



# The Australian Finance Podcast Episode Transcript

**Episode:** Patti's Story: Moving countries & paying off \$150k in student loans

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**Speakers:** Kate Campbell & Patti

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## Episode transcript:

Kate:

Patti, welcome to the Australian Finance Podcast.

Patti:

Thanks Kate. I'm excited to be here this morning, or today.

Kate:

It's been a while since we've done a listener story episode. So I'm really excited to chat to you a little bit more to share some of your journey, because I think you've got a lot of things to share and you've learnt many lessons, money and life related, along the way that hopefully, like some people in our audience, will either get something from or learn a few bits, tips and tricks from you from the things you've experienced. So maybe just to kick things off, are you able to tell us a little bit about you?

Patti:

Yeah, for sure. So I'm Patti, I am 35. I currently live in Brisvegas. I came to Australia as an international student about 15 years ago. I'm a mom, and I work in tech.

Kate:

Wow. Very exciting. And I'm looking forward to sharing a little bit more about your journey. And I think maybe just to kick things off, how is that journey coming to Australia as an international student? Because I know we've spoken to an international student for our listener story before and it seemed like it was a very challenging transition.

Patti:

Yeah, it was. I came here probably early 2000s and I came over to do a bachelor of commerce in finance. Coming from Papua New Guinea, it was a bit of a struggle if I'm honest, because of not having family in Australia, having to stand on my own two feet. And then also the weight of the loan that my parents decided to get to support me in Australia. The whole experience was immense. And I guess it's kind of led me into that frugal lifestyle, which goes hand in hand with this whole FIRE journey that I'm on.

Kate:

And I know when you mentioned the size of the loan, it was quite significant. And I mean, most of us have had not had to experience paying off that kind of debt or we've had the opportunity to use help in Australia. And so how did you go about even coming to terms with the loan and what steps did you go into paying it back?

Patti:

So it was about 150K, and the steps, I guess ... Well, to be honest, I was 18 and I was so scared to have-

Kate:

That's a lot of debt at 18.

Patti:

Yeah. And I just kind of went into this dark hole for a little bit and thought, "Oh my gosh, how am I going to get out of this?" But I quickly came to terms and I saw the possibilities of living in Australia and seeking casual jobs. So I had about two or three casual jobs, waitressing, working at a bar, also dog walking. And they don't sound like lucrative jobs, but when you are working at them at whatever hours you can possibly get in between classes, you can quickly save up.

Patti:

I guess my first thing was getting several jobs. So increasing my income streams and then just trying to limit expenses. So that would be the second thing that I looked at was living closer to campus or jobs or living in shared accommodation. So at one point I was living with about eight people. You just can't-

Kate:

Wow. Multiple people in one bedroom?

Patti:

No. So it was a four bedroom house. So like couples, plus sharing with a friend, having your own bed, single bed in a room, in a master room, because this is what you got to do. You got to hustle when you're in uni. And so I did that and I kept my costs really low by like sharing meals with a friend. So we'd cook together and cook big meals. And then I lived on two-minute noodles and rode my bike everywhere. So just two main things was just increasing my income stream and then trying to limit my expenses, so my outgoing.

Kate:

And this was all while you're still at uni and studying?

Patti:

Yeah. So still at uni. So my course was about four years. And so when I finished, I then accelerated my savings to pay off the loan. My parents took out the loan, so it was in their name, but I felt like ... not the obligation, but the responsibility to really give back to them and ensure that I wasn't being a burden on them, which is one of the biggest drivers for me.

Kate:

Because I can imagine there's a lot of emotional things tied up when the loan's taken out in someone else's name, but you are trying to pay them back as quickly as possible. It would've been quite challenging to balance, do I go out this weekend? Oh, but I've also got to pay back this debt. How did you balance that?

Patti:

100%. And I'm living by myself for the first time in my life in a big city like Sydney and I'm thinking, "Why am I not doing what every other 20-something does and go out on a weekend or enjoy my 20s or my early 20s?" It was a struggle. But I think one of the benefits of living in a shared home and living with other students is you learn how to be frugal and have fun.

