My Money Story

'I've Suffered from Financial Anxiety Since the Age of 17. And Then I Finally Did Something About It'

Listen in as *Millie*'s assistant editor, **Rudine Manning,** shares her money worries with a couple of ace financial experts—and finds her path to financial wellness.

Illustrations by JENNY KROIK

I FIRST LEARNED WHAT it meant to be financially independent when my mother passed away the summer before my freshman year of college. On paper, she was my sole source of income, and in order to get the financial aid I needed, I had to declare myself an independent student on my FAFSA form. Anyone who has ever had to fill out a FAFSA might not want to revisit that headache, but simply put, it involves reporting all of your financial information. As a 17-year-old with no plans to return to her summer job at the zoo that year, my FAFSA was all zeros and I was able to secure the loans I needed. I started a new job as soon as I got to campus that fall and have been on my own financially ever since. And that's about the same time the anxiety set in.

Financial anxiety is when people have intense feelings of fear, worry or unease about their finances—often to the point where it has a detrimental effect on their life, relationships and physical and mental health. In 2019, Fidelity reported that 85% of women are stressed out about their finances. And for Black women like me, research has shown that financial hardship or distress is one of the most important underlying factors for depression. Black women in the workforce remain underpaid—we make about 21% less than white women—and we are burdened by financial stressors at a rate higher than our peers. And it's not only that we're making less, but also that layoffs disproportionately affect us. It is no wonder, then, that money and money security feel provisional and keep me up at night.

Confession: I almost always order the takeout!

I'm now 31, live alone and have a full-time job, but my financial anxiety is still a huge force in my life, driving almost every money decision I make—from the insignificant things like whether or not to order takeout to the consequential, big-life stuff like whether I should keep paying for my health insurance. I know that in an emergency, my father and siblings would help out. But for a working-class family with no generational wealth to speak of, that support is limited. All of my expenses—rent and utilities, groceries, insurance, cellphone bills and the student loans I have yet to pay back—are 100% my responsibility. Even thinking about taking a vacation can be paralyzing, and I constantly check my mobile banking app to confirm that my savings are still there.

Am I living responsibly? Or letting my financial anxiety take over my life? I know that there's probably a healthier approach to how I deal with and think about money—and I am ready to find it.

▲ *Oh, you've never been in an anxiety tornado before? Welcome!*

My Conversation

With a Financial Advisor

MY TWO BIGGEST money worries are my student loans and my savings—specifically for retirement. Fortunately, over the past five years my annual salary has only gone up, but my savings account has stayed relatively stagnant. And that terrifies me. When you suffer from anxiety, you're always thinking ahead, and in the case of a medical emergency or sudden loss of income, future me is pretty screwed. I feel like I've done all I can do—cycled through all the budgeting apps, set up automated transfers to my savings account and even hidden cash from myself in my underwear drawer—but it's still not enough.

As for my student loans? Oh right, you mean that massive amount of debt I've been completely avoiding. I can basically afford to pay only the bare minimum—so it's daunting to think about just how long it'll take me to pay off the full sum. But, alas, I know that the longer I defer repayment, the longer I'll be burdened by it, so I decided to bring in a professional. Enter New York City-based financial advisor Francesca Lagrotteria.

Expert financial advice has always felt out of reach for me (and I assume many of you feel the same way). Paying someone to help me figure out the money I don't have? Seems silly. So it was a relief to learn that Lagrotteria has clients of all ages and that my moderate income and meager savings wouldn't disqualify me from receiving this kind of assistance. Our consultation lasted about an hour and we started with my financial past and current expenses and then dove into my pain points.

RUDINE: I should have started paying down student loans seven years ago when I finished grad school. I owe $120,000 and I feel like I've lost so much time. Is it still possible for me to make a meaningful dent in my loans and pay them off before I'm 70?

LAGROTTERIA: Student loan debt can be overwhelming, especially at that number. That is a huge amount. It's kind of like a dirty room. You just stare at it and don't know where to start. But at the end of the day, if you want that room clean, you have to just get started. Whether it's relationships, finances, asking for a raise or anything that gives us anxiety, truly facing it is going to be your first step.

RUDINE: I hear that, but I'm having trouble gravitating away from this all or nothing approach I've adopted, which I know doesn't work in the long term. The idea of only paying $200 a month, for example—when I should probably be paying closer to $1,200—feels like a waste. If this number doesn't go down in a significant way, it will drive me insane. But I guess what you're saying is, that something is better than nothing at all.

