

**00:00 Speaker 1:** Zina Kumok. Welcome to So Money, great to have you.

**00:03 Speaker 2:** Thanks for having me. I'm excited to be here.

**00:06 S1:** Yeah. I'm excited to learn more about your debt pay down strategy. Getting out of debt in three years. I wanna learn about your financial philosophy. I wanna learn about all of the the trials and tribulations of becoming the money expert that you are today. Let's start with your financial philosophy though, Zina. What would you say about your greatest money mantra.

**00:26 S2:** I would say, that I really believe in using the resources you have to spend money on things that really matter to you.

**00:34 S1:** And in your own life, how has that come in handy?

**00:38 S2:** You know that's something where, especially when I was cleaning up debt, I had really limited resources, so I had to think about, "Okay, what do I do with this limited amount of money" After paying off bills and paying off my loans, I only had so much and I had to decide between doing things like going out, eating out, buying new clothes or saving it for a travel and experience the things that really mattered to me, and it really helped distill what was important in my life. And I think, in fact when you're faced with making a sacrifice, that helps you figure out what really matters to you and what you actually really care about spending money on.

**01:18 S1:** How did you end up in debt. Let's go down memory lane a little bit. I wanna learn more about, your financial memories, growing up as kid, but kinda between being a kid and being a now an accomplished financial adult, what would you say was the real reason that you got into debt in the first place?

**01:37 S2:** When I was applying for colleges, I already thought that I would have to take out loans. Most of the schools I applied to were more than my parents were willing to pay for and I just assumed that I was gonna have student loans. So, it ended up, I think I took out an average of \$7,000 a year. So that was the \$28,000 that I had in student loans when I graduated. But I didn't have any car loans, didn't even had credit card debt. To this day that's the only debt I've had, is my student loans.

**02:10 S1:** What would you say to someone who has more debt than you in student loans. As many of us do. The average student loan debt is around 35, \$40,000 and that I think is even lower than, what we hear anecdotally which is like. I hear people writing in to me and saying they have \$200,000 in student loans. Is there any hope for those folks?

**02:30 S2:** I would say that, it's really easy to feel hopeless in any situation. I know I had moments where I thought I can't barely afford to make any extra payments for my loans. 'Cause when I graduated, I was the only one making \$20,000 a year in my first job and that was the amount of my loan. So I would say that instead of thinking about what insurmountable task you do have, I would think about what cuts you can make, how you can earn more money. If there's any side hustles you can do, any freelance work. There's always something you can do to pay back your loans. And I know it seems really difficult and impossible when you're staring down six figure student loans or 70 grand worth of student loans. But there's always something you could do. I found out when I

first started paying back my loans that even adding an extra \$10 a month will take off one year of my loan. I mean anyone, most people can put down \$10 a month extra. So whether...

**03:32 S1:** Wow!

**03:32 S2:** Yeah. So, I think that's what helped me realize that loans are paid off a little bit at a time and maybe you don't pay \$100 extra every month then maybe when you get a windfall, freelance income, birthday money, maybe you put that towards your loans like I did. Get a big tax refund, put that toward your loans. So I would just say, just to think about any small change you can do that can add extra money.

**03:58 S1:** And did you do all those things: You side hustled, you took your tax refund and paid down the loan?

**04:04 S2:** Yeah. It was, I remember there was at one point where I gotta a gift and my fiance was like "I don't think they want you to use that money for your loans" and I said "No, well, it doesn't really matter. Like I wanna to put toward my loans. Like that... That's were it's gonna be the most beneficial for me. So yeah. Another thing that I discovered once I was working, is if you're paid every two weeks there are two months out of the year where you get three pay checks. And especially for someone not earning a lot of money that was a really big help. So yeah, just anything. I mean, I started to see, if I were to visit my grandma and she gave me some extra money that I was use most of that and put it toward my loans. So you really do have to... If you can't really afford to make steady extra payments, you kinda have to chase that extra money and put it down towards your debt if you can.