Patti:

So there were a lot of times where we would have parties at the house that we were living in and just trying to make the most out of it. So we'd have themed parties, we'd have themed cookouts and ... because we all knew we were broke. We were broke-ass students. We're like, we got to do what we got to do. So, that's how we tried to build that community around ourselves to support each other.

Kate:

And once you finish uni and went on to getting your first job, was it at that point you could really accelerate paying off the debt?

Patti:

100%. So, once I could actually have a great income from a graduate position ... I actually still kept the couple of the casual jobs, like dog walking and working at a café, because that just helped accumulate that process of paying off that debt. And it also helped me to keep within that frugal mindset of increase the income, but also keep limiting the expenses.

Patti:

So I still lived at the shared accommodation. With a graduate position, I could have gone out and maybe lived with one other person instead of eight. But I was just a woman on a mission to get this loan down so I can feel like the weight had lifted off of me.

Kate:

Wow. How long did it take you in the end to pay it off?

Patti:

Almost six and a half years. So I started-

Kate:

That's a lot of time.

Patti:

A lot of time. That was my early 20s, just paying off the loan.

Kate:

Wow. That sounds quite challenging. And I imagine, as you mentioned, many sacrifices along the way. What was the feeling like when you finally made that last payment on that debt?

Patti:

Kate, I had a party. I literally, I said to my friends that were there through it all, I'm like, "Look, I don't have a lot of money now, but now that I don't have a debt, let's have a party. Shots. I'm paying for drinks." And I know it seems a bit cheesy, but it was just such relief at such a young age to just have that burden. Now, obviously, with hindsight being in my mid-30s, I look at that moment and I think, "Wow, you really did achieve something enormous." Which then kind of shaped my whole journey with finance, I guess.

Kate:

Because I guess just coming over at 18 and taking on such a massive debt and then spending maybe close to a decade paying it off, that is a huge chunk of your life set on one goal. So I can imagine you would've been very elated to finally clear that off and start afresh.

Patti:

Yeah, I was. And just for me, it solidified why I wanted to stay in Australia and why I wanted to continue working as hard as I was, because I thought, "Well, if I can do this, then home ownership is not that far from me." And financial independence is probably within that shorter grasp, as opposed to being something in your 60s or in your 70s.

Kate:

And after you finished paying off that debt and you had the party, where did you go to from there? Were you suddenly just having disposable income for the first time in your life and actually enjoying it or did you set a new goal straight away?

Patti:

I set a new goal straight away. I wanted to buy a property. I wanted to get into the market. My father was adamant that with this extra income now, he's like, "Live frivolously. You've got to keep going. Now that you have that mindset, just be persistent with that." And I thought, "Yeah. I mean, why not? If I can live below my means, I can keep going with that." So I bought a property in Melbourne and I bought way below my borrowing capacity. Because the idea of going into debt again-

Kate:

Again.

Patti:

... I'm not going to lie-

Kate:

And much bigger debt this time.

Patti:

I just felt like, "Oh, I just took the chains off. It's going to come back on." I'm not going to lie, that was really my feeling. I know because some people, it's like some people, they can be risk ... their risk profiles change when they've experienced large debt. I always sat in that happy, for me, it was a happy medium where I knew that I could stretch myself, but I never wanted to stretch myself too far, because I always had that kind of voice in my head. That's like, just have money enough for a rainy day, which is why I'm so big on sinking funds or ensuring you have a healthy emergency fund. So long story short, I bought a property and then I decided to just be a bit risky in my career and change career path. [crosstalk 00:11:37]-

Kate:

So you took the risk somewhere.

Patti:

Yeah. Somewhere else.

Kate:

And so now you've got a significant debt again, well, probably the similar size or a little bit more than you had before?

Patti:

A little bit more, definitely. Properties in Melbourne were affordable back then, but obviously not compared to what you'd pay now. So it was quite large, but I had a really great role, a really great job to service that. So I felt quite comfortable with it.

Kate:

How are you dealing with the challenge of having debt again and paying it off? Are you just paying the minimum amount each month or do you have any sort of strategies around that?

Patti:

Yeah. So I didn't realise this until, I guess, now being part of the FIRE community that I always, always lived below my means. So any extra income that I had, I would put towards my home loan. So back then my first property, I had an offset account and I put a large chunk of my ... well, I think I put nearly all my savings into that to lower my interest rates because it was my primary place of residence.

