

*How to Kill Your Debt in 5 Easy Steps  
Without Having to Sell Everything You  
Own and Live on Cat Food For The Rest  
of Your Life*





Thank you so much for downloading this report! If you're being crushed by a mountain of debt and really can't see the way out from under, you have found a road map.

We talk about *killing* your debt, not because we're violent people, but because we believe that debt is a monster that should be *eradicated* from your life *once and for all*. The way out isn't about "escaping debt", or "controlling debt", or even "managing debt". It's about taking back your power and living a life where debt no longer controls you and dominates every thought for every minute of every waking hour of your life.

When your mailbox is full of overdue bills and threatening letters, and you're afraid to answer your phone in case it's another debt collector, the world can look very bleak, and it's easy to start believing that the light at the end of the tunnel can only be an oncoming train.

If this is the life you are living, it becomes very difficult to think straight, recognize your options, and make a plan that will work for you. Let us promise you this.....



Though it may not seem like it now, a clean slate really is possible. If you can shut out all the noise and confusion and self-criticism over what a terrible person you must be for being in such a mess, you *can* fix this in 5 easy steps, without having to sell everything you own – and we were only kidding about having to live on cat food for the rest of your life 😊



# Contents

- STEP #1          Give Yourself A Break**
  
- STEP #2          Take Stock of Where You Are**
  
- STEP #3          Get Educated.....About You!**
  
- STEP #4          Make A Plan That Makes Sense**
  
- STEP #5          Celebrate Every Victory**

## STEP #1            Give Yourself A Break

Let's get something clear from the start. This is a *blame free zone*. No matter what you think other people are thinking about you, or what you have heard them say to your face, you cannot get out of this prison of debt without first giving yourself a break.

There are always reasons – many of them under your control, and many of them completely out of your control. Poor judgment, bad luck, bad choices, addictions, family crises, screwed over by business partners, lost jobs, medical catastrophes – it doesn't matter!!

We don't say that to diminish the pain and suffering you may be experiencing in any way. The point here is that none of the emotion and guilt will help you kill your debt. Sadness will prevent you from thinking clearly; guilt will completely immobilize you; and anger, despite what everyone says about it being a great motivator, will make you act rashly and probably make things even worse.

How about this – if you know your own actions contributed to this mess, treat it as a very, very expensive learning exercise. We'll leave it up to you to add the zeros to precisely how much “very, very” is. That exercise cost you hard cash, and the bill now has to be paid. Ranting about how unfair it is, or how unlucky you were, might make you feel better, but it won't change anything about the bill itself.

Sure, a good rant or a few weeks or months of wallowing will help you procrastinate about dealing with the problem, but if you stay trapped in that cycle of emotion, you are guaranteeing that things won't get any better. If anything, the loss of perspective will just make that mountain of debt look even bigger than it really is. At that point, the only way out will be bankruptcy, and the fact that you're reading this report tells us that you don't want to choose that option.

Here are some important points to remember:

- ***You are not alone*** – the US national debt is rapidly approaching \$18 Trillion with a capital 'T', and over one-third of Americans are delinquent on some form of personal debt. So put that shame and embarrassment into perspective – you are not an outcast from society because you have debt problems – this too shall pass!
- ***You should be proud*** - the fact that you are taking action to do something about your debt, rather than filing for bankruptcy, puts you in a rare class of people. Bankruptcy might erase your debts (depending on the type of debt, of course) but it doesn't necessarily fix the root problem, which is why over 16% of bankruptcy filers are likely to file a second time.