**04:52 S1:** I agree, you had almost pretend like the money isn't yours to spend. That you were, that's if you weren't expecting it, then you should do something really really boring and constructive with it, and if there's anything left of course you'll splurge. But I remember getting a book advance when I was 27 or 26 and it was enough to pay off my student loans in one fell swoop, and I did. Not because I was drowning in student loan debt or because it was too much for me to take on but because I just liked the idea of putting that, closing that chapter. Closing that financial chapter in my life and at an age still where I could enjoy being in my 20's. I think that was a gift to me, really looking back it was a gift to me. Maybe it wasn't so sexy as going and buying that cool watch or going on a vacation but it is an un... There are no words really to describe what it feels like to be out of debt, other than just, just pride and joy and knowing that you can sleep at night, not worrying about money, it's pretty priceless.

**05:58 S2:** Yeah, I think you have to have a plan for that extra money. I always knew that if I got extra money it was going towards my loan. But, I think if you don't have an idea of where it's gonna go to, if you don't have a plan on how to pay off your debt or how to save some extra money, then I think you just end up spending it really quickly without even thinking about it.

**06:20 S1:** What would you say is your biggest money memory growing up as a kid?

**06:24 S2:** One thing that I really remember, I actually just wrote a blogpost about this. When, so I'm an immigrant, my parents and I are from Ukraine, and when we first moved over we didn't have a lot of money and we were taking the bus, and I remember I was about four or five I think, and I remember my mom and I were waiting at the bus stop, and we see this dollar on the ground. And

this is back in '92, '93. And we see this dollar and there was a convenient store right near the bus stop and so we go in and she let's me use the dollar and I got some apple juice and a bag of cookies. And it was the greatest thing ever. Both of my parents were on minimum wage jobs, and my mom was working in a nursing home and these are two people who...

**07:17 S2:** My mom has two master's degrees and my dad has one master's degree. So, it was really humbling. But that dollar was the greatest thing and now they kind of talk about it as like when Hanukkah rolls around and the presents you get are much more than a dollar. So, it's kind of funny to look back and see that dollar made such a huge difference, that even now more than 20 years later, I still remember that. It's like one of the happiest moments of my life at that point.

**07:49 S1:** I also grew up in an immigrant household. Did you find that money was relatively fluent in your household? Like it was a topic that was not taboo? It was that way for us at least and I felt like we were singular in that. That around the world and in our community, people didn't talk about money but it was something that we talked about openly. Was that true in your family as well?

**08:12 S2:** Yeah. I think that's one of the reasons that I did get such a early interest in finances. My parents were never shy talking about whatever problems they had, they were never shy about telling me how much money they made, or if they got a raise or a promotion, or if they got laid-off. None of that was taboo. And it was so interesting when I would realize that none of my friends were having those kinds of conversations and they were never ashamed to say, "Oh, we made this mistake, don't do that." And they were always giving me advice about paying back my loans or supporting me or making sure I'm still having fun in my life. So, it always surprises me when I hear about people who have no idea of how much their parents make, or just things like that that I kind of took for granted.

**09:05 S1:** What would you say is your biggest financial failure? The student loans, I would put that in a separate category, they're not really... I wouldn't say it was a failure because you paid them off successfully and you obviously use the loans to get educated. So, what would you say is maybe a financial failure that you're happy it happened in a way because it set you up for success, but at the time, it was not a good thing?

**09:28 S2:** One of the dumbest things I ever did was I had a summer internship in New York the summer before my senior year and I was making pretty good money, not just for an intern, but especially living in New York and before that summer, I had written a goal of I wanted to save, I think \$4,000 or something, which goes to show you how well I was being compensated. And, but soon I realized that if you're living in New York City, there are thousands of opportunities everyday to spend money. You're walking around all the time and you're passing by stores and you get a taxi cab, you can get lunch out. And there is, I remember I was reaching a point where I was eating out for breakfast, lunch, and dinner, which is just insane. I mean, just completely ridiculous and I would take cabs and just go shopping. I mean it was just ridiculous. So, I think I left that summer with only a couple thousands in savings which is so much less than I should have had. And that really hurt me because the summer after that, I took an unpaid internship and I had a job that was cutting my hours.

