

A DEBT FREE LIFE

STEP 1 MONTHLY INCOME

Write down all sources of income. If you are on a set pay, go ahead and write in the estimated and actual. If varies write your projection in estimated only. Sum total monthly income.

STEP 2 MONTHLY EXPENSES

This page is in our STARTplanner every month for personal financial budgeting. Write out all estimated expenses. (For any that do not vary, fill in actual actual expense too.) Do not include debt here. We will take a look at that in a later step. Sum total monthly expenses.

STEP 3 MONTHLY CASHFLOW

This looks at cashflow and takes your estimated income, minus your estimated expenses without factoring in debt yet. You will get a total cashflow either positive or negative. If negative, you will want to cut expense or add additional income. If positive, I recommend allocating a third of the surplus to savings in order to build an emergency fund, if that is not in place.

STEP 4 DEBT CALCULATOR

This is where we are going to take a look at debt. Itemize all debt from all creditors, car payments, student loans or anything else. List out creditors contact numbers for ease. (Tip—sometimes you can call and negotiate lower rates with your creditor to lower your payments.) Fill in interest rates, total balance and monthly due date along with your minimum payment.

My philosophy is that you should focus on the debt with the highest interest rate to allocate extra savings to one creditor at a time. Instead of paying additional principal on multiple accounts, focus on the creditor with the highest interest rate, get that one paid off, then move down the line!

Take a look at the total combined balance so you can visually see and know how much debt you are currently in and divide that by the # of months to payoff goal. This will vary some because it is not taking into account interest but this will give you a solid goal and direction for moving forward.

You will then get a total amount due to creditors per month.

STEP 5 CREDIT SCORE

Credit score is a big part of making sure you are able to do the things and buy the things that you want/need. I am a big believer in minimizing debt but financial leverage is something that can make a big change in your life and business. Financial leverage is not debt in my opinion, but rather a loan that is being used to bring more potential income. Access your credit score every 3 months for a year as you start paying down creditors.

STEP 6 NEEDS VS. WANTS

This is an area to itemize needs vs. wants. What can be cut? Are there some expenses that can be cut in order to allocate more towards paying down debt? There may not be anything, but it is important to pause and make sure you are taking this into consideration.

STEP 7

This is where we will pull it all together. If the adjusted total amount needed monthly is positive, you can either get some things on that want list to treat yourself or you can pay additional down on that debt. If it is negative you will want to cut more out or add more income! You can do it!

STEP 8

Ideas for additional income sources. Side hustles. Accountability is huge. Having someone work through this with you and checking in with you and will make you stick to it.

There are also some extra pages. Use these for additional bill tracking, ideas, or thoughts!

now, let's make it happen!

STEP 6 NEEDS VS. WANTS

		WHAT CAN BE CUT?	
ITEM/BILL/SERVICE	MONTHLY SAVINGS	ITEM/BILL/SERVICE	MONTHLY SAVINGS

TOTAL AMOUNT CUT FROM MONTHLY EXPENSES

STEP 7

*TOTAL CASH FLOW (FROM PAGE 1) _____

-TOTAL CUT FROM MONTHLY EXPENSES (FROM ABOVE) _____

=SUBTOTAL (ADJUSTED MONTHLY CASHFLOW)

-TOTAL AMOUNT DUE TO CREDITORS (FROM PAGE 2) _____

ADJUSTED TOTAL & AMOUNT NEEDED MONTHLY

STEP 8

IF ADJUSTED TOTAL IS NEGATIVE, CUT MORE EXPENSES. OR WORK MORE.
IF POSITIVE...AWESOME! PAY EXTRA AND GET OUT OF DEBT SOONER!

POSSIBLE ADDITIONAL INCOME SOURCES

ACCOUNTABILITY PARTNERS

ACCOUNTANT/FINANCIAL COUNSEL _____

OTHER: _____

OTHER: _____

“
WILL IT BE
EASY?
NOPE.
WORTH IT?
absolutely!”

DEBT FREE! COMPLETION DATE _____