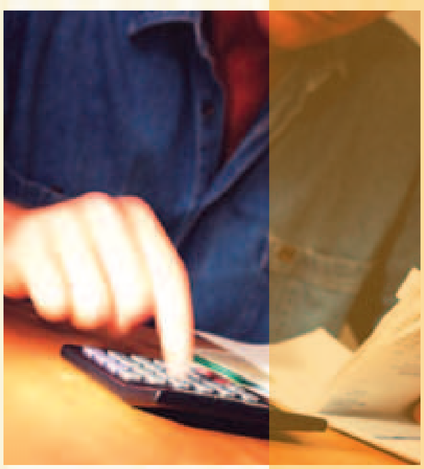
Become DEBT-FREE IN RECORD TIME

SIMPLE STEPS TO:

Freeing up income
Building an emergency fund
Eliminating debt
Building wealth



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Ah, financial freedom... So many people dream about it, yet so few actually make it a reality. What if I told you that by reading this booklet, and doing a few simple exercises that you could actually, Free up 10%-15% of your income, Build an emergency fund, Pay down your debt, and Generate wealth? Wouldn't that bring you a bit closer to financial freedom? Would you be interested if I told you that you could do it on your current income?

If so, lets get started – read on!

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Free-Up 10% to 15% of Your Income

Would you be interested in freeing up 10% to 15% of your current income? Just imagine what you could do with this money. You could pay down your debts, increase your savings, or work toward that next important purchase that you have in mind. Wouldn't it be exciting to actually have money left over at the end of the month?

I know what you are thinking: "That would be nice, but not if I have to budget every dollar". What if I told you it could be done without budgeting? What if you could accomplish this in a week's time without too much effort? Would you take a few steps in order to improve your finances?

If you answered "yes", let's go through the simple steps required to make this possible.

STEP #1: For a total of 7 days we need to track every single expense. This includes credit card, check, and cash purchases. For this program to really work you will have to track everything (even pocket change). Use the chart starting on page 5 to write down all expenses that you make for the next 7 days. And I mean every expense, even if you give your child a quarter for a gumball, track that expense. We need to collect the date the purchase was made, the item that was purchased, and the cost (this part of the exercise is actually most of the work, and really isn't all that time consuming – especially when we keep in mind the possible benefits).

STEP #2: Once we have tracked every expense for the last 7 days, we then need to go through each of those expenses and evaluate them. At this point, take some time to thoughtfully review your expense record and, using the chart to the right of it, assign your purchases a priority: a, b, or c.

Expenses marked "a" priorities are those that you could not have avoided making. These are your basic needs, such as gasoline, medications, etc.

Expenses marked "b" priorities are those that may or may not have been vital, but in retrospect probably could have been made less expensively. This includes eating out for lunch versus taking a sandwich to work. Also look at your grocery list to identify "wants" that you could do without.

Expenses marked "c" priorities are those that, looking back, you realize could have been avoided. This includes most impulse and convenience purchases.

What we are looking for is which expenses fall into the "wants" category, and which expenses fall into the "needs" category. As you try to identify these, let me give you some coaching... Is that Diet Coke habit every morning really a "need", or is it actually a "want" that could be cut back in order to improve not only your finances, but also your health? The idea is not to identify how many things that you enjoy that will need to be sacrificed, but to identify the items that you really could do without – and not suffer...

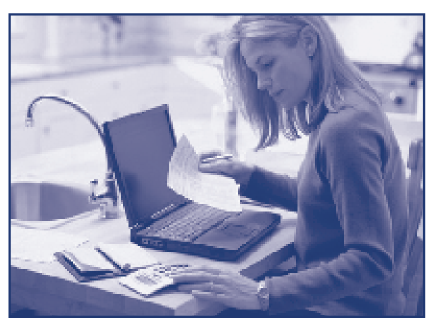
Once you have identified the "wants" that you don't really "need" in order to be happy, enter these amounts in the "bonus" column, then add these expenses up for the week and total them on page 9. Take your weekly total and enter it on page 10. Then multiply this number by the number of weeks in the year (52). Now divide this yearly total by 12 (months). This is your new monthly savings amount. If you are the typical American you will find that these unnecessary "wants" will add up to approximately 10% to 15% of your take home income. In fact most people who do this program, are shocked to find that they really do waste a lot of money on things that they had no idea would affect their finances so dramatically.

STEP #3: Commit to saving. Open a savings account and make a deposit each month for the amount that you saved. This is probably the hardest part of the program, and within reason you have the freedom to choose your "wants" for the day or to choose your "needs". Now I know that some days that "Diet Coke" (or fill in your own vice here____) is an absolute "need". When you are having that kind of day, go ahead and reward yourself for being so good the rest of the week. But make sure that you keep your objectives in mind for the long run and commit to saving that money for the next day.