**10:42 S2:** So, that was really detrimental and then when I graduated, and then I had to move back home, I was hardly working and when I got my first job after college, I barely had any savings and had to borrow money from my parents to pay my first security deposit. So, that summer in New

York really taught me about excess, and the importance of budgeting. So, that was definitely a big failure and I still look back and cringe at that because I really could have set myself up for success...

**11:17 S1:** Right.

**11:18 S2:** If I had done that right.

**11:20 S1:** And that was just one summer in New York. Can you imagine people who go to school here at 18, 19, 20 years old? Seriously, I always wonder about the students who are at Columbia and NYU during their college years where there's so much... I mean, you're not even exaggerating, I live here so I know I joke like there's a \$20 tax just for leaving your apartment. Because you'll inevitably spend \$20 whether it's on a cab or groceries or food or tipping. I mean it's just like there is a million and one ways to spend money it seems in New York City and when you're young, it can be a very tough place to navigate financially.

**11:59 S1:** So. I'm pretty impressed that you actually ended up that summer net positive because I know a lot of my friends in college... I was in New York on an unpaid internship, and it was a lot of Subway footlong sandwiches for breakfast, lunch and dinner. And I would go home to Massachusetts and hang out with my parents on the weekends 'cause literally I had no money and I would just go home and stock up on toilet paper, and oranges and come back on the Greyhound to New York. But I had friends who were in consulting internships making \$5,000-\$6,000 a month, which is a lot of money especially if you don't have to really pay for much. You're getting maybe subsidized rent. And so, believe it, I have friends who made three, four times what I made during those summers and blew it all easily. They came back to school with nothing to show for it except maybe a new bag. So I digress, but this is a huge pain point I think for a lot of young adults in New York City, especially when you're in college. It's so hard for money to disappear when you're living here.

**13:07 S2:** Yeah. Definitely.

**13:08 S1:** What would you say is your biggest success? Besides paying down the student loans in three years, what would you say is your greatest financial So Money moment?

**13:19 S2:** I would say that I was still able to find money to travel while I was paying off my student loans. Right after graduation, my then boyfriend, we took a I think a 10 day trip to Europe and we didn't have any jobs and I had an unpaid internship, but we made that commitment to do that. And a couple of years ago, I went to Israel on a Birthright trip. Last May we went to Spain. So I always found ways to travel because that was really important to me. And I think it helps when you're trying to do something really big like pay off debt or save, something that requires a lot of sacrifice, it's important also to have a big goal that you really want to do. And I think that keeps you sane. And it reminded me that, as much as I was sacrificing and saying no to things, I was also saying yes to something that a lot of people aren't. There are a lot of people who don't travel, who think that it's really expensive or it's not a priority, and so it made me happy that I could still do something that was important to me and even though it cost a lot of money, I still made it work on my budget.

**14:29 S1:** Well, yeah, you need to enjoy your money. I think that's really an important part of the equation. And certainly you were not in a situation where you had... I'd say if you had \$20,000 in credit card debt, maybe you wouldn't be able to dedicate some money to a vacation in the near

future but something like student loans where the interest rate is fixed and it's relatively low and it was also an amount that you could manage, I think I'm glad you did that because it is also a carrot to encourage you to get out of debt even faster 'cause if you get a taste of what it's like to go on a vacation once, you're gonna want to do that consistently but you can't do that if you've got this debt load hanging over you all the time.

**15:14 S2:** Yeah. And I do think that's one thing that my parents always taught me that it's important to travel and it's real important to travel while you're young. And we used to go and see people who had clearly waited until they were retired and you can't be in a wheelchair and climb the steps in a castle at the same time. So that's something that is really important I think to do while you're young and you're okay with sleeping in a hostel with 20 other people.