- ***You are not your debt*** – it’s easy to personalize everything about this experience – you spent the money, the debts are in your name, so you must be a terrible person for having gotten in over your head – that’s B.S., and if you still don’t get that, go back to the beginning of this page and start over!
- ***Your creditors really do want to work with you*** – the media are full of stories about debt collectors and their questionable methods in trying to collect on debts. Don’t buy into all that. If creditors sell your debt to collectors, they do so for pennies on the dollar (which is a very bad deal for them!). They do it when there’s been no communication from you and they see no other option. They would much rather work with you – and they might settle for a surprisingly low amount (anything that’s more than the pennies on the dollar they’d get from the collectors is a bonus from their point of view).
- ***We no longer have debtor’s prisons*** – unless you accumulated all of your debt by fraudulent means, your debt won’t send you to jail. It might disrupt your life for a while, and you might find yourself becoming very attached to your credit score while you work through all this, but it’s unlikely that you’ll end-up making license plates at the end of it all.
- ***This will take some time*** – unless you inherit a large sum of money or win the lottery tomorrow, this will not be a quick fix. If a money guru of any sort is advising you differently, run in the other direction – and fast! Killing your debt simply means reducing it down to zero. You can do that in lots of different ways (which we’ll be covering in this report), but unless you have a magic wand, it won’t happen in the blink of an eye.
- ***There is a life beyond this*** – this is often the hardest one to believe. Being in debt is a very immediate state of affairs. Your payment schedule might be the 15<sup>th</sup> and the 30<sup>th</sup> of the month, but those bills show up in the mail every day, and those collectors are quite happy to call several times a day. It’s no wonder that debt looks like a mountain, with you standing at the very bottom (or underneath it!). Don’t lose sight of the fact that you will get over this, and there really will be greener pastures, free of stress and fear, on the other side. Before you know it, all this will just be a distant memory, and you’ll be sharing horror stories with your friends and maybe even helping other folks who are where you are now.

## **STEP #2            Take Stock of Where You Are**

If you pick up any financial advice book, the first thing the writer will tell you is that you have to make a strict budget. “You can’t control your money if you don’t know where it’s going every month.” Sounds reasonable enough, right? So, you start to carry a little notepad around with you everywhere and do your best to record every purchase you make. The more tech-savvy among you might even download an app onto your phone and try and do it that way.

What, precisely, does that do for you? Sure, it might finally reveal the size of your Starbucks habit (or Dunkin’ Donuts, Krispy Kreme, fill-in your vice here). Great! Is that supposed to be the answer? You’re going to de-coffee your way out of debt? (That’s not a real thing, by the way!).

Tracking your money outflows is only one side of the equation. Yes, you’re in this mess because your expenses far exceed your income, but you’re not going to be able to un-spend your way out of all this. Plus, this approach focuses on *LACK*, which is depressingly negative and potentially immobilizing.

Remember, we were only joking about the cat food, but the prospect of living on bread and water as the way out of debt is enough to send anyone to the bankruptcy lawyer.

### *What about all the other things you do have?*

Sure, doing without might teach you a harsh lesson and convince you not to overspend again, but it fails to take account of what you do have. In other words, debts are clearly liabilities to other people (who are expecting to get paid), but what about all the assets you have in your life?

We’re not just talking about *STUFF* here. If you have been overdoing the retail therapy to get to this point, you may well have a houseful of toys, clothes, electronics, and two awesome cars in the garage. Selling them might be a way (a very painful and unpleasant way) to climb out of your current predicament.

However, just as you aren’t the sum of your debts, you are definitely *NOT* the sum of all your stuff – and starting with a financial ledger as your first step out of debt fails to take account of that.

Start with a list of everything you have to be thankful for – and make sure you make it a very long list, because if you are alive enough to be reading this report, you have a great deal to be thankful for.

Don't expect to do this in one sitting – take time to think about it and talk it over with your spouse or partner. Put the list aside for a few days and come back to it several times. This is not an off-the-cuff, Thanksgiving Dinner speech that you're writing here. This is your security blanket for those days when those balances aren't going down fast enough and you're wondering if they'll ever go down.

There will be times when you're taking two steps forward and three steps back. You'll finally pay off a bill and your hot water tank will give out on you, or little Susie will fall off her bike and you'll be running to the Medical Center. When you're living with such a strong focus on debt, every additional expense will carry greater emotional impact than it normally would.

At those times, pulling out your list and reminding your self of all the good that you do have in your life – family, friends, your health, your Church – can make a huge psychological difference in how you handle each bump in the road.

