



**It is not a step-by-step guide.** It is a list of ideas and advice from different people. There are many redundant suggestions, but we have included the redundant ones because they gave a different twist on the same things that we really liked. For example, there are several tips about being creative so that you spend less on entertainment, eating out, and the like. They are basically the same tip — but with different suggestions. We kept them separate because we liked them all.

There are also contradictory tips. One says to pay off the credit cards with the highest interest, for example, while another says to pay the one with the lowest balance. They are both valid approaches with solid reasons behind them, and each will work for different people. **Find the tips that will work best for you, and try them out.**

We hope this serves as a valuable resource

1. **Don't get into debt.** Use cash for all your purchases and don't take on any debt except home and auto.
2. **Spend less than you earn.**
3. **When debt is closed out,** put 60% in savings and enjoy the remaining 40%.
4. **Take stock of all your liabilities,** so you know exactly how much you owe to the world. Put them in a spreadsheet, with monthly payments, interest amounts, balances, and a running grand total of all your balances. Update it monthly as you pay off debt, and watch the overall amount go down slowly. It's very motivational.
5. **Have only one credit card** with a low limit, and **only one loan** with monthly payment not exceeding 25% of income.
6. **Build up an emergency fund first.** If you come into extra money (tax returns, etc.), use it to build an emergency fund and pay off debt after that.
7. **Cut up your credit cards.**
8. **Stop using credit cards to make it to the next paycheck.** Stop getting further into debt.
9. **Don't overpay your debts** — leave enough so you have enough for regular expenses too.
10. **Avoid eating out.** Cook your own meals, except on very special occasions.



11. **For entertainment**, visit friends and be creative on how to entertain yourselves and your family without spending a dime.
12. **Don't pay off your credit card balance from the emergency account.** Don't touch the emergency account at all — it doesn't exist!
13. **Look for expenses coming up** in the future and plan for them, so you don't have to go into debt when they come up.
14. **Make a budget** – Purpose every dollar (including some buffer).
15. **Snowball the debt** – Pay minimums on everything, attack the smallest balance with all the extra cash you can assemble, then move on to the next one.
16. **Be on the same page as your spouse or partner.** Competing interests are suicide.
17. **Recognize your spending tendencies** (and your family's) and place limits on them. Develop good habits instead.
18. **Read Dave Ramsey.** Read "Your Money or Your Life".
19. **Keep trying and don't give up.** Make a commitment, and if you aren't getting out of debt slowly but surely, revisit that commitment. Change is difficult and it takes drastic change in mindset and behaviors to get out of debt. Anyone can do it – as long as you really want to do it.
20. **Stop spending!** You have to really, truly want to do this. Otherwise, you'll put yourself on a financial diet and then crash and burn and find yourself justifying why you deserve to spend so much money on a new iPhone when you have a perfectly good phone and \$20,000 in debt.
21. **Praise yourself** for every small accomplishment. But, don't praise yourself by spending frivolously.
22. **Find the tools that work** for you and stick to them. If the tools aren't working, find new tools. There are plenty of tools and ideas out there – for free.
23. **Change yourself.** If you have a spouse or partner that is contributing to the debt, it can be a big challenge to get them to change. Focus first on changing your behaviors and attitude.



