

Ep #68: The Truth About Debt



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With Your Host

Angela Kelly

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Hello, Empowered Principals, welcome to episode 68.

Welcome to *The Empowered Principal Podcast*, a not so typical, educational resource that will teach you how to gain control of your career and get emotionally fit to lead your school and your life with joy, by refining your most powerful tool: your mind. Here's your host, certified life coach, Angela Kelly Robeck.

What is up, Empowered Principals? How are you doing? Talk to me. I wish I could talk with you live in person right now. I sure hope that you guys are enjoying springtime. I just keep talking about the weather every week. I know, but I can't help it. We've had a rough winter out here in California and I know you all have had a rough winter with that polar vortex and all the craziness on the East Coast. You guys have had so much snow.

Did you know Tahoe had up to 600 inches of snow? That's some crazy snow, guys. So, I'm actually heading up to – actually by the time this podcast airs I will have just returned from Tahoe. I'm going up for a week with my friend Susan and we have a girl's weekend. It's the second weekend in April. And we will be spending a weekend in Truckee, California, which is beautiful. But they seriously still have like 12 feet of snow. What is going on?

So I hope you're enjoying springtime. I hope it's warm where you're at. The airing of this podcast, which will be the 16th of April, and whether you're enjoying spring break now or you've already had break, it doesn't matter because, guess what, you are on the home stretch. And I know, the end of the year is like shooting down one of those super-fast twirly curly slides.

It is a wild ride but you are going to be over it before you know it. So allow yourself to slow down and just enjoy this time of year, you guys. Celebrate yourself, all the accomplishments you've had so far. And so often – I

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remember back to this too. So often, we get so much done, we're trying to burn both ends of the candle at this point.

We're trying to get everything done. We don't even come up for air. And I want to remind you, take a moment each day to acknowledge your amazing self for the lovely person you are and feel the love, really feel the love and gratitude for all you've done and all of the growth your students have had, your staff has had, and that you have had. Practice gratitude every day. It's such an amazing way to start your day and you're going to feel so much better when you go into work when you think about all that is going right versus all the stuff that's not.

Okay, we are going to continue our conversation around money, and boy, is today an upbeat topic. Are you ready for it? We're going to talk about debt. That sounds fun, right?

How we think about debt can be a total downer. But I am going to show you how you can view your debt in a more positive light and why going into debt can actually be one of the best things that you do for yourself. This show is short, but super powerful. Let's dive in.

Being in debt is a situation. And if you know the STEAR Cycle well enough, what is a situation? A situation is neutral. Debt has no meaning in and of itself. If you were to put debt into the STEAR Cycle model, you would place it on the S-line, the situation line. Debt is a thing outside of you.

This is an important distinction to make because our brains make it feel like we personally are our debt. When we think of it this way, we have no way of separating ourselves from it and looking at the debt from an observer's standpoint, like a neutral viewpoint.

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And yes, you can say that yes, you're the one who got you into the debt and that it's your fault, but think about this; does that thought and the emotion that that thought generates – which is usually like some panic, fear, guilt, shame, and a lot of self-loathing – does that thought and set of emotions help you in getting out of debt? No.

In fact, it often generates more debt, and here's why; because it feels so badly to think about the debt and to think that you were the cause of the debt and to shame yourself for the debt that we often end up buffering subconsciously by buying more things to feel good and give ourselves that little hit of dopamine and to feel better for the moment. But that becomes a really obnoxious cycle and we do have the means to stop it ourselves if we can become aware of it and become the observer of our thoughts and our behaviors.

So, if you are new to the podcast, welcome. This is a heavy topic. So go back and listen to some more fun topics and definitely go back to the beginning and listen on the STEAR Cycle so you understand what we're talking about. But if you follow the podcast regularly, then you know that what you make being in debt mean to you is why you feel the way you feel about it.

So, if you're thinking negatively about debt and you have all this panic and fear and shame and guilt or negative thoughts about yourself around the money, that's because of the thoughts you're having, you know this. It's not the debt itself.