Remember, you might be able to list all of those bills down to the last dollar and cent with the appropriate interest rate and payment schedule, but 99% of this journey is a *mental* one. You will be fighting perceptions and beliefs that bear no relation to reality. That's where the real struggle takes place.

You will be fighting your own lack of confidence, your internal critic that will convince you on many occasions that you won't be able to do this, that you don't *deserve* to be debt free, and that you should just give up and serve your penance for being such a bad person for getting into debt in the first place.

Those are dark times, and there will be no avoiding them, but having something to remind you of how much you are loved and supported by everyone around you will get you through it.

We'll risk repeating ourselves here by reminding you that you are not your debt, and that you have an amazing life waiting for you on the other side of this challenge.

## STEP #3            Get Educated.....About You!

When you finally reach the point with your debt challenges where you are ready to seek some assistance, you will probably be totally overwhelmed with everything you find. Whether you're coming from a point of view of frustration, desperation, or just plain resignation, the many paths out of debt that will be presented to you will look more like homework assignments than the answers to your prayers.

But hidden behind that pile of homework is a trap that can set you even further back than you already are, so before you rush out and get a bunch of books from the library or sign up for some courses, *stop* and think about your strengths and weaknesses *before* you start choosing your options.

You can choose to approach your creditors directly or through a credit counseling agency to negotiate your debts (debt settlement); you can, if you're able, borrow money to pay off all of your debts and be left with just one monthly payment (debt consolidation); you can choose to walk away from them (debt avoidance or bankruptcy); or you can choose to stay and fight and pay down your debts yourself.

There is no judgment implied here. Everyone's situation is different, and as we wrote earlier in this report, everyone's path to excessive debt is different. For some, the journey was entirely within their control and some poor choices were made. For others, it was entirely outside of their control.

### *Choosing the Right Path Out of Debt*

The biggest risk, however, lies in choosing the wrong path *out* of debt. Consider the following realities:

- **Debt settlement** will reduce the interest rates on your debts and, under very extenuating circumstances, possibly some of the balance owed. However, you will be asked to sign a contract to make regular payments at the newly agreed rates. If you don't have the money to pay anything now, where will you get the money to pay the lower payments? And if there is a reduction of the amount owed, that debt reduction can trigger a taxable event for you (check with a CPA on your individual situation) – do you have the money to pay the extra taxes?
- **Debt consolidation** simply borrows from Peter to Pay Paul. The size of the amount owed hasn't changed. It may have moved from point A to point B, with B offering a lower interest rate, but you still have the debt. The situation really gets scary if most of that debt was originally on credit cards. If those cards are all now at zero balance thanks to your new consolidation loan, do you have the self-discipline not to charge them right back up again?

- ***Digging yourself out of debt*** may seem like the toughest choice, but it brings with it the greatest chance of not falling back under a mountain of debt in the future. It also gives you the greatest amount of control over the process.

If you choose debt settlement, your accounts might be frozen or closed completely until the debts are paid. It can be very hard to get through life without at least one credit card these days.

Debt consolidation will only be a viable option if you have been able to maintain a good credit score and have assets to borrow against (equity in your home?). If you have reached a point where you describe your situation as being “crushed by a mountain of debt,” it’s likely that consolidation will only be an option if you can borrow money from family or friends – do you think you could have that conversation?

If you’re adamant that you want to do this yourself, there are choices to be made:

### *Ask Yourself Some Hard Questions*

How aggressive are you prepared to be? You can sell everything you own – your home, your car (or cars), your furniture and appliances; you can move back in with your parents or siblings for a while; or you could downsize from a house to an apartment to a mobile home to an RV or your car. However, your chances of success are directly related to how honest you can be with yourself here.

If holding the mother of all garage sales doesn’t scare you off, then you have a chance of making big reductions in your debt balance fairly quickly; but if you look around your home and see nothing but stories and emotional memories attached to everything you own, selling everything may not be a *realistic* choice for you.

Financial gurus and debt forums can debate how to pay off your debt until the cows come home: Should you pay off the lowest balance first and then apply that payment to the next lowest balance (the *snowball* method), or pay off the highest interest rate first and then apply that payment to the next highest interest rate (the *avalanche* method).