**15:42 S1:** Right. I say the best thing I ever did in college was study abroad, because there's no other time in your life when you're just in the country. The only responsibility is showing up for class and passing your classes but the rest of the time, and there's a lot of downtime, you can travel, experience new cultures. It was the best time. I went to Paris. Did you study abroad in college?

**16:04 S2:** I did. I was in London for a summer which was amazing, and that's actually when my now fiance and I started dating, so it was very fruitful.

**16:14 S1:** Very fruitful. Alright, Zina, let's talk about habits. What's your number one financial habit that you'd recommend others take up?

**16:24 S2:** I would say having a budget. I know people talk about it constantly but I still don't know that many people who actually do it, and I really think that most of us aren't aware of how much money we spend on things. We probably think we have an idea but I've talked to people and I've asked them, "How much do you spend on colas? How much do you spend on eating out? How much do you spend on groceries?" And when they look at what they think they spent and what they actually spent, it's night and day. So I think keeping track of your money and maybe just even keeping track and seeing how much you spend rather than having a budget and limiting yourself, I think is the easiest way to cut back on things because you're not aware of how much you spend in one month but seeing it on paper I think can make a huge difference in how you actually spend your money.

**17:13 S1:** I did this once with my food spending. One year at the top of the year, I said, "Okay, let me actually see how much I'm spending on food and eating out." And I knew it was a lot. I knew the number. Once I saw the total, I wasn't surprised, but this was what I did in addition which made it really hit home, was that I looked at that relative to all the other spending categories, and I realized that after my mortgage, this was my second biggest expenditure a month and I thought that was kinda ridiculous because food, I like food, but I don't wanna be someone who's prioritizing food that much or I'm spending my second biggest spending category is food. Like I don't wanna be that person. Also it doesn't really sync up with what's important to me. I would rather have my second biggest category be travel, or perhaps stuff for my home, or spending on others. And so putting it in that perspective, to see where it ranks next to all your other spending categories is also an important visualization step. And it really puts things in perspective. So just to add to that, 'cause I think you are absolutely right. We don't budget enough. Do you use any specific tools or software?

**18:32 S2:** I really like Mint for keeping track, and then I also use just the regular Google docs

spreadsheet just for writing down the budget, and how much I actually spent, and so just a combination of both because if Mint doesn't... It doesn't track all my credit cards, I don't think, or bank accounts. So it's nice having a spreadsheet where I can see all of my accounts laid out, and it's really easy to use and safe, and I think it works well for what I need.

**19:05 S1:** Now you mentioned you have a fiance. Is he your financial opposite or a complement?

**19:13 S2:** I would think he's a complement, because he's not the type of person who wants to go and track our budget, but he's really frugal. I always say he's the first person who taught me to go to thrift stores, and Goodwill, and stuff like that. And so he's always really supportive, and he'll also call me out on things like, "Hey, did you notice you tend to throw away a lot of food. Maybe you should either make less or freeze it, or find a way around that." I think it's easy when you think of it... You're a financial expert, and maybe you are in some cases. It's good to have someone saying, "You do a great job at these things, but maybe you could work on improving this other thing."

**19:55 S1:** Right.

**19:56 S2:** So I think he's definitely a complement. Yeah, yeah.

**20:00 S1:** Okay, this is the part of the interview, we're almost done here. Zina you've been a really fun guest, and I like to end on kind of a fun, casual note where you actually finish sentences for me. Fill in the blanks.

