to be honest. While I'm in school, just gaining new skills, right?

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FT: Did you take on more debt or was that part of the 50,000 that you initially got?

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JS: That's the 50,000. That's the same 50,000. That's basically it. Yup.

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FT: Were you living in Canada this whole time?

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JS: Yes. I was living in Vancouver. I didn't even eventually move to Toronto, where I worked. This entire time, I've been paying off the debt and that's how I've been able to go through this whole journey while going through the debt payment, but also saving for the future and making sacrifices.

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FT: Imagine if you were living in the States and you had to pay for your own health insurance. Now, I know you get taxed differently in Canada, but how do you like living there?

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JS: It's beautiful. It's a fantastic country. I love it. It's very cold, as you know. It's very, very cold, but it's just a very – I feel the people here are very nice and friendly. It's just a great place where you can build community. That's what I like most. Yeah.

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FT: I must ask you, as I have talked to many immigrants on this podcast by now, and a lot of them will say that there is also a poll to a financial poll to support family back home. Did you have that on your plate?

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JS: Not as much. I would say a lot of my family live here in Canada, and I also have family who live in the States. It was more of – I would almost say that at some point, they would probably support me while I was in school, but it was more of just focusing on improving my career and building wealth for the future. That's pretty much how it is. Also, to give back.

Eventually, my plan is to give back to my country and to develop some form of, and I'm just throwing this out there, because that's one of my plans. I want to start a scholarship fund back home in Jamaica to help people go to school and get an education. Eventually in my plan, I want to definitely give back, because I feel like if I've been able to make this step and to be able to work towards my dreams, I want someone else to come after me and do the right thing as well and be on this track as well.

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FT: Create a legacy.

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JS: Create a legacy. That's right.

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FT: Well, in the meantime, you're doing quite the work of helping people. That is through Abundance of Jo. Your website. Tell us about how this came to be and how it's going.

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JS: Awesome. I've always wanted to start a blog.

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FT: Remember blogs? I keep telling people. Share a blog. It's 2024. We're in to 2025 soon. They're like, "Blog." I said, "Yeah, what's old to do again."

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JS: Oh, yes. Do it. Having your own website is a different beast. I will say definitely do it. I've always wanted to start a blog. While I was developing my personal finance education, and learning about investing, and the different types of investment and accounts, and learning about paying off debt. I felt so empowered. I said, "Oh, my God. If I am in this position where I didn't have sufficient personal finance education, because this is not taught in schools, I'm sure that there are so many other people like me who need this information." So many other people who can benefit from this. So, I said, "Okay, I've always wanted to start a blog. I'll just start a personal finance blog."

What this does is it helps me to teach the information that I've learned over the years. It also helps me to share with people, so share the different insights that I have and just share the information and share the resources that are out there and that's available. I started a blog in 2021. So far, it's been growing. I've been able to educate people from across the world. I talk

about different things. I talk about how to manage debt. Talk about how to save for any emergency funds. How to save for a house. How to manage your retirement account.

It's just that I focus on different topics, because I want to cover your full financial journey and ensure that you have good financial plan for the future. That's what I started. I post on in social media, and Instagram, and TikTok, because I want many people to have access to information that's easy to digest. Information that's easy to read, easy to understand, and most importantly, information that has compassion. Sometimes I find personal finance education can be a bit tough and rough and you may feel bad about yourself. I feel like we can definitely educate people, but educate them in a way where they're empowered and they feel like they can do it and they can really build a solid financial plan for the future.

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FT: I love that one of your top, your sort of verticals within your blog is making money.

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JS: Yeah.

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FT: You know how hard I've tried to get traditional websites that cover money to have a section called how to earn or how to make money, because we seem to forget that that's such – that's the first thing, right? It's like how much you make. Sometimes you don't have a spending problem. You have a what you earn problem.

[0:18:05]

JS: Yeah.

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FT: You know, beyond even just like taking on side hustles, but how to negotiate. How to create ownership in what you do, and how to leverage your assets and your skills, and more entrepreneurially, even if you do still have a nine to five. That's my – honestly, that's my favorite topic in this world of personal finance. What's seems to be like the topic that either you keep going back to, because that's what your audience is requesting or you're just as who you are, it's what you love to write about most.

