

## 75: The Truth About Debt



### Full Episode Transcript

With Your Host

**Bonnie Koo, MD**

## 75: The Truth About Debt

Welcome to *The Wealthy Mom MD Podcast*, a podcast for women physicians who want to learn how to live a wealthy life. In this podcast you will learn how to make money work for you, how you can have more of it and learn the tools to empower you to live a life on purpose. Get ready to up-level your money and your life. I'm your host, Dr. Bonnie Koo.

Welcome to Episode 75. So, lately I've been recommending this podcast episode from my business coach where she talks about debt. Specifically how she thinks about that. So the episode is called Thoughts About Debt, and we'll link it in the show notes and you should definitely listen to it.

But since I've been recommending it so much, I thought I would do an episode on it to discuss the key points and relate it to you. Mainly because she's a business coach specifically for life coaches. And I know most of you aren't building life coaching businesses. But I definitely recommend you listen to it because there are so many amazing nuggets of information in that episode.

And so what really struck me is how logical she thinks about money. And that really is the key to mastering money. Because when emotions are high around money, like it is for most people, you may have heard me say that when emotions are high, intelligence is low. And so many of us have negative emotions, strong emotions around money because how we grew up and how we were socialized around money.

And so, for many of us, it's really hard to think about money from a neutral place. And so one of the skills that we all need to learn is how to separate our emotions from money. And this is exactly the work we do inside my program, Money For Women Physicians, because this work is so important. Because so many of us tie things like our self-worth, our status to ourselves and to other people, meaning how other people see us or how we see ourselves, to money.

And because of that we can't look at money logically or from a neutral place. And so one of the things I teach my students inside of Money For

## 75: The Truth About Debt

Women Physicians is that money is a tool. And that money comes from value. And since money is a tool, it's simply a way to exchange it for a value that we want. And debt is simply money that you bought.

And I've talked about this in previous episodes. But it warrants bringing it up again, because I think debt is probably one of the biggest things many of my clients struggle with. And since debt is simply money that you buy or bought, sometimes we want the value of whatever it is so much that you're willing to buy money to get it. That's really what debt is, that's it.

And so I hope you can see how neutral debt and money truly is. Because for many of us, including myself, it isn't neutral. We're taught to fear debt. Society tells us debt is bad, and that having it is bad, and that we should get rid of it as much as possible.

And so going back to the concept that money is a tool and we use money to buy or exchange for value that we want. And so that's what most of us did to pay for medical school, right? We wanted to be a doctor so badly that we were willing to buy the money to do so, AKA take out loans.

Another thing I want to say about debt is many of us look at our student loan balance in terms of the face value, like this is the money that we owe. What comes up for you when you think of your student loan balance, if you have any?

I'm guessing you're not having positive thoughts or positive feelings. Because so many of us are looking at the debt as what we owe. And because of what society has taught us we think it's bad or that it's stressing us out or whatever else you're telling yourself. Versus looking at that balance, at what it made possible for you to do.

It made it possible for you to become a doctor, to see patients, to help them, and to make a great living forever, until you retire. So let's do some simple math here. I'll probably mess this up, but stay with me. So let's say you have \$300,000 in loans for your training. And when you finish residency, your starting salary is \$250,000.

## 75: The Truth About Debt

And let's say you do this for 10 years. And let's just pretend that you're not getting any raises. Because most of us don't get raises, like most other jobs. Let's just say the salary stays stagnant for 10 years. And so if you're making 250K a year, that's \$2.5 million over 10 years for a \$300,000 investment.

Now, like I said, I'm not great at math, but it seems pretty clear to me that it's worth the 300K that you put in, to get \$2.5 million after 10 years. And that's just assuming nothing changes, that you're not doing anything else with your medical degree.

Of course, only you can decide whether it was worth it for you. But I think if you look at the numbers or money logically like I just presented to you, like whatever your student loan balance is and the return you're going to get in terms of the money that might change how you look at your debt, right? Because so many of us focus on what things cost at face value rather than focusing on the long term view on it.

One of the best things I like to ask myself is what does it cost to not spend the money? Such a great question to ask. Very few of us ask that question. We're simply looking at the price of something, and just look at the price for what it is and look at the amount of money as leaving our account.

In fact, I have an example. I was texting with a friend of mine and she was considering investing in something and she said, "But I'm really cheap and so I don't know if I can do that." And, of course, I questioned like, "Do you want to keep being cheap? Is that something you keep wanting to do?" That's a separate conversation.

But what I did ask her is, or rather mentioned is that she was focusing on the price of what she wanted to spend on versus looking at what is the cost to not spend that money. Because she was looking to make a change.

And so I simply asked her, "If you keep doing what you're doing, you know what that result is because you're living that result now." So I almost said,

## 75: The Truth About Debt

“What do you have to lose to spend that money? And what could be possible if you spend that money.”

And so I kind of want to leave you with that in terms of looking at how you spend money, looking at any debt that you may have. If debt is stressing you out, I definitely recommend going back and listening to all of my podcast episodes on debt, I have quite a few. On your podcast app, just search for debt and you'll see a few pop up.

Can you start looking at debt from a more neutral place where you just think about it logically? Like this is the amount of money took out in loans, and this is the return I'm going to get.

And also if you have credit card debt, I almost think credit card debt, well, it is more villainized than student loan debt, right? People call things like student loans or mortgages “good debt” and credit card debt is definitely bad because it's always a result of overspending. Although not necessarily, right?

And so even if you have credit card debt, and you're probably not feeling great about it, look back to what you spent your money on. Maybe it was, I don't know, a vacation for your family. And so you have to decide, was it worth buying the money for what you paid for? That's really it, it doesn't matter what someone else says, only you can answer that question.

Okay, I love you guys. I will talk to you next week.

Hey, if you're ready to create wealth I want to invite you to join my program, Money For Women Physicians. You'll join a community of like-minded women physicians who are committed to creating wealth. Just head over to [wealthymommd.com/money](http://wealthymommd.com/money) to learn more.