**20:13 S2:** Okay.

**20:14 S1:** If I won the lottery tomorrow, the first thing I would do is?

**20:18 S2:** I would buy a penthouse in London.

**20:21 S1:** Wow.

**20:22 S2:** Maybe not a penthouse. That just sounds nice. I'm not actually sure what...

[overlapping conversation]

**20:25 S1:** Flat right?

**20:26 S2:** Yeah.

**20:27 S1:** Yeah. A pent-flat?

**20:29 S2:** [laughter] A pent-flat.

**20:31 S1:** The one thing that I spend on that makes my life easier or better is?

**20:35 S2:** The gym. The gym I go to is all classes, so there's always someone there like a trainer motivating you. It's really small, about 15 to 20 people, and we all know each other, and I go for boxing classes which is super-fun. It's a great workout. It's always nice to hit something at the end

of the day, and I didn't work out regularly until I started paying for it. That's one thing I can't live without.

**21:06 S1:** It's always fun to hit something at the end of the day. I'm not gonna forget that.

[laughter]

**21:10 S1:** My biggest guilty pleasure that I spend a lot of money on is?

**21:17 S2:** I'm trying to think. It's either a tossup between movies, or nail polish.

**21:23 S1:** But not manicures? You do your own nails?

**21:25 S2:** Oh yeah. Even now with my wedding coming up I'm like, "Do I need to get a manicure or can I just do it at home?" Yeah, I love buying new nail polish, and then when I get sick of the colors I just give them to my mom. And then movies are so great, because if you've already seen them, then it's really cheap just to watch it over and over again. So, those are probably two of the big things.

**21:51 S1:** Alright. One thing I wish I'd known about money growing up is?

**21:56 S2:** I think I'd wish I'd known that money spent well can make you happy, but spent poorly won't. I always grew up wishing I could have designer clothes, and the latest Kate Spade purse, and now that I could go out and do that for myself, I don't want it. And I used to hate that my mom would only shop when things were on sale, and now that I shop for my own clothes, I would never pay retail. So I wish I had known that the things that I really wanted as a kid that I wouldn't care about as an adult.

**22:31 S1:** Well, when you earn it you really learn it. You really learn what you want and what you don't want, and you always want what you can't have, and I find that true in so many ways in my own life too. When you don't have the money to spend, you always aspire to have what other people have, and you think that's happiness. But then when you have actually the money to make choices of your own, you become a lot more discriminating.

**22:55 S2:** Yeah.

**22:56 S1:** In a good way. Okey dokey. When I donate money I like to give to blank, because...

**23:02 S2:** So my fiance and I have a dog that we rescued, and we have a huge, huge soft-spot for animals. So I like to help out the organization that we got her from.

**23:14 S1:** And what's the organization?

**23:16 S2:** It's called Arpo, and it's local, and they take dogs... Some are ones... Just strays that they find, but a lot are... They take I think from the kill shelter in town. So it's really great, 'cause they foster them. They don't have a shelter per se, but every dog they have is fostered with a volunteer. So it's really great, because they're not stuck in a kennel all day. They're actually with a family that is taking care of them, and getting them ready for their forever home.

**23:41 S1:** Amazing. Wonderful, and last but not least. I'm Zina Kumok, and I'm So Money because...

**23:48 S2:** Because I spend money on things I love.

**23:51 S1:** Excellent. Congrats on becoming debt free Zina, and teaching others how to as well. We really appreciate you, and your time, and your work. Tell us where we can learn more about you.

**24:01 S2:** So you can read my blog, Debt Free After Three at [debtfreeafterthree.com](http://debtfreeafterthree.com). That's all words. You can find me on Twitter at Zina Kumok. That is Z-I-N-A K-U-M-O-K. And you can follow the Debt Free After Three Facebook page where I post anything I've written, freelance writing, anywhere I'm quoted. So those are all great places to see what I'm doing.

**24:26 S1:** Alright. We will check it out. We will post this all at [somoneypodcast.com](http://somoneypodcast.com). Thanks so much Zina.

**24:31 S1:** Thank you for having me.



## **Thank You for choosing Scribie.com**

Cross-check this transcript against the audio quickly and efficiently using our online Integrated Editor. Please visit the following link and click the Check & Download button to start.

<https://scribie.com/files/0947c35999e544579a4646f440bde85bbd8cd560>