Now before you give up on putting these steps into place, lets realize the fact that the benefits of this program really do add up. In fact the average American making the average wages will find that they are able to free up $200 to $300 each month. You are probably thinking "sure, but that won't work for me". In all of our experience in teaching this program we have not yet (knock on wood) had anyone that was not able to identify and free-up a portion of their take home income.

This newfound savings can go a long way in making your financial picture much brighter. It can help you extinguish debt in a fraction of the time, put money away for a better retirement, and get you out of the month to month budget crunch that so many of us deal with all of our lives.

And remember this: If you save only $1 per day (remember that Diet Coke) and invest it at 10% interest – in 56 years it will grow to $1 million. Every dollar counts. Make sure you get the most value out of every dollar you earn, by focusing on your financial goals instead of the wasted "wants" of life that put most of us in financial bondage.



Sorting out your wants...

Spend one week using the chart below to track all of your out-of-pocket expenses. At the end of the week, follow the instructions to the right of the chart.

...from your needs

You should wait until after your week-long expense-tracking is over to assign priorities. This is because it's easier to be objective about purchases after the temptation is gone.

DATE	PURCHASE	COST
4-21-05	Prescription re-fills	$40.00
4-21-05	Diet Coke and Cinnamon Roll	$4.29
4-21-05	Lunch with Bob in Accounting	$9.12

PRIORITIES			BONUS
✓ A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED	→	
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
✓ C	DID NOT NEED	→	$4.29
A	COULD NOT GO WITHOUT		
✓ B	COULD GO WITH LESS	HOW MUCH LESS?	$4.12
C	DID NOT NEED	→	

DATE	PURCHASE	COST

PRIORITIES			BONUS
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED	→	
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED	→	
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED	→	

DATE	PURCHASE	COST

PRIORITIES			BONUS
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	H OW MUCH LESS?	
C	DID NOT NEED		
A	COULD NOT GO WITHOUT		
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C	DID NOT NEED		

DATE	PURCHASE	COST

PRIORITIES			BONUS
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	H OW MUCH LESS?	
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DATE	PURCHASE	COST

PRIORITIES			BONUS
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	H OW MUCH LESS?	
C	DID NOT NEED	→	
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C	DID NOT NEED	→	

DATE	PURCHASE	COST

PRIORITIES			BONUS
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
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A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED		
A	COULD NOT GO WITHOUT		
B	COULD GO WITH LESS	HOW MUCH LESS?	
C	DID NOT NEED		
		TOTAL	

Monthly Savings Worksheet

Take your total from Page 9:	A
Multiply the total in box A by 52 (weeks):	B
Divide the number in box B by 12 (months):	C

The number in Box C is the amount you need to commit to put aside each month.

How's that for some money magic? You have just achieved the first level of financial freedom. No more living paycheck to paycheck. Now I realize that you may have all sorts of wonderful plans for this newfound monthly "bonus". Not to mention the fact that you are probably excited about getting out of debt, and you may be tempted to put every last cent of that extra money you found in the previous pages into paying off credit cards or other debt, or heaven forbid... Blow it on another purchase. Before you do that, you need to:

Build an Emergency Fund.

You probably don't like to think about getting ill or the car breaking down or that house fire that was put out just three blocks down. You don't even like to think about little emergencies, like the vet bill after your cat Freddy's tail got slammed in the garage door.

Unexpected expenses happen. Your plumbing gets backed up and gunk fills up your bathtub, your meter runs out and you get a parking ticket, or your back windshield gets busted out when you stop in for a burger on the wrong side of town. How will you pay for all that if you send all of your money to your creditors trying to pay off your debt? There would only be one way: Go further into debt.

Since our objective here is to get out of debt, and achieve a level of financial freedom, we need to plan for the unexpected. The most effective way to prepare for this kind of financial situation is to have an emergency fund. Think of the peace of mind this will bring. Most of us can remember a time when we didn't have to worry about where the money was coming from every month. Part of financial security is getting back to the time when you didn't live month-to-month-when you had a small nest egg, an emergency fund, to tide you over if things got bad. An emergency fund should cover at least three to six months of base living expenses, meaning that you could live for three to six months off of your emergency fund without losing your home, your car, or your electricity while still covering your basic needs.

Take one month of expenses, and add them up. Include your housing costs, electric, gas, water, automobile, loan payments, food and any other items that would cause you major stress to do without. Once you have this total, multiply that number by either 3 or 6. This is the amount you will need to set aside in a savings account for your emergency fund.

Now I realize that it may take you some time to build this account up to the 3 to 6-month level. Don't worry about that. In fact you may have a few set backs along the way. After all, during the time you're saving for emergencies, you're likely to have a couple. You may have to withdraw some money for an unexpected dentist bill or a new tire after a fender-bender, but don't give up, and don't add to your debt.