Patti:

Obviously, now that it's not my primary place of residence, it's an investment property. That whole layer is now removed. But when I was living in the property, I would put a lot of my savings in the offset to reduce my interest repayments. And then I also put extra per week. So I went from paying monthly to weekly. I just thought it worked for me because I really wanted to keep that whole weekly repayment as if I was still renting. So just kept that whole mentality going. So paying it weekly also reduced my loan considerably and then having that offset. So when I came to buy my second property last year, I had equity within that Melbourne property to borrow ... to purchase my second place.

Kate:

So from what I'm hearing, you kind of kept living like you were still that uni student days when you were paying back the debt. So you could keep maximising what you were doing now with the property. Because I know a lot of us get sucked into that lifestyle creep trap and as income increases, so do our needs and desires and it can become very challenging to actually get ahead if you fall into that.

Patti:

Oh, for sure. And if I'm being transparent, there was maybe a year where that lifestyle creep did come up and I was buying clothes and going to expensive dinners and lunches. And it really took a toll on me because when I did my analysis post that six months or whatever, I thought, "Oh, you're an idiot. You spent so much money on unnecessary things." And so I kind of reigned myself back in.

Kate:

I think it's good sometimes to have those experiences to know what you actually value and what you do want to spend money on. I mean, when I got my first full-time job, I did go a bit crazy for that six months. And then I realised, "Hey, I can't even remember what I spent the money on." It

didn't necessarily bring me any joy. It wasn't an experience. It was just a lot of things around the room somewhere.

Patti:

Same, same. So you do go through those ebbs and flows. I know I did say to myself when I got that second loan that I wanted to prioritise enjoying my early 20s or my mid-20s at that time with more holidays for experiences, because I wanted to value more experiences than things.

Patti:

So then that gave me a goal because I loved setting myself monthly goals. And I think that really stemmed back to having that large student debt where I knew that I just had to get to that next month or get to that next repayment. And that internal drive is just, is very much instilled within me and is still very much alive. It's how I kind of do my personal finance.

Kate:

And breaking it down, I know you often break down your career goals each month and your financial goals. And I know you did that on your Instagram page, but that's a really good way to do it because a lot of the financial milestones we set for ourselves can seem really huge unless we break it down to a monthly or fortnightly or even a weekly plan. And how are we going to tick this off each time?

Patti:

Oh, 100%. And I think it takes away that whole ... that daunting feeling of, oh, I've set myself this massive goal, but if I'm breaking it down to smaller bite-size chunks. I feel like this is more achievable. It allows you to have those small wins. I'm big on small wins. Yay. I saved 50 bucks on my car insurance. Winning.

Kate:

Did you have any friends or family that were able to support why you were going through this process of paying off debt and then saving up for your first deposit and all of that? Because I'm sure it can be quite lonely doing all of this when potentially your friends are not having to do all of this.

Patti:

Yeah. It was probably my biggest struggle. The friends that I made outside of that shared home were children that were living at home, or ... Sorry, not children, adults that were living at home

Kate:

Teen, 18, 19 year olds.

Patti:

19, like children. So, I don't know. I resonated more with the other international students that came to Australia with similar backgrounds as myself. And so I found support in them that way

because we were all doing it together. It was funny for me, I always thought that this whole frugal mindset and this lifestyle was something that wasn't practised broadly until I found FIRE.

Patti:

So in hindsight, I'm like, I wish FIRE was well-known when I was in my 20s, because then I see 20 year olds on the FIRE community and they're just kicking goals and I'm like, "That's amazing. I love that. I love that." And they have this amazing community that are supporting them, as much support as you can get on social media. But you feel that. And I didn't have that, really. I had one or two friends in my circle that were international students that are experiencing the same thing. But other than that, I had books and things that I would search online to kind of motivate myself. But there wasn't a large community or people to reflect upon.

Kate:

That must have been tough. And did you find anything that worked when things came up with uni or people were inviting you out to different activities, and how did you sort of have those conversations? Just like, I can't really right now because this is my priority. Did you actually talk publicly about it or did you frame it in a different way?