There are merits to both methods – seeing a zero balance in your list of debts can be very motivating for some, especially if your path out of debt involves some deprivation and austerity methods (no eating out, no cable TV, no vacations, etc.) For others, paying the least amount of interest is more important than a zero balance, so you have to decide what’s more important to you.

When your life is dominated by final notices and collection calls, it’s easy to lose your perspective. Being in debt is suffocating, and the larger the debt, the more suffocated you feel. No one can blame you for feeling desperate and wanting to reach out for the first available source of air and a path out of debt.

Unfortunately, the wrong choice can actually make your situation worse. Sign up for a debt settlement plan that you can't meet, and your creditors won't negotiate with you again. Consolidate your bills and start using your cards the very next day, and you'll be back to square one before you know it. Hold a desperation yard sale and you'll find something you sold listed on Craigslist the next day for twice what you sold it for.

Your chosen path out of debt will only be successful if that path takes into account your strengths and abilities. The *right* path is not going to be the *easiest* path – it's going to be the path that makes sense for you.



## **STEP #4            Make A Plan That Makes Sense**

Living with the constant pressure of a crushing debt burden is not your normal state, so you can be forgiven for thinking that you are capable of abnormal behavior to fix your situation. Yes, you can make some tough choices and change your behavior over time, but your chances of success will be greater if you stay true to your own personality.

Getting out of debt once and for all is not a New Year's Resolution to be forgotten by January 5<sup>th</sup>. This is a strategic plan to kill your debt for good, remember. A strategy requires you to leverage your strengths and minimize your weaknesses. If you come at this like your yearly commitment to exercise more and eat healthier, you are doomed to failure (unless you lost 100lb and finished 6 marathons last year, in which case – Congratulations!!!).

Hopefully you have given some thought by now to what you are willing to consider as your path out debt. If the pain of selling everything (including your blood if you have to!) seems worth it just to get this over with once and for all, start checking EBay and Craigslist right away – you'll need accurate prices for your soon-to-be-held mother of all garage sales.

Once you have information at your fingertips, you are better equipped to make reasoned choices with your spouse or partner, including:

1. What are we willing to sell and what are we willing to do to sell it? (Yard sales, flea markets, Craigslist, EBay, offer free delivery, offer installation and set-up for furniture items).
2. Should we sell everything that isn't nailed down or just the stuff that we know will sell for top dollar?
3. What will we keep until we have nothing left to sell?
4. Where is the nearest blood bank? (just kidding – please don't sell your blood!)
5. Do we really need two cars?
6. Can we sell our newer cars for more than we owe and buy cheaper used ones?
7. Where can we trim our monthly budget (you knew this question was going to happen eventually!)
8. Can we/should we sell the house? Where would we go?
9. Are we going after the snowball or avalanche method of debt reduction?
10. Can we really do this ourselves or do we need help?

These ten questions are by no means comprehensive – they are designed to prompt a conversation that will hopefully lead you to a plan that you are both committed to following. They're not designed to be set in stone either. Your situation will change as you make this journey, and each change should be regarded as a change to revisit your plan and make the necessary adjustments. You can bet that life will throw you a few curve balls (if it hasn't already!). That water heater will blow out on you, but that ugly old vase that you inherited from Great Aunt Gertie that you hid in the attic might be worth ten times more than you thought...

## *Un-Spending Won't Be Enough*

Back in step #2, we warned you that you can't "*de-coffee* your way out of debt." In other words, you can cut your expenses and sell your possessions, but unless you found a Picasso painting at your local yard sale for \$3, it's unlikely that those actions will get you out from under your debt.

Now it's time to look at the other side of the equation – *increasing your income*.

Selling your possessions will hopefully bring a one-time surge of cash that you can apply directly to your debt balance, but that surge is a one-time event. Once the item is sold, you can't sell it again, and no matter how aggressive you are in selling every stick of furniture you own, you will run out of things to sell at some point.