LAGROTTERIA: Yes, and I know it sucks. But it's also important to acknowledge that you didn't use that $120,000 to go on a spending spree or jet across Europe. You went to college and grad school and invested in yourself—and that's incredible and honorable. You hear the word "debt" and automatically think it's some kind of monster, but sometimes debt is good. But the longer you push it off, the more problems you'll have down the line. If you have children, that's going to be an additional expense. If you want to get a mortgage to buy a house or want to start a small business, that student loan debt is going to be up against you.

▲ *Tackling student loan debt is like cleaning a dirty room: You just have to start. How bad could it be?*

Advice from

FINANCIAL ADVISOR

FRANCESCA LAGROTTERIA

Set your goals. In my personal experience, women and men are often looking for very different things. Men say, "Here is my return, I think I could be doing better," while women typically say, "I don't want to be homeless. Ever. I want to make sure that I'm taken care of for the rest of my life." You need to define your goals. What is your relationship with money and what do you want it to do for you?

Get started. You should always start with budgeting and make a plan from there. What is your income? Do you get bonuses? Will you eventually get a pension? What are your fixed expenses? And since life needs to have balance, what are your "fun" expenses, too? Do a quick review every month, and then at least once a year you should reevaluate to make sure you're still on budget. When people in their 20s to 60s meet with me for the first time, I say: "Your income is $90,000, your expenses are $30,000, so where is the rest of your money?" Usually, they have no idea.

Ask for help. More than anything, it's crucial to make sure your certified financial planner is a fiduciary, which means that they're legally working in your best interest. You shouldn't be paying 2%, 3% or 4% of your portfolio for financial advice. Shop around, ask what the fee is. You don't need to buy the Gucci bag of financial advice when you can just buy a nice bag that gets the job done.

Francesca Lagrotteria

RUDINE: I feel like I have a choice to make because I'm not currently contributing to a 401(k) and don't think I'm in a position to do that and pay off my loans. But I'm going to be 32 this year and am worried that I don't have enough of a retirement savings. So I'm at this crossroads: Do I contribute to my 401(k) or pay my student loan debt?

LAGROTTERIA: First, take a look at your interest payments on your student loans. If it's high, start paying it down. If it's below 7%, you're probably making more money on the market in the long term, so you should make contributing to your 401(k) the priority, while still slowly paying down your debt on the side. I started with contributing just $25 a month to my 401(k), and that little bit can go a long way.

RUDINE: But is this still a good time to be contributing with the economy and the market the way it is?

LAGROTTERIA: Yes. It is a crucial time. When the market is volatile, that volatility is great for a long-term investor.

By saying goodbye to miscellaneous spending on Ubers and Seamless and Subscriptions :(

My chat with Lagrotteria confirmed what I already kind of knew: I need to confront my student loan debt. But it was important for me to hear that there is still time for me to turn my finances around, and to get some practical steps for how to do it. Hearing about the potential consequences of delaying my payments pushed me to learn my interest rate (I'm embarrassed to say that I never read that fine print) and reconfigure my budget to fit in a monthly payment. Because of the pandemic my student loan payments are currently paused. But that hold expires soon, and when it does, I'll be ready. I'm still wary about contributing to a 401(k) right now—I'm convinced that that money is best spent toward my monthly expenses—but I rarely disregard the advice of someone who is certified to give it.

My financial therapy session with Nashira Lynton was virtual, but a girl can dream right?

My Conversation

With a Financial Therapist

I've even tried meditation apps, but typically just end up "doomscrolling" on the internet instead while a man and his soothing British accent guides me through breathing exercises in the background.

GROWING UP, MONEY was always a stressor in my household, so my relationship with it is still pretty strained. My general anxiety—and the role money plays in perpetuating it—is something I already talk to my therapist about, but I wanted to know what a financial therapist could do for me. As I set out to find one though, I realized that financial therapy might not be the best route for me. Financial therapists typically specialize in compulsive spending, bankruptcy and poverty—things that don't apply to me. But when I met with certified financial counselor Nashira Lynton, I felt that, figuratively, I had come to the right place.

LYNTON: About 70% of my clients are professional women who are struggling with achieving their financial goals, so you're definitely not alone in that regard. You used the word "panic" when telling me how you feel about money and financial obligations. Can you give me some more details about what that typically looks like or feels like?

Whoa! um

Yep. that's definitely me.

I can be fun, I swear!

RUDINE: The anxiety manifests itself physically in my body. It can feel like anything from an actual panic attack to jitters to the bottom of my stomach falling out. It happens most often when I get a large bill for something or an updated statement for my student loans. But really any time I have to spend money.

LYNTON: How long have you felt this way?