Patti:

Look, I'll be honest. I was really ashamed because you're there, you are studying with your friends and these are your peers and you ... I think conversations around finance, personal finance now are more open and more transparent. Whereas, back then, this is 15 years ago, and imagine myself as an international student coming into Australia, trying to just make friends and be accepted into the community or into society, and also being a woman of colour, you don't talk about money. It's very much a cultural nuance where you just, you don't say anything about it.

Patti:

I also understood the privilege that I had of being able to afford to come to a Western country to study, but it was difficult. But I think having a really great family and parents that believed in me helped a lot. I mean, they have their own ways of doing things, but my ... just looking back at them and them being my biggest supporters allowed me to just keep focused and go ahead. And then within those circle of friends, we all, we would take turns. We would just say, "Oh no, we're all working," or, "We're all studying." We used studying a lot as an excuse, but I was like, whatever, I don't have money. I don't know how many different ways I'm going to say I'm broke.

Kate:

I guess it's a little bit easier at uni, but sort of going into that first job, it can become quite difficult when people are going out for drinks after work and doing all these activities. I can imagine it's quite hard having those conversations about not wanting to go to a particular activity because you need to pay this off. Did you find anything that worked for dealing with that?

Patti:



Yeah. So I would say that I got really into fitness. So I'd say, "Oh no, I'm on a health regime. I'm doing yoga this afternoon." Most of the times I was doing yoga because it was a priority of mine, like healthy mind, healthy body, that kind of thing. But after a while everyone just kind of got, "Oh, she's doing something healthy. She's not going to want to come along," or vice versa. And I mean, I had to suck it up for like 18 months, almost two years. But it was the sacrifices that I knew that I had to do rather than try to keep up with the Joneses.

Kate:

I can imagine it's quite difficult to go through that, especially even young people trying to talk about when they're saving up for their first home deposit. I feel like that's a much more acceptable excuse not to be going out like, "Oh no, I can't. I have to bring my lunch in," or "I can't go out tonight because I'm saving up for my home deposit." But I'm not sure if it's ... I mean, I wish it was, but I don't know if it's as commonly talked about, like I can't go out because I'm paying off some debt.

Patti:

Oh God, no, you couldn't say it. Because they just to look at you like, "Oh, you have debt?" And for me, I remember when my best friend, my best friend who wasn't part of that international group, she was Australian born and had great parents and had a HEX. She asked me like, "How do you feel about going out to these parties when you don't have money and you have this massive debt?" And I said, "Well, I just look at it as like a short term sacrifice for a longer term gain."

Patti:

Said, "Once I pay this off and I can afford to buy my own home, missing out on these parties don't really accumulate to much because at the end of the day, I'm going to be debt free." And which was really nice to share that with her because obviously she didn't have that mindset, but I just had to stick to my guns and really kind of get motivation somewhere.

Kate:

I guess you got to find that motivation within or with whatever friends or family are in the right place to support you. And I know you also invest now in other areas outside of property. And at what point did you start going from that paying off debt mindset to thinking about actually investing in things, and maybe some of the resources you used at the beginning?

Patti:

Well, it was really word of mouth in terms of investing. It's funny because I said, I was quite risk conscious around a property loan, but then I was quite open to crypto as one of my first investments outside of property. And this would've been early 2015. I had friends in this time, in the tech industry that were mining for Bitcoin and they explained the technology and I thought to myself, "Oh, this sounds like something that I could get into, something that I'm quite interested in. I don't really need to read any further," which was in hindsight, quite stupid. Why wouldn't you want to read any further? But I relied upon my circle of friends at that time and I got into Bitcoin,

tried to understand the technology, as well as Ethereum was another ... a coin that I took interest.

Patti:

I hadn't put any money in yet. And I thought, "Look, I'll give myself six months to actually do some research," because at that time, I don't think you could really find much online about cryptocurrency that was outside the initial coin offerings. So those platforms that were advocating for early adoption for cryptocurrencies or tokens.

Patti:

And I had a best friend who is big into gaming, so he got me into it and he thought, "Well, you don't have to put a lot of money into this, but just, if you can spare a couple of thousand or a thousand, put it in. If you lose it, then you lose it. But you never know." I'm like, "This is a game to you, isn't it?" He's like, "No," but he's like, "You'll never know until you try." So I know it's not a great mentality and I don't want anyone to think this is what you're supposed to do. Research. Research, do your own research.