If you run into an emergency while you're saving for your emergency fund, and you don't have enough money to cover it, find it. Have a garage sale. Count your loose change. Have your kids pitch in and put up a lemonade stand. Your friends might have some odd jobs you could do: gardening, paperwork, answering phones at the office.

When you have three months of living expenses saved up, you'll feel pretty accomplished. If you've never had an emergency fund before, this may be the most cash you've ever saved. If you once had enough to feel comfortable, now you do again.

After building your emergency fund, you have reached another level of financial freedom-the security of not having to live one month away from poverty. If worse comes to worse, you know you and your family will have at least three months to get back on their feet.

Now you are ready to start using the money you were putting into the emergency fund for something else. No, not for that new purchase you've been dreaming of... We are going to continue on the path to financial freedom. We will utilize this money as we learn:

How To Become Debt-Free In Record Time.

With consumer debt at an all time high it's time we take control of our finances and get out of the "debt trap". Do you realize that if you owe $2,000 on a credit card with a 21% interest rate, and you only make the minimum payment, you will owe on that account for approximately 23 years and pay a total of $6027.00 in principal and interest.

If you are tired of straining under the pressure of debt, take the following steps and remove this burden in a fraction of the time.

1. **Stop buying on credit.** Does this mean you can't use your credit cards? NO - but new charges must be paid off each month in addition to your regular payment. This means - if your monthly payment today (the one you will look at in a minute for this account) is $100, and you spend another $50 on this account - your payment for next month would be $150 (your regular $100 payment plus the new expenses in full - $50 in this case). If you can't follow this new rule, cut up your credit cards, call your creditors and close the accounts. If you have to have a credit card for work try a debit card (they are widely accepted, and the funds are pulled directly from your checking account).

2. **Figure your new monthly payment**.
Using the worksheet on page 12, list each of your creditors. In the column next to the creditor name, write down the minimum monthly payment amount that is currently due for each account. In the last column, list the balances for each account. Once you have done that, you will need to add all of the monthly payments (total the entire list of payments). This total is your new minimum monthly payment.

Figure your new minimum monthly payment. (See example A)

Example A

CREDITOR	PAYMENT	BALANCE
Mortgage	$931.00	$125,000
Car 1	$350.00	$18,000
Car 2	$475.00	$25,000
Citibank	$44.00	$2,000
RC Willey	$39.00	$1,500
JC Penney	$64.00	$2,500
GE Capital	$15.00	$500.00
Next Card	$31.00	$1,500
Wards	$26.00	$1,000
TOTAL:	**$1975.00**	

(this is the new payment that you need to commit to until debt-free)

Figure your new monthly payment:

	CREDITOR	PAYMENT	BALANCE
Mortgage			
2nd Mortgage			
Auto #1			
Auto #2			
Credit Card #1			
Credit Card #2			
Credit Card #3			
Credit Card #4			
Credit Card #5			
Credit Card #6			
Credit Card #7			
Other			
Other			
Other			
Other			
	*** TOTAL**		

** This is your new minimum monthly payment until debt free.*

3. **Promise to make the new monthly minimum payment** from now until the debts are completely paid off. This means that even though the minimum payment requirements will go down over time, you will still make the payment you figured on the chart to the left until debt-free. We call this "roll-up". This also means that when one card is paid off you will still make the same payment. Just apply the extra funds to one of the other debts.

† Roll-up Example

CREDITOR		PAYMENT	BALANCE
Mortgage		$931.00	$125,000
Car 1		$350.00	$18,000
Car 2		$475.00	$25,000
Citibank		$44.00	$2,000
RC Willey		$39.00	$1,500
JC Penney		$64.00	$2,500
GE Capital	~~$15.00~~	$0	$0
Next Card		$31.00	$1,500
Wards	~~$26.00~~	$41.00	$1,000
TOTAL:		**$1975.00**	

† In this example the GE account is paid off, and you "roll-up" that $15 payment into the Wards account, and so on and so on, continuing to make the $1975 payment – until you are debt-free.

That's it, just three easy steps. Now I realize that the emotional commitment to make this plan work may not be all that easy, but let me give you something to think about... Remember that $2,000 debt? Yes, the one that took 23 years to pay off. Using this program we will pay this debt off in about 6 years and save approximately $2,557 in interest. For even faster results, use the money each month that we freed up earlier (after you have built-up your emergency fund) and apply it to your debts.

Need a little more motivation? If you were to invest that same monthly payment (the one we were making on the $2,000 debt) at the end of the 6 years for the next 17 years (you remember, 23 years total) at a return of 12% you would have approximately $33,065.

Interest is a magical tool. Your creditors use it to their advantage all of the time. It can also work in your favor if you properly implement the right program to harness it. If you take the steps mentioned above it won't be long before interest is working for you instead of against you.

