

10 WAYS TO START TO GET OUT OF DEBT TODAY!

1. **Do a true beans & rice budget** – In order to get out of debt you first need to get control of your current income. That means spending on only the needs in life, and getting rid of all the wants in your life. When you are in debt, there is no wants. Only needs.
2. **Cover your four walls first** – These include, food, utilities, transportation, and shelter. Basic needs are critical to starting a get out of debt plan. Stressing about any of these will doom your plan from the start.
3. **Save for emergencies** – An emergency fund of \$1000 is needed for any getting out of debt strategy. If you don't have one, Murphy will show up and live in your spare bedroom. You will have unexpected problems with money. This will allow you to cushion the blow.
4. **Review your insurance** – Make sure you have in place Health, Auto, and Rental/Homeowners Insurance. If you are responsible for someone else Term Life Insurance is very critical.
5. **Stop using your credit cards** – Credit Cards are essentially the payday lender of the middle class. Why would you pay 21% interest to finance a Big Mac? Cut up your cards, and use only one debit card. This will enable you to budget better. Oh, and by the way, stop using ATM's. How many times have you gone to the ATM and you can't remember what you drew out the money for?

6. **Stop all investing** – Investing while you are in financial struggles takes away from getting rid of the debt that is controlling you. When you have no debt you can double the amount of money that you are investing. This will help pay off your debt faster in the long run as well as get you on track for investing 15% or more of your income once you are out of debt.
7. **Sell the car** – The national income average is about \$61,000 while the average price of a new car is \$37,000. That would be 60% of your income for a car. Remember that as soon as you drive a new car off the lot it starts to decrease in value. The less you can spend on a reliable car the better. You can purchase a decent used car for about \$5,000.
8. **Drown out the noise** – There are always going to be the Debbie Downers of the world telling you, “you will always be in debt.” That is not true! The hardest part of this process is drowning out the noise from friends, family, and even acquaintances. Don’t let anyone tell you that it can’t be done as there are everyday people just like you that have no debt and living life.
9. **Focus** – Stay focused on your goals. Don’t let anyone stray you from the path of getting your finances in order. It’s kind of like in baseball when people yell “swing” you just need to ignore them.
10. **Relax** – Debt can stem into a lot of anxiety - Restless nights, anger outbursts, and even stress eating. When we are out of control we cling to the things we can control. Find something to do that can bring a clear mind and a sense of relief everyday for 30 minutes. This will help create consistency, focus on something outside of your financial problems, and give you that sense of control you are craving. Think about activities you enjoy – fitness, watching a movie/TV show, cooking, or reading a good book. Whatever you do get lost for 30 minutes everyday.