



CHAOS TO

joy

Remarkable stories of women facing financial crises
and the team it took to fulfill their dreams.

Debra Schatzki CFP®, CLU, AEP

with Stephen Bromberg

CHAPTER ONE

KNOW YOUR VALUE

I've advised some very talented people in my career, and one thing I've found is that they know what they know better than anyone—but they also don't know what they don't know. And that can be a heck of a lot.

Very often, they don't want to know because the subject matter, regardless of how important, just doesn't interest them. They're experts in their fields, and they have neither the time nor the desire to bother with the boring stuff.

Michelle is like that.

When I met her, she was holding down two incredible jobs—a prestigious position with a prominent think tank in Washington, D.C. and a professorship at an Ivy League university in New England.

She was—and still is—a brilliant and much-admired woman at the very top of her field. When I met her in 2002, she knew practically nothing about money.

Born and raised on the East Coast, Michelle and her husband moved to Denver after college and had two children. Twenty-five years later, after a divorce and with the kids in college, Michelle resigned from her job in Denver, accepted the two fabulous jobs on the East Coast, and moved into a beautiful apartment in Washington, D.C.

Suddenly, for the first time in her life, she had to manage her own money. Michelle didn't know where to begin.

MICHELLE

When I decided to move back to the East coast, I had a choice: I could live in D.C. and travel regularly to my job in New England, or I could live in New England and travel regularly to Washington.

Either way, I'd have to commute, so I chose D.C.

I sold my home in Denver and bought an apartment in D.C., and it wasn't until after I settled in that I asked myself, "Can I afford this?"

I had two great jobs and I was making good money, but this was Washington, D.C., one of the most expensive cities in the country. On top of my obligation to pay income taxes to the federal government, a state, and the District of Columbia, I'd have to pay property taxes too, and I didn't know if I could afford it.

Even worse—I didn't know how to figure out if I could afford it. I just didn't have the tools. I knew what I knew, but I didn't know money.

It wasn't like I wanted to go on some sort of spending spree. I just needed to know if I could make ends meet on my two salaries. I wanted to pay my mortgage and my share of the kids' college costs. I wanted to buy groceries and have my clothes dry cleaned. I wanted to take taxis at night.

I knew nothing about budgeting. I needed help.

I found Debra through a close friend whose husband was the president of an insurance company where Debra had been a broker. Now Debra was in her own business, and her former boss was her client. He said I should go see her, so I made an appointment.

I confess that I was somewhat reluctant in our first meeting. Debra wanted to know everything—my income and expenses, my investments, my retirement plans, my family obligations—and it took me a while to feel comfortable giving all that personal information to anyone.

DEBRA

In my first meeting with all my clients, we discuss what they want their future to look like. What do they want to accomplish in the next year? In the next three years? In the next decade? No matter what time frame we choose, I want to know what they really want in their life—for their family, their health, their wealth, and for fun.

Most financial advisors don't really ask that question. They ask what their clients want to accomplish for themselves, but they may not ask about their family.

Their clients say they want to accumulate wealth, but what does that really mean? How do they define "wealth"?

They say they want to have fun, but what does that mean? Does "fun" mean going out to dinner with friends? Front-row seats at the ballet?

A round-the-world cruise? A shiny sports car in the garage? More time to coach Little League?

Michelle told me she wanted to invest her money well—but who doesn't? I never met anyone who wanted to invest their money poorly. I wanted to know what “well” meant for Michelle.

When I asked her, she said it simply meant that she didn't want to lose any money. Michelle said she knew the markets fluctuate, but she didn't really understand why and how. She wanted to understand where and how she was already investing her money, and if I was going to recommend alternative investments, she wanted to know why. She also wanted me to help her create a realistic budget because she knew she wouldn't live “well” if she couldn't afford to.

We covered all those things in our first meeting, and when we were finished, I gave Michelle the same homework assignment I give all my new clients. She left clutching a core document package—a checklist of documents I needed to see before we met again in a couple of weeks. I also gave her a blank spreadsheet to fill in all her income and expenses. I needed to see those, so I could help her understand her cash flow and create a budget.

Nobody really likes having to gather all that financial information. It's an extensive list—tax returns, bank and credit card statements, IRA and 401(k) statements, stock investments, bond holdings, insurance policies, wills, health care proxies, and durable powers of attorney.

It's a lot of paperwork—but viewed as a package, it paints a picture of how well-prepared people are to get through their lives. Today, most of us can access almost all that information pretty quickly online or in our personal computer files, but 20 years ago it was a pain in the neck to find all that stuff.

Michelle took her homework seriously! She sent me the whole package a week before our second meeting, and we were able to organize and create a cash flow statement and a balance sheet for her, as well as an investment statement that showed where she was putting her money.

MICHELLE

I desperately needed advice, so I told Debra what she needed to know. She reviewed everything, and when we met for the second time, Debra told me what she thought I'd done right and what she thought I could have done differently. Even more importantly, she explained why, which was important to me.

Before too long, I knew I could trust her. That was important, because a year or two later Debra gave me some advice that changed my life.

DEBRA

I had to tell Michelle something she didn't really want to hear: If she wanted to remain in her apartment and live the life she dreamed of in Washington, she was going to need more money.

And not just a little more money. I told Michelle she needed to ask for a really big raise.

When she picked her jaw up off the floor, I said to Michelle, “Go in and tell them you hired a financial consultant. Tell them you did your financial planning, and based on your income and your expenses—which are not extravagant—you have a major shortfall. These people hired you because you’re the best at what you do. You’re worth it—and they know you’re worth it. Go in and ask them. They’ll give you the raise you need.”

