

**GUIDE**

to Jumpstart

**YOUR**

**DEBT-FREE**

**Life**

[WWW.LUCKYMOJITO.COM](http://WWW.LUCKYMOJITO.COM)

# My Story

Being debt-free hadn't always been a goal of mine. Maybe because I never thought it was possible. One day I was thinking how do people who make way less than what my husband and I make, with more kids than we have, live debt-free. This intrigued me. What were we doing wrong? Or, what were they doing right?

We don't have expensive habits and our two kids are still young enough to not be a big added expense. So, I sat down and created a spreadsheet with all of our debt and expenses. This was a huge eye-opener!

I came up with a plan for my husband and I to start paying off our debts and spending less. Our grocery

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bill had been through the roof.

We are not big on budgets and my husband doesn't like the restrictions. However, it is has been proven to work for many. I created a pseudo-budgeting method that worked for us.

We hit lots of bumps along the way. From moving into a new house, having to pay for an unforeseen underground oil tank removal, issues with our condo association, and more.

After having our son I knew I wanted to be debt-free and save for our kids' futures and our retirement.

Here are some things to get you started and what I hope can lead you to success too!

# Motivation

Write down a few reasons you want to be debt-free.

Is it because you want to retire early, save for your kid's future, travel, save for a new home, or just have that feeling of financial freedom?

Revisit this list when you are struggling and need some encouragement.

1) \_\_\_\_\_

\_\_\_\_\_

2) \_\_\_\_\_

\_\_\_\_\_

3) \_\_\_\_\_

\_\_\_\_\_

# Understanding Why

8 in 10 Americans are in debt

There can be a variety of reasons why you are included in this statistic.

Maybe you have bad spending habits, lots of student loans from when you graduated, made some big purchases and didn't have any money saved.

Understanding why you are in debt can help you better understand how to get out of debt, but also how to avoid going back into debt once you get out.

Why are you currently in debt?

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

# Assessing Debt

Paying off debt is no easy task, but with the proper tools and organization it can be done. Learning tips and tricks will just make it easier and faster to reach that goal.

Create a spreadsheet with all of your debt. Use the header titles: Debt, Balance, Monthly Payment, and Interest Rate. You can even include due dates. Make it as detailed as you like.

This sheet should include credit card debt, car payments, student loans, mortgage, and any other debt that once paid off it's gone forever.

# Assessing Debt

Create a monthly expense sheet.

This sheet will include all of your expenses that remain constant.

Common categories include: gas, tolls, car insurance, utilities, groceries, medical insurance, savings, cell phone, internet, etc.

If you have anything that you only pay once a year (e.g. home owner's insurance), divide up the payments by 12 to give you an idea of what you would be paying monthly.

# Setting Goals

"Rome wasn't built in a day"

Getting out of debt takes time. The more money you make and/or the less you spend the sooner you'll be out of debt.

Figure out which debt you want to pay off first.

There are multiple techniques:

- Pay off debt with the highest interest.
- Pay off the smallest amount to the largest amount a.k.a. snowball method
- Combination of the previous two methods.

# Reduce Spending

Reducing your spending and reallocating those "extra" funds to debt is one of the easiest ways to get out of debt faster without having to get another job or side hustle.

Try to reduce your spending in the areas where you spend the most. For us it was groceries and we were almost able to cut this in half.

If you want to buy something:

- 1) Do your research, compare prices
- 2) Check if you can buy it online so you can get cashback or use a promo code
- 3) Make sure this is a need and not a want. If it is a want, is now the best time to buy this item?

# Increase Income

Time is money.

The list of side hustles is endless, but you should find the one that works best for you.

If you have a job, ask for a raise.

If you're a stay at home parent, babysit, do online surveys, sign up for paid focus groups.

If you have a lot of unwanted items in your home, sell them on eBay, Craigslist, a garage sale, Facebook group, etc.

My husband and I have failed and succeeded doing a lot of side hustles. A lot has to do with timing, the items you have, and sometimes just luck.

# Celebrate Wins

It's easy to let debt consume your life.

Celebrate your wins, both big and small, by going somewhere or doing something. Yes it may cost money, but making memories are priceless.

It doesn't need to be anything big or expensive, but celebrating your wins can be the perfect motivator to continue your journey to being debt-free.

Visit [LuckyMojito.com](http://LuckyMojito.com) for more tips and tricks.

*Cheers to a better you!*