Patti:

And so when searching for white papers on the different types of coin offerings out there, and they would have these websites and marketing content and you'd read it. It was really about doing your own research before you could invest into these because it was just not well known out there, aside from those groups. So I did actually end up investing in a couple of coins within that initial coin offering, so quite low. And I was quite successful. But I do not, disclaimer, I don't want people to think this is how you invest in cryptocurrency.

Kate:

No, not enough to retire yet?

Patti:

No, definitely not. Gosh.

Kate:

Sometimes, I guess, you can be in the right place at the right time with the right circle around you and come across these different opportunities. And there wasn't that many resources back then, even 2015 there wasn't ... I don't know if there was any personal finance podcasts and especially in Australia, there weren't YouTube channels and websites in the array there are now. So that was quite interesting that you got in that early.

Patti:

Yeah. And as you say, Kate, it was pure luck, because I had friends that were that tech savvy, that were already mining, that were gaming. They opened the doors for me and that was an investment that I was quite happy to lose, but I was successful. Would I do it again? Probably not, because it could have gone the other way. And a lot of it has. I still invest in cryptocurrency now. I really believe in the stable coin. So your Bitcoin and your Ethereum.

Patti:

And these other tokens that added on top of that chain block ... blockchain, sorry, layer, I don't really ... I guess I don't put my money there. I like boring investing. So now, I guess, I put probably about two ... No, a year ago I started investing in the stock market and I keep it very boring and simple. And I guess that's how I found you guys, because I wanted to invest in the stock market. I wasn't very confident in it, which is very obscure, being more confident in cryptocurrency than the stock market. And I stumbled upon your podcast as my first, and obsessed with it.

Kate:

Thank you.

Patti:

And I think I churned through your first 30 or 40, I think, and I kept commenting on my Instagram, but I just loved everything you guys were putting out, because it was so, so easy to digest being a newbie. I wish I had that information back when I was investing in cryptocurrency, back in 2015, that you guys provide now, as well as the investor podcast that Owen does. I love that. I subscribe to that. I'm not that confident to go into Thematics or small caps. I'm strictly S&P, very boring, simple investing.

Kate:

And I think it just shows how different everyone's journey is. You went from paying off debt to getting a first property. Then there was some crypto, then you came to ETFs as well later on. And just everyone really follows a different path. I think sometimes people go onto Facebook forums or ask people questions and just hope they get this set plan and answer. And it really just depends on where you're starting from, because none of us start from the same point on our financial journeys and what you're interested and where you want to take it

Patti:

100%. What I found that was super helpful about your podcast was just the way that everything was broken down into chunks that I could understand. And then also all the nuances within investing like, oh, make sure you have an emergency fund, make sure you check out the tax implications. And these are things that I wish I knew when I was investing in crypto, because capital gains tax for crypto like, oh my God, that experience was not fun.

Patti:

I love that there is this financial literacy community, this big push and it's out there with podcasts, as yourselves, and also the courses that you guys offer. I jumped online when I first found you and Owen and subscribed to the courses, the free courses. And that really helped me gain that confidence, because I had more confidence in property, in crypto, rather than ETFs, which is most people will be like, "Well, ETFs are easier to understand." I'm like, "Well, you don't understand, my mindset works backwards."

Kate:

I love that there are so many different voices and resources out there nowadays. And if people want another voice and maybe want to follow along on your journey and how you set your goals each month, and I know you share a lot of resources from books to podcasts and websites that you come across, where should they head to?

Patti:

So you guys can follow me on Patti on the Money at Instagram. I love to share my tips and tricks on my ... not just my personal journey. I have a family, I'm a mother of one. So also the cost savings that we try to do across daycare, across private healthcare as a family. So just insights along there. If I can help anyone, I'm over the moon, but that's [crosstalk 00:33:20]-

Kate:

Wonderful. Well, I'll make sure to include that in the show notes and in the description. And Patti, just thank you so much for coming on today. We're recording on a Sunday. So thank you for taking your time out and sharing your journey a little bit with our listeners.

Patti:

Thanks so much, Kate. Love it. It's been a fantastic experience.