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JS: I would say there are two things. One, saving money. The second one that I find that and that's based on my analytics. The second one is basically, how to make extra money. Those are the two things that I find that people resonate towards. So, saving money, I find that a lot of people they have the will, but it's just hard for them to make that move. I focus a lot on giving practical advice like, here's how you actually save money. You go to the bank and you open a high interest savings account. That's what you need to do. Then you automate your savings. So, I focus on the practical things. That's one of my favorite things, because I feel like once they're able to make that step and you automate, and you commit to it, you really can make a difference, right? So, that's the biggest one.

Then the second piece as well is the whole piece around earning extra money. I always say, and even on my blog posts, I always say that you can be as frugal as you can. I mean, frugality, you can save and save and do all that you need to do, but if you don't have extra money to really fund your financial future, it's going to be very hard. You have to focus on earning more money and it can come in different ways. You can start a business. So many of us have talents and skills that we can harness to build out a good business that people can benefit from. You'd be surprised that people will pay you for the talents that you have.

Focus on that. Build out the talent and don't – sometimes people say, “Oh, God. I don't know. I don't have any talents. Nobody's going to do anything or if even if I put anything out, you're nobody's going to buy.” You don't know. Unless you try, right? I focus on outlining the different things that you can do to earn money and build out a business. Maybe you start as a side hustle and it eventually becomes something that you do full time. I love to focus on that. People

gravitate towards it, especially in the time that we're living in with inflation and cost of living is so high. So, people focus on that.

One of my favorite topics as well, especially for people who are in the nine to five, in corporate America is negotiation. I find, especially women, a lot of people do not negotiate and they leave money on the table. I focus a lot on teaching people on how to ask. The thing is, there's not even how to ask. The very fact that you should ask when you're given offer, you should ask.

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FT: Is it appropriate?

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JS: Yes. Yes. Is it appropriate? No, they might rescind the offer. But then why would they? They didn't want you. Right? So, I focus on that and giving practical skills that they can apply like the best asking questions or pausing during a negotiation. Simple things that people can do, so that they can earn extra money and live the life that they need to live.

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FT: I want to ask you a personal question. What do you want your wealth to afford you? Let's say five years from now. You're a planner, I can tell and you're very methodical and intentional with your money. Have you thought about your vision board in the future, in the semi soon future? What it will feel like to be that person and how you've afforded it with your money?

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JS: Great question, Farnoosh. Very good question. I'll start with a book that I read a few years ago. I think she's been on your podcast as well. We should all be millionaires.

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FT: Oh, yeah. Rachel Rogers. Yes.

[0:22:21]

JS: Rachel Rogers. I read her book a few years ago. I'm going to get back to your question. She had said in the book that you should picture the life that you want to live, the income that you want to earn. I think she gave an anecdote of writing down that she wanted to earn \$300,000. She basically listed out why her monthly amount would be in her yearly amount. That's exactly what happened. I am doing that exercise right now. In the future, I want to be able to own a beautiful home where I feel at home and at peace.

I want to be able to travel. I love to travel. I want to see the world. There's just so much in this world that we can explore. I want to be able to do that freely without worrying when I come back from my travels that I have a massive credit card bill. I want to be able to travel and see the world. I want to be able to help people, right? The scholarship fund I mentioned, that's something that's on my radar that I want to focus on. I also want to give back to my family and my friends. The people who've helped me be where I am today. That's a big focus. Just being in a financial position where I don't have to worry anymore. I can just focus on living my life and living my abundant life and my best life. That's what I'm envisioning.

[0:23:48]

FT: I think the reason we attracted each other is we have a lot in common. I gained my financial advisor almost that same exact answer years and years ago when she sat my husband and I down and said, "What is your goal? What do you want money to be for you? When you think about your life and the role money plays in it, what do you want?" I said, "I want to not have to really think about it."

I guess what I meant was, obviously, I will think about it. This is my business and my passion is to help people with their money, but I don't want to have to think about it in the context of tension, and friction, and stress, right? I want to be able to move through the world and be able to understand my options, and be able to afford them, and come up with my own options. If I

don't like what I see in front of me, and I guess just to be a free woman to the extent that this world and this country will allow me to be.

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JS: Yes.