And I want you to do this. I want you to think about the debt that you have now, any little bit of debt that you have. And when you think about your debt – maybe you're in credit card debt, that's a lot of people and that's okay, I'm just noticing, like, some people are in debt, some people may have car loans, house loans, you know, maybe you maxed out a bunch of

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credit cards. But think about your debt. Maybe you have a school loan. A lot of teachers have school loans.

How do you feel when you think about that debt and where does that feeling resonate in your body? Emotions are just – we call them feelings because we feel them in the body and it's a vibration, and we tend to have certain areas of the body that feel, especially when it's negative, when it's painful. We get it in the stomach. A lot of times, it might be in our throat or in our chest, like in the core of our body somewhere, we can actually feel physical responses to our negative thinking.

So, most people, like I said, are going to get it down in the stomach or they're going to get a tightness somewhere in the body. And that's just the body's response to our thoughts about our debt. Thoughts that bring up negative vibrations in the body might be things like, I'm too much in debt, I'm never going to get out of debt, being in debt is bad. I know that's one that I've been carrying for a long time.

I'm super freaked out about debt. I don't like having debt. I like to pay for things in cash in full and I don't like having debt. And I'll tell you what, creating this business has made me go into debt and has killed my soul just a little bit, but it's forcing me to do the work. So I'm really bringing all that negative stuff to the surface.

Now, the reason we are in debt is because of an action, you guys, and this is where it gets painful, because it's an action that we took. We are the ones who spent the money and the act of spending, or overspending, put us in debt. This is why we get that sick feeling, because we know that the debt was created by us. And when we take responsibility for that debt, it feels really bad. It just feels bad, that's all I can say.

It can also feel like we're spending against our own will at times. For example, you might go out with the intention of just buying, like, maybe you

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need a new dress, you're going to wedding, you need a new dress and you may be looking at a pair of new heels or something.

So, you go with the intention of buying one outfit, but you come home having spent hundreds if not \$1000 worth of clothing. You've got all these new things. You've got a new purse, you've got a new, you know, jacket, you bought two new pairs of shoes just in case you weren't sure which one you were going to like, and you bought two different kinds of dresses because you were going to see which one looked better for the wedding.

And all of a sudden, you get your bill and now you've got \$1000 on your credit card bill because you spent all this money, and that credit card, basically what that credit card did for us was that it was an exchange of value and you put it on the card because you didn't have the exchange of value in cash, which means that we're borrowing money that we don't currently have.

So, on top of spending the money for the clothing, we find ourselves borrowing and paying to borrow that money. And if we habitually use this approach to shopping, we're going to find ourselves in more and more debt.

We spend to feel better in the moment, yet when we get the credit card statement, we sink back into that guilt and shame. This cycle can result in us completely avoiding paying attention to our money because it brings up such intense negative emotions.

I know this because I've done this before, more specifically with my personal finances than my professional finances. I was really, really careful with the school budget – I did avoid, in both areas, I can see how I did both, but I was a little more care-free with my personal budget. And the personal money, it feels just like that, more personal than our school budget.

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So it might be easier to start using these tools and strategies with your school's budget because it feels a little less personal than your own money. Although, I can say, if you're a school that is super trapped for money and your resources are really tight and your student need is very high, it can be equally as stressful.

So, to reduce our stress around money and debt, it's important to take that first step to try and understand and analyze our thoughts around what we're currently thinking about debt and to approach it in a way that can begin to neutralize the emotions that come with it. So, please know, it is possible to observe your thinking about spending and about your debt from a neutral state.

If your brain believes that your debt is bad or it brings up lots of fear and panic for you, I want you to consider this; consider the idea that debt is not inherently a bad thing and that it is possible to view debt as a positive. Think of it this way; most people have some kind of debt. At the very least, perhaps they have a rental contract or they have a mortgage payment or a car payment.

When you think about the amount of debt you have as a result of purchasing a home with a big loan, how do you feel? Perhaps you feel angst when you think about that hefty amount that you owe, like the end of the dollar, you know, the 30-year loan. Yeah, that's a lot of money. But when you dig past the numbers, are you really truly unhappy that you have that loan, or do you value owning your home and having that property as your own versus having to rent or lease?

Think about that. At a deeper level, you chose to purchase the home knowing it was hundreds of thousands of dollars and knowing that you were going into debt, but when you made that decision, did you value owning the home and choosing that debt because of the value that having a home would give you?

