

What's the point: How financial coaching helped empower me to reach my financial goals. My money management journey.

On June 23, 2004 I was walking out from a local food bank, with two plastic bags filled with bread and potatoes.

A man approached me right by the food bank on the Corner of 8th and Cherry. I thought he wanted money, and I said I don't have any. He handed me a tightly folded piece of paper and said "it will get better, believe me."

I took it, put it in my pocket and with sad, frowned face, walked slowly to the 400 sq feet studio I rented on Capitol Hill. Suddenly it hit me: is THIS IT?? Am I going to STAY HERE for the rest of my life with neighbors in similar units?? I reached for the piece of paper in my pocket. It was a \$20 bill! Not thinking much, I went to Starbucks and bought a muffin and a cup of coffee. I don't remember what I did with the rest of the money.

Every day I woke up with the realization that I was poor and there was no relief in sight. I was in America and the sidewalks weren't paved with gold. What was supposed to be my American Dream became my American Nightmare: with a part-time job as an office clerk, I could barely afford paying rent and there was no money left for much else. When on the rare occasion I would go to the movies, I'd pay for one and see two additional movies for the same price.

A few miserable weeks passed. I received an envelope in the mail with a flyer asking if I'd be interested in meeting with a financial mentor, for free, on a monthly basis. This is the program CENTS is developing.

It sounded too good to be true. I was overcome with suspicion and disbelief.

Then I thought I have nothing to lose: it won't hurt to just check it out so I called that very night and in a few days met with Renee Taylor of Pacific Associates, at the Rainier WorkSource office. We talked for about an hour.

"What are your financial goals – she asked. "Me? Financial goals?? I have none. I don't know that I can have any. I can barely make ends meet. Oh, I applied for a car through the Working Wheels, but I don't think I will get it." This meeting changed my life.

"I work through Working Wheels as well. They sent out the flyer" Renee said. This put my mind at ease. They aren't after my money. I did not have ANY savings anyway.

You see, my financial debt began back home in Poland. I didn't learn from my parents how to save, and I did not have any money to save in the first place. There was never enough of it. I did not get an allowance for the chores I did. I stole money from my father's wallet when he was asleep. There weren't any conversations about money at the dinner table, period. And I did not think I was worthy enough to save money for myself in the first place.

Is it any wonder that I did not believe I can save even as little as 10 dollars a month? For me? For my future? For my dreams? What were my dreams? Where did they go? I wanted to go to Australia, to see the Opera House in Sydney. I lost my dreams. They became obscure.

But my financial mentor encouraged me to write down what I spent money on. I said, “no way!” She said, try it for a couple of weeks and see what happens.

Again, I thought: what do I have to lose? So I got a small notebook for a dollar at a local drugstore, and wrote down every penny I spent.

Remember that muffin and a cup of coffee I bought at Starbucks? It added to 5 dollars. I bought a lipstick for 7 dollars. Then I realized I can't afford it, I returned it, and bought one for two dollars. Such things ate my disposable income fast! The money leaks were obvious. Since it was my money, I had a choice what I did with it: spend or save for a bigger goal. I needed a car, but I could not afford one straight from the assembly line. The Working Wheels program worked and I have a car, a 1995 Ford Escort to this day. It runs great.

A journey of a thousand miles begins with a single step. So, to get to the end of the first leg of my journey faster, I run on my lunch hour from work to a local public library where I met with my financial mentor. She punched those numbers on a calculator until I was comfortable doing it myself. The first several monthly sheets of My Spending Plan were covered with pencil erasing, and pencil smudges.

We came up with a MAP – My Action Plan: how much did I need to save and for what.

I wanted to build wealth. How do I do that? How do others do that? Not only that I read all the books I could put my fingers on, like Suzy Orman, but what was crucial was meeting with my financial mentor on a monthly basis.

The first step to wealth was to learn to save - on a regular basis. A faint thought, barely there, yet over time it grew stronger, until I could not ignore it: I wanted to have my own place. I wrote about it, on loose pieces of paper. That helped clarify my goals. The thought of my own place was motivation enough to save \$10 a month. I had to do it if I wanted to stay in the game of the United Way of King County's Individual Development Account. My savings were to be matched 3:1 if I kept saving up for the down payment. The catch was to save every month. If I missed one month, I was out of the game. I remember running to the bank to put the money into the IDA account. The time was 4:59pm on May 31st, 2005.

A part-time job turned into two jobs. In 2006 it became a full-time job. Suddenly I had all this income from a full-time job! I was rich! With that paycheck I could spend money freely: lunches, coffee, expensive cosmetics! Pretty soon I was in credit card debt. I turned to my financial mentor again. She said: “just stop spending money right now. Don't worry that you slipped.” Yes, I was human alright. With the MAP plan, I paid off the credit card in three months. And what else did I do? I put the card in a container of water and froze it.

I also opened an account at a credit union, without checks, without an ATM card, and I transferred most of my paychecks from the primary bank over there, bi-monthly. Anything to make my life more difficult, right? If I wanted to get money, I had to go to the credit union, get a check (they don't carry cash), and cash it. That was too much trouble. So I left the money there and it grew, with interest.

I kept a journal about money and my relationship to it. There I realized that I was afraid of money because I did not know how to manage it. Yet, over time, in a gentle process of one-on-one coaching, and meeting with an understanding human being who treated me with dignity and respect, I came to the conclusion that I too can realize my American Dream.

On October 1st, 2007 I got the keys to my very first, very own condominium where I live today.

And today, despite the faltering economy, I am still employed, I am able to pay my bills and save every month for the rainy day. I have saved four months worth of living expenses.

You may wonder: how did I become a financial success? Getting a good job was definitely part of it, but learning how to manage my money was equally as important. The investment of two years of one-on-one coaching HAS AND IS paying off. I still keep my money spending log because in that way I am not at a loss as to where my money went.

Today, I contribute to that food bank on 8th and Cherry. That's the least I can do.

Today, I have new dreams: Working with CENTS, where I am developing a financial coaching clinic similar to the one I went through, except this time I'll coach. I also want to share my story through public speaking and writing a book.

Thank you very much.

Rozalia, Financial Coach