Congratulations! If you will follow these steps you will be debt free in about 1/3 the time it would normally take you. At that point you will be well on your way to financial freedom. When this time comes, and it will come quicker than you think, you will have quite a stash of "extra" money each month. But hold on... Before you go out and buy that new Mercedes you have been eyeing... We have one more step to take:

Build Wealth

One of the best ways to build wealth is to live on less than you earn. Take the excess money that you have coming in every month now and invest it. For now put it in a savings account. Talk with your employer and see if they offer a 401k plan – if so, put as much money as you can into this account. If you are self-employed, open an IRA, and try to max it every year.

If you are generating more money each month then you are able to put into retirement plans, invest that extra money in a traditional investment account. Look into mutual funds, talk with a stockbroker, meet with a financial planner, or do all three. Educate yourself on the basics of investing, and decide what is best for your individual goals and objectives.

You will be surprised
at how fast it can add up.

If you can put aside $300 a month at a 10% return you would have almost $400,000 in 25 years, if you did that for an additional 10 years for a total of 35 years you would have over $1.1 million dollars.

"But wait" you say, "I don't have that kind of money. I have to pay down my debts first". No problem. If you take these steps in order, you are still going to be just fine. In fact let's look back at our debt example. The one we used on page 11 (example A). These numbers represent the average American. Regardless of what your actual numbers are this program will work similarly for you.

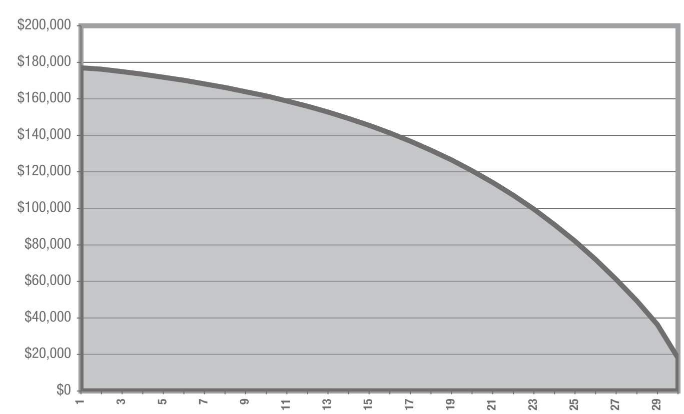
If this average American lives his life the way most average Americans do, he will not worry about putting this plan in place. He will most likely continue to get further into debt. But let's assume that he is finished with debt spending and just continues to make the minimum monthly payments on his debt.

It will take him approximately 30 years to become debt-free. At that point, just about the only thing of value he will have to show for all those payments is a house that's free and clear. Not too bad, but we can do better.

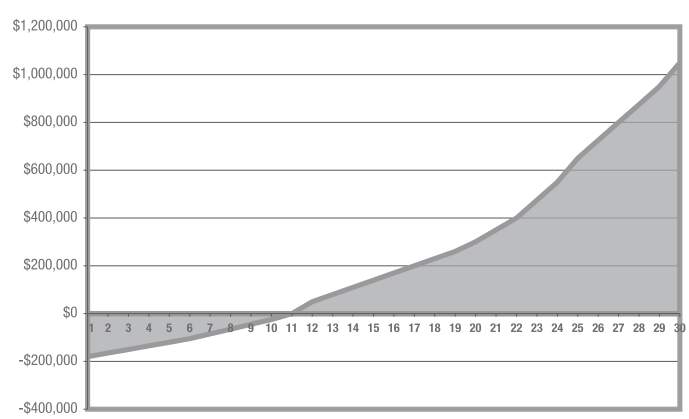
Now if we take that same average American, and implement this program we find a much different outcome. At about the 11 year mark he will be debt-free and own his house free and clear. For the next 19 years (the difference between the original 30 year program and the new 11 year program) he will invest the $1975.00 every month. At the end of that 19 years, he will still own his home free and clear, but he will also have approximately $1,000,000 if he invested this at an 8% return.

The choice is yours.

Approximately 30 Years to Payoff



30 Years to Wealth



If you are struggling with credit card or other unsecured debt, our debt management program can help you by:

- Reducing monthly payments by 25%-50%
- Reducing or eliminating interest rates
- Eliminating late fees and over-limit fees
- Consolidating your bills into one monthly payment
- Stopping creditor harassment and collections calls
- Accelerating payments and saving you thousands in interest

Call us for a FREE, no obligation consultation.
Local, call: 801-208-1000
Toll-free, call: 800-259-0601

For more information and other self-help ideas, or for a free no obligation debt reduction quote, check out our website at: www.debtguru.com.

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- Accredited Consumer Credit Counseling Organization, ISO 9001:2008 registered through BSI
- Certified Credit Counselors through the National Institute for Financial Counseling Education
- Member of Better Business Bureau
- Member Salt Lake City Chamber Of Commerce

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