MICHELLE

Debra always had faith in what I was doing. She made me feel that my work had great value, and she wanted me to feel like I was being paid fairly. She said I had nothing to lose by asking, and everything to lose if I didn’t, because I simply couldn’t continue to live in D.C. without a substantial raise.

Debra said if I asked, there were three things that could happen:

- They’d say, “No, there’s no way we can do this.”
- Or they’d say, “No, we can’t do this, but we can do something else.”
- Or they’d say, “If that’s what you need, then yes, we’ll do that.”

I've always been very good at speaking up for myself in the professional context, but I'm not sure I would have asked for that kind of money if Debra hadn't told me I had no choice—that I couldn't stay in D.C. if I didn't. I got up the nerve to ask, and when I explained why I needed the raise, they gave it to me.

Debra was right, and that's why I need her. I never would have thought to do that. It's just not the kind of thing I think about.

There's another thing Debra did for me that made a difference in my life. It says a lot about who she is and the kind of advice she offers.

I've always been a frugal person—too frugal really. I would travel for business, but never for pleasure. I just didn't feel I should spend money on myself.

After I came to trust Debra's advice, she told me I needed to start doing exactly that. She said it would be a positive step in my growth with money, and she wanted me to start spending \$750 on myself every month.

The only problem was, I didn't know how to do that. It was a real challenge.

I practically had to force myself to buy some nice clothes. I spent money to go see my kids. I started to take vacations, which meant I had to start paying for my own airfare.

It was a liberating experience and it was all because Debra cared about my personal well-being, not just my financial well-being. I didn't realize it before, but they're intertwined.

There's one more story I want to share.

A few years after I bought my apartment, I found a note under my door from the daughter of the woman who lived next door. She said her mother was ailing, and she was going to take her to Florida. Would I be interested in buying her apartment?

I was in a very close relationship with a man at the time, and we both loved the idea of him living next door. Yes, I was interested.

Of course, I immediately called Debra, and she said, "Call her back right away. Tell her you're interested and you want to see the apartment. You need that apartment. We're going to buy that apartment. We'll figure out how to get the money for it."

Debra said that if I didn't buy it, she would.

My partner and I went to look at the apartment. The daughter told me that a dozen people had already looked at it. I told her, "I would give my right arm to own this apartment"—and to make a long story short, she sold it to me.

DEBRA

I told Michelle that she should ask the building managers if she could combine the apartments, and that she should let her boyfriend run the project if they said yes. They did—and her boyfriend did an amazing job. It came in on budget, and it was spectacular.

And then, when the project was done, Michelle told me, “You know what? I want to get married.”

I said, “Well, you can’t get married until we do his security income plan.” So we did his planning, and they got married.

Very sadly, shortly after they got married, Michelle’s husband was diagnosed with cancer, and he passed away soon after that. But because of all the planning we’d done, Michelle knew she was financially OK. She was able to take a sabbatical for the entire time her husband was sick.

She took care of him the way she wanted to, and when he died, his caregiver said he’d never in his life witnessed anyone so peaceful at death.

Doing her husband’s planning made the difference. The transfer of his assets was known and planned for, the documents were updated and clear, and Michelle wasn’t distracted by any of that in her grief.

MICHELLE

I'm a highly educated person, but I used to be terrified about my money. It literally kept me up at night — maybe because I had to provide for my children alone for many years. But after a year working with Debra, it suddenly dawned on me that I was sleeping well.

I don't really think about money anymore, and that's such a relief. I lie down at night and just fall asleep. I know I'm making intelligent use of my money for the future, and that's all because of Debra.

The last time we spoke, I offhandedly made an analogy that I think sums up my experience with her:

Every time you meet your goals, it's like being on a step. You step up—and then the next time, you step up again. And now I'm looking back and seeing how high up I am, and I'm delighted and somewhat surprised with how far I've come.

I really attribute that to my relationship with Debra. She helped me create those steps, and then she helped me climb them. I've always felt that I climbed them holding a guide rope, which was in her hands.

Today, I'm living my dream. I have amazing work. I have two healthy children. I have six healthy grandchildren. Debra and I have talked about whether I should retire, but I don't think about it too much. At this point, I'm still working flat out—not because I have to, but because

I want to. Debra says I'll know when I'm ready to retire, but I'm not ready yet. I don't worry about it.

DEBRA

Michelle and I meet once or twice a year — once to go over Michelle's entire plan, and maybe again for lunch or dinner. Aside from that, we speak four or five times a year.

Michelle has accomplished everything she's dreamed of. Her retirement is fully funded. Her gifting accounts are fully funded. Her donation accounts are fully funded. Everything she ever dreamed she could fund is fully funded.

She doesn't need any income from her investments because she keeps deferring retirement, so her strategy isn't very different from what it was 20 years ago.

A lot of our financial planning is generational planning, because my company works to Build, Protect, and Preserve wealth for generations™.

That's the case with Michelle. Now that her kids have college behind them, they've become accomplished and they're my clients too.

In *Chaos to Joy*, Debra Schatzki, a leading expert in wealth management, shares the stories of five women facing severe financial crisis who sought her advice and guidance. As she takes us through the process of understanding each woman's goals, clearing obstacles, and restoring order, Schatzki helps us to identify our dreams and utilize the power of professional financial planning to make them come true.



DEBRA SCHATZKI, CFP[®], CLU, AEP, has been a professional in the wealth management business for more than 30 years. She started while in college working with her mother to create pension plans. In 1999, Debra created Financial Services in a Box, a financial planning model licensed to accounting firms. Simultaneously, she ran those accounting firms' Financial Services and Investment Advisory divisions. In 2010, Debra founded her own consulting and registered investment advisory company, BPP Wealth Solutions, LLC. Where she and her team help clients fulfill their dreams!

Chaos to Joy is available on [Amazon](#).