24. **Be realistic.** If you started accumulating debt three or four years ago, realize that it will probably take you more than three or four years to get out of debt and stay out of debt.
25. **Create a realistic budget.** Put as much money as you can towards paying down debt and having an emergency fund, but allow for a little bit of. Only the truly dedicated can live with no social/recreational activities for the amount of time it takes to become debt-free.
26. **Eliminate.** Take a hard look at what's truly necessary, and be willing to make compromises. Cable TV, satellite radio, and lunches in the office cafeteria are not necessities. If you have a hard time letting go of these things, run your numbers through a debt calculator twice – once with your current budget, and once with additional money currently paying for niceties. You'll be amazed at how much of a difference those few extra dollars make.
27. **Get creative.** If there's something you think you don't have time to do more frugally, find a way around it. For example, cooking at home is much cheaper than eating out. If you don't have time to cook, try investing in a crock pot.
28. **Be patient.** Debt reduction is a long, slow process. Depending on the method you use, you may see no significant progress at first, but it will happen.
29. **Stop borrowing money** – no matter what! This means no more credit cards, no more car loans, no more cash advances, no more home equity lines, etc. If you can't afford to buy something with CASH you have now, then YOU CAN'T AFFORD TO BUY IT.
30. **Save up the money** and buy it with cash. By the time you've saved up the money, it's very likely you will have realized you don't even need the item you were thinking about buying anyway. This happens all the time.
31. **Track your expenses** in a software program like Quicken. Categorize your expenses and report out how much you spent in each category so you can easily spot your problem areas (eating out, clothes, gas), then target those for reduction. Always know exactly how much money you have in your checking account.
32. **Maximize your 401K contribution.** Every time you get a raise, increase your contribution by 1–2% because you won't miss the extra money if you don't ever see it.



33. **Pay yourself 10% first.** Put this into an account that is hard to touch. A money market account can earn good interest. Make sure it is a chore to get the money out (you have to drive to the bank), so you will only tap it consciously and for major expenses.
34. **Make a plan ... ANY plan.** You're better off with a mediocre plan than no plan at all. When in doubt, the "snowball method" is simple and works well.
35. **Leave yourself some "wiggle" room.** Life throws some unexpected expenses your way, so include some slack in your plan for these little setbacks.
36. **Have a long range vision.** Keep your eyes focused on where you will be five (or ten, or fifteen) years from now, because getting out of debt takes time.
37. **Turn off your television,** and discard catalogs and other advertisements immediately (but not coupons!). Do this, and your urge to buy stuff you don't need will plummet.
38. **Move into a smaller place.** Forcing you to get rid of a lot of stuff that you're probably still in debt for will show you just how little any of it matters.
39. **Find your purpose.** Is it your children, to start your art business, work from home, free money so that you can give? Finding motivation beyond the money drives our passion. Otherwise our drive is limited. This passion will lead us find out the 'right' things to do like stop borrowing, creating budget, etc. Take a look at the things you value deeply and view that framework to judge your actions buy.
40. **Examine your expenses** and eliminate the unnecessary. Thing about gym memberships you're not using, cable TV, Netflix, other types of subscriptions and see which are least necessary.
41. **Got a raise coming up?** Bookmark it. Pretend it didn't even happen, and funnel all of the new money into the debt relief.
42. **Focus on the debt** and getting out of it. Not focusing and humming along on credit is what gets people in trouble every time.



43. **Change how you think of money.** Calculate how much money you make (net) per hour. Do this regardless of whether you are a business owner, salaried or hourly employee. Now apply the time factor to any purchase you make. For example, is that 32" flat screen television you're thinking of purchasing worth 10, 20 or 30 hours of your time. Once the dollar amount was removed from the equation and the time factor applied, spending habits can change overnight.
44. **High interest.** Pay off the cards with the highest interest first.
45. **Balance transfers.** By transferring balances on credit cards, you can consistently pay an average of 4%. One thing to look out for is transfer fees: make sure that the fee isn't greater than the interest you would save.
46. **Optimize small long-term advantages** instead of large short-term payments — for example, go for the difference between 8% and 6% on a note, or cancel satellite TV and save/invest/pay debt with the difference.
47. **Educate yourself on your alternatives.** Sometimes we spend a lot on things because we assume there are no alternatives. Is cooking at home as bad as you think? What about ten-year-old cars? Roommates? Cheaper parts of town? Thrift stores? Libraries? Bicycling? Wearing a sweater and fuzzy slippers inside in the winter so you can turn down the heat? Ask questions, do some experimenting, do some research. Find your biggest expenditures and do some brainstorming and some googling.
48. **Think about your goals.** The author of The Tightwad Gazette was willing to work harder to save on food, clothing, and entertainment so she could spend more on housing, have more kids, and let one parent stay home with the kids. Quit spending money on stuff you don't care about.
49. **Pay attention** to whether you're buying stuff just because of societal norms or parental expectations or keeping up with the Joneses. Hang around people who are the way you want to be so that peer pressure can be used for good instead of evil!
50. **Pay more than the minimum.**
51. **Make it a habit.** You'll be very happy when you have some extra spending/saving money after your payments stop.