RUDINE: Since I was 17. So, for a very long time now.

LYNTON: Picture one of those bills and the accompanying stress. Are you thinking about it from the perspective of that 17-year-old girl or as a 31-year-old with more money experience and a job?

RUDINE: In a lot of ways, I still feel like I'm that 17-year-old girl. When my mother died, the rug was pulled out from under me, so I'm always preparing for sudden loss. I never think about money as something I can use for fun.

LYNTON: What would it feel like if you didn't have to save for an emergency? What would fun look like?

RUDINE: Well, the first thing that comes to mind is: "Buy property, so you don't have to worry about paying rent anymore." But that's not fun. I'm just always chasing the kind of security that comes with being financially prepared.

LYNTON: Have you ever tried to define what that security would actually look like? And maybe giving it a name and value? When I was going through my own financial journey, people told me to put away at least $1,000 in an emergency fund. But being a single mom of two in New York City, $1,000 didn't sit well with me. So, I sat back and started to think about what number would make me feel secure. I settled on $10,000 and then got to work. Defining what "security" means to you can help make it seem more achievable.

RUDINE: I just have no idea what number would make me feel secure. I recently started a high-yield savings account and now have two months' worth of rent saved, which is the most I've had saved in a few years. I thought that'd make me feel secure, but I always want more.

LYNTON: What changed and made you start a high-yield savings account?

RUDINE: Growing up, I saw the extreme stress money caused my parents. I thought having a high-yield savings account would make me feel a little bit better about my future. But I still view money as this very bad thing—even though I'm making more than my parents ever did. How can I move away from this way of thinking?

LYNTON: Ask yourself what matters most to you. Because one of the things I'm hearing a lot from you is what we in the financial therapy world call "financial flashpoints." Or what I like to call "unfinished business." We have memories of people who played important roles in our lives—and memories of their financial behaviors that we end up adopting. So sit down and write out your money story, including some of your accomplishments and how you feel about them. Then figure out what you want to achieve next.

~~$3,000~~
~~$5,000~~
~~$10,000~~
$1,000,000

Like seriously though →

I like where this is going – exotic island, feet in the sand, ice cold margaritas, and oiled-up six packs at my... uh ... sorry... what were you saying?

← "Once upon a time I had no money and was freaking out. Now I still have no money..." this story will be a best seller, I can feel it.

RUDINE: That's hard because I've only ever seen money as survival. I haven't yet gotten to a place where I feel like, "OK, I've survived, now I can use money to help me flourish."

LYNTON: You need to identify what money can do for you besides just helping you survive.

RUDINE: When I think about my savings account and why I started it, I never think about the positive things I can do with that money. I only think about being laid off or some other emergency. I'm laser focused on never being unprepared for something and I know that stops me from living a fuller life. I notoriously do not take vacations because they feel frivolous, but I know I need a vacation. How do I find a balance between saving for the future and spending money on something fun?

LYNTON: Ask yourself, "what if I prepared for the fun?" Start by planning out a trip or planning whatever that fun event or thing might be. Once you start to save for it, it's no longer frivolous. You planned it and prepared for it and now you're going to reward yourself with it.

After my conversation with Lynton, I definitely had some homework to do. To say my session was eye-opening is an understatement. It is not often that I sit with my feelings in an attempt to resolve them, especially when it comes to money. Setting some time aside to define what financial security means to me was new territory. Because this was only my first session, my anxieties didn't just disappear. But I know now that I'm not in a completely hopeless situation, and that if I take these steps to address my financial anxiety both practically and emotionally, I will eventually overcome it. Ⓜ

yay me!

RUDINE MANNING *is* Millie*'s assistant editor. She's a born and raised New Yorker, a* Frasier *enthusiast and a true crime fan.*

Advice from

CERTIFIED FINANCIAL COUNSELOR

NASHIRA LYNTON

Nashira Lynton

When should you seek financial counseling?
People typically come to me after they've explored all the other options—they've read the books, read the blogs, tried the apps—and haven't seen any progress. So, they're ready to try something new. By the time people do come to me, they are experiencing financial anxiety and often some form of early depression.

How do you diagnose financial anxiety?
In an initial call, I'll ask personal questions to get to know you, but without touching on numbers. I don't ask your net worth; I don't ask about your budget. Instead of focusing on numbers for the first couple of meetings, I do value-based assessments. I also do a financial genogram, which touches on financial flashpoints and what money was like for you growing up—because some of those memories are relevant to your behaviors today.

What's one of the most challenging questions for your clients to answer?
What do you believe about money? How do you feel about it? If the answer is stress or worry, I challenge that thought.