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Because you can look at your house in one of two ways – you can look at it as a constant burden of debt, or as an investment in your life and your future. Your home in the short term might feel really expensive when you look at that sticker price and you're paying your mortgage. However, you can reframe the way that you think about it by focusing on all that you're gaining from that investment in the big picture, the big scheme of things.

So you are spending money on a place to live that is yours. You own it. And you're going to own that property and be able to do whatever you want with it. You most likely choose to pay for some form of roof over your head and choosing to go into debt to buy a home versus spending a similar amount on rent may actually feel more financially sound. That's why people buy homes. They feel like it's an investment versus just leaking out money for rent.

And later, if you choose to sell your home, you are going to receive the profit from that sale, and then you will no longer be in debt, because you pay off that debt when you close out the sale of your home, and then you have cash. For most people, you know, the price value goes up over time.

Now, you may look at your mortgage and decide that you choose to purchase a home that was more expensive than what you're comfortable being in debt for. Many people also do this, they find a house, they fall in love with it, they buy the house that gives the biggest loan the bank will approve for them. And then, in the end, they find themselves saying that the stress of making those mortgage payments isn't worth the investment.

And it's a great thing to know about yourself, you guys. It's just learning. Everything we do, it's all just learning. You don't have to beat yourself up for overextending yourself. You just have to look at your debt to learn more about your brain and why it thinks about money the way it does.

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And what it comes down to is this; money and debt are neutral. Spending money is neutral. Borrowing money is neutral. None of it matters until our brains make it mean something. And it often makes it mean something about us. We either say we're good with money or we're bad with money, we love having money, we hate having to deal with money, we spend too much, we're out of control, we don't spend enough.

Whatever your brain is making debt mean is going to influence how you feel and act with your money. And the key to growing your awareness and changing the way you think feel and act with your money is to notice how you feel when you spend. Even more importantly, notice how you feel when you choose not to spend.

So, do you feel good when you spend and deprived when you don't spend? Do you feel compelled to spend money that you don't have? And how does it feel to have the money in your account, just like in your possession, versus having the things that you buy with money? A lot of people say they love money, but what they really love are the things money buys. But then once you have the things, you're stressed out because you don't have the money.

So I want you to observe your spending thoughts, when you do spend, when you don't. When you don't spend when you wanted to, do you feel a sense of pride that you stepped back and didn't spend, or do you feel like you should have spent and you have some regret? Just notice all of that chatter that's going on in your head.

So, this week, I want you just to spend time noticing all of the emotions around money and budgets and spending and having and debt, especially as it relates to your school budget. When you look at your school budget, what do you have? What don't you have? What do you want to buy? What can't you buy? How do you feel?

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Think of all the things that come up with your budget and what you would love to have for your kids and what you would love to pay your teachers and what you can't. Like, all of those things, I want you just to look. And in your personal life, what are things that you have purchased already that you absolutely love and you would definitely buy again, like hands down?

And what are the things that now that you own them, you don't super love or you don't even really pay any attention to? You know it's in there, girl, it's in your closet, right? What are some purchases that bring you joy and ones that make you kind of squirm when you think about them?

And you're not trying to fix anything right now. You're just allowing yourself to peek at your budget, either at home, at work, whatever works for you, whatever you want to work on, and you're going to let those emotions just rise up to the surface. Let them vibrate through your body and sit with them.

Being able to allow the discomfort of money is going to allow you to build a more honest and open relationship with your money and your debt. And next week, we are going to talk more about how to create a money manifesto, which is basically just a statement based – it's a summary statement of your money philosophy and how you want to think and feel about money. It's going to be super fun.

Love it, you guys, have an amazing week, and if you have any questions, please feel free to reach out at angelakellycoaching@gmail.com. I would love to hear from you and get you started on figuring out your money blocks and your money belief systems. Alright, have a great week, I'll see you next week, take care, bye-bye.

Thanks for listening to this episode of *The Empowered Principal Podcast*. If you enjoyed this episode and want to learn more, please visit www.angelakellycoaching.com where you can sign up for weekly updates

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and learn more about the tools that will help you become an emotionally fit school leader.