52. **Think about wealth rather than debt.** If you think “I’m going to get out of debt” you will keep thinking about debt. If you think “My financial situation will contribute to my overall wealth,” that thought can keep you going.
53. **Extra cash.** When you make extra money from overtime or bonuses, use it to pay debt.
54. **Debt slavery.** Realize that (almost any) debt = slavery. If you don’t mind debt, why get out of it?
55. **Read personal finance books,** publications, blogs. Self-development blogs like this Zen Habits are also great.
56. **Think positive.** Telling yourself “no” stinks, choosing to not go on vacation stinks, looking around and feeling like everyone else has more money than you stinks, even if you make a good chunk’o’change. Instead think about how each month you owe \$1 less is a good month.
57. **Pay off your smallest debt first** to get the momentum going. Some people go by the rule to pay the highest interest ones off first, but others like the rush from paying a card off completely and closing it. It’s a great motivation to continue.
58. **Be willing to make sacrifices.** Remember, you own things. They do not own you. We had to sell one of our cars and get a “beater” but this was the best move we could have made. It was so empowering not to have a car note hanging over our heads.
59. **Put a note in your wallet** with this text: “DO I REALLY REALLY NEED THIS?”
60. **See yourself as completely debt free.** FREEDOM! What is that going to feel like. Imagine it.
61. **Use supermarket fliers** and plan menus for the week, clip coupons, and put the amount of money you save from coupons each week into a savings account.
62. **When you make your budget, be honest.** Make sure you budget for gifts, entertainment and whatever other things we all spend too much money on and don’t like admitting.
63. **Find free or low cost entertainment.** Check the local newspaper, or look online and see what upcoming events are going on. Many towns have free concerts in local parks, the local libraries often have free arts and crafts classes, get a state tourist guide and see what’s going on in your area, and be a tourist in your own town.



64. **Be creative.** Learn to paint or refinish hand me down furniture, or sew curtains and pillows. I have been reading DIY blogs and gotten some really great ideas for my home.
65. **Start a garden.** Grow tomatoes, peas, beans, and herbs in pots if you don't have a yard.
66. **Make more money.** Sometimes you can only stretch your current income so far. But how can you start an online business, without spending a lot of money? And without your own product? By selling other people's products – as an affiliate.
67. **Educate.** Above all else, teach your children early so they don't make the same mistakes as us!
68. **Create a balance sheet** and update it every month. List your assets on one side and your liabilities on the other. Assets should only include things you can easily sell and their approximate value. Liabilities should include all of the money you owe others. If your starting value is negative your goal should be to make that number smaller every month. If your number is positive your goal should be to make that number larger every month. The real value of this exercise though is it puts you in the habit of checking your financial situation every month which will reinforce habits that are increasing your wealth and hopefully allow you to catch and stop habits that are decreasing your wealth.
69. **Credit documentary.** Watch [the PBS documentary](#) about credit card companies. Get mad, really mad and start hating the credit industry. They are enabling you to do some terrible things to yourself. Cut up your cards and pledge to never use them again. It is a form of slavery.
70. **And another.** Another movie that looks critically about credit cards is [MaxedOut](#).
71. **Oprah.** Great advice on Oprah's Debt Diet along with great forms to help you find out where you are and plot a course out.
72. **Read the book:** How to Get Out of Debt, Stay out of Debt and Live Prosperously by Jerrold Mundis. Once you've read it, read it again.