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FT: Because I know that's a loaded word. Freedom. It's relative. You mentioned that maybe you didn't mention this, but I've read that your blog is read by people all over the world. You've got these people in India, and Uganda, and of course Canada and the US reading your words. What do you see as some of the common struggles or questions across your diverse audience?

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JS: A lot of things. It just makes me realize that money problems, it transcends where you live. Everyone is just all having the same issues. Some of the things that I usually get questions, even on my comments and BMs. I've gotten questions about how do I pay off my credit cards? I have a lot of credit cards and they all have balances. I don't even know where to begin.

Credit card debt is also a big issue. I have a lot of information on the website on how to pay off multiple credit cards. How to manage credit cards. How to be able to use them and not rack up a lot of debt. That's a big one that I consistently see. Another one is the same student loans. Student loans, I almost feel like it's becoming a big issue, because so many people –

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FT: Even internationally.

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JS: Internationally, it's a big issue, because so many people just cannot afford to get an education without taking out a loan. That's a big one that I get questions about. Then the other one is how do I save when I have a low income or how do I save if I've already – after I pay off all my bills, there's nothing left. That's another one. That's where the making more money comes in and exploring side hustles, or starting a business, or just looking at ways to make extra money, that's where that comes in, but that's another one that I tend to see. That came up a lot during the pandemic and during the times when we had high inflation. A lot of people were simply struggling.

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FT: Yeah. We forget that outside of our borders, many countries experienced a similar economic struggle as we did. I mean, if the United States isn't doing hot, chances are many other countries aren't either, because we tend to be a bellwether economically across around the world. You mentioned in debt repayment and you, of course, having gone through that and this now being a major concern for your audience. What's your first piece of advice for anyone who is feeling overwhelmed?

[0:27:16]

JS: Great question. I have seen multiple approaches. The first thing I would say just depends on your situation. First of all, that's where I'll begin. I think that the number one way, first, the first thing that – so it depends on your situation. The first thing you need to do is know your debt. A lot of people simply do not know how much they owe. They don't know the interest rates. They don't know what the structure of the debt is like, how much is going towards your principal, how much is going towards the interest.

Know how much money you actually owe. First, understand the debt. This is important, because you need to know how your debt is structured. Once you have a plan, and I would say, as you mentioned, I'm a planner, write on paper, or if you have an Excel sheet – if that's how you prefer to deal with information, you can do that, but write down how much money you owe, what's the interest rate, the timeline that's on the loan. If you have a credit card, write down the

interest rate for that credit card. When the statement comes out, when it's due, that kind of a thing.

Figure out what your debt looks like. How it's structured. Then once you know how your debt is put together and how it's structured, how much you owe across the different types of debt that you may have, then you make a plan. What does a plan look like? If I have multiple credit cards that I'm paying off as an example, for me personally, I would say start with paying off the debt that has the highest interest rate. That way you can save money. The more interest you're paying, the more money you're losing. I always say pay off the most expensive debt first.

If you have multiple debts, let's say you have three different debts, and the first one is 20%, which is typically a credit card, the other one is 15% interest, and the other one is 2% interest. I would pay off the one that's most expensive. That's one strategy. Then once you settle that debt, then you focus on the next one, and you focus on the other one. Then that way, once you're paying off the debt, then you'll start to be empowered, and you can keep going. That's one strategy that I would definitely recommend.

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FT: We call that the debt avalanche.

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JS: Yes.

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FT: Smart. Thank you so much for coming on So Money. I'm so happy that we're actually connected now face-to-face. I want everyone to head to your blog, abundanceofjo.com. You also do personal coaching. You have a YouTube, and much more to come. I'm positive of it. Thank you so much.

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JS: Thank you for having me, Farnoosh. This was fantastic.

[OUTRO]

[0:29:55]

FT: Thanks so much to Jodi for joining us. Links to find her work in our show notes. If you have a story to share about discovering this podcast, picking up a piece of wisdom or two, incorporating it into your financial life, a story that you want others to hear, please get in touch. I'd love to start featuring more of your success stories on this podcast, especially as we enter our 10th year. You can email me farnoosh@somoneypodcast.com, or you can just direct message me on Instagram @farnooshtorabi. Thanks so much for tuning in everybody. I'll be back here on Friday with a fresh episode of Ask Farnoosh, tackling your money questions. I hope your day is so money.

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