Creating income is a more nerve-racking challenge. If being unemployed has contributed to your debt problems, the idea of bringing in more money is going to be a complete "Duh!!" moment, but we're asking you to be more creative here. It's not just about working in a job you have work experience in; it's about looking at your situation for opportunities to bring in quick cash now.

Think about it this way – if you have a job, what could you do in your spare time to earn extra money? If you're unemployed, what could you do with all the time you have available outside of your daily job search to earn some extra cash?

Remember, we're not talking about retraining for a new career or relocating to a new city for a new job. We're looking to scoop up extra cash on the assumption that every little bit helps to bring down that balance and finally kill your debt forever.

Once you set those parameters, all sorts of options become available to you:

- If you own a lawnmower, put up a flyer to mow some yards on the weekend. You might be taking some cash away from the local teenage kids, but it will only be temporary. Do the same in the winter if you have a snow blower.
- If you're handy around the house and have some tools, advertise your handyman/handywoman skills.
- Look at offering your time in a service business - pet-sitting, appointment-sitting (for folks getting stuff delivered to their homes), house-cleaning, grocery shopping, laundry, meal preparation, etc.
- If you don't want your neighbors to know your situation, look at ways of making money in an online business – check out the [\*\*Resource Page\*\*](#) at the end of this report for more details!

## **STEP #5            Celebrate Every Victory**

We have given you a lot of information in this brief report – plenty of things to think about, and some critical choices to make as you start on your journey to debt freedom.

Remember that this journey will take some time – there is no quick fix (despite what the gurus might tell you), unless you're blessed with a lottery win or a Picasso in the attic!

There will be happy times when individual bills are paid off, and much tougher times when it'll look like you're taking three steps back for every two steps forward. You'll pay of a bill and then that pesky water heater will blow out on you, or your car will break down – anything to ruin your day, week or month.

When we got in over our heads with credit card debt (\$90,000 at our lowest point) thanks to a failed business venture with a family member, we made a conscious choice to include victory celebrations as a part of our recovery plan. We knew we would need the extra motivation on a regular basis (that \$90k wasn't going to disappear overnight), so we included those celebrations as an equally important element as all the other debt reduction strategies we had decided to adopt.

We found that one celebration every other month helped to keep us going, and we planned that celebration in advance, so that we knew what we had to look forward to. In the early days, we were so focused on making a dent in the debt that we didn't want to spend anything, so the celebration would be a “no money fun” picnic or a day at the lake with the kids and a soccer ball.

As we started to see the balances come down, we started putting aside 10% here and there for huge expenses like a bottle of wine, or dinner and a movie. When we started earning some regular money online through paid surveys and some writing jobs, finding that 10% became easier, but some months we were so close to paying off a bill that we would skip the 10% just to celebrate the zero balance that much sooner.

It took us almost three years, but we got there in the end, and believe it or not, the struggle really was worth it. We know what's important to us and our family now, and retail therapy isn't it! Stuff no longer matters like it used to, and saving up for something rather than just whipping out that credit card makes the final purchase that much more meaningful.

There is a way out, and if you follow these five steps, you will get there – we promise! And if you'd like to increase your income sooner rather than later, check out some of the online income opportunities on the following resource page. In the interests of full disclosure, we will receive a referral fee if you decide to choose one, but there is no additional cost to you. The paid surveys and writing jobs really helped us, but you should pick something that works for you.

Good Luck!!

## **RESOURCE PAGE: ONLINE INCOME OPPORTUNITIES**

- ***GET PAID FOR TAKING ONLINE SURVEYS***

I know this sounds too good to be true (we felt the same way when a friend first suggested it to us), but Gary Mitchell is the real deal and knows what he is talking about. For us, the biggest attraction is that you can do this in little blocks of time, here and there, when it's convenient for us – much better than a second job!. Check out the details [here](#) – you'll be glad you did!

- ***REAL WRITING JOBS***

Since you've stuck with us through 15 pages, you know that we like to write – do you? We're not talking about writing the next War & Peace here, or even becoming the next J.K. Rowling with a new Harry Potter book. There are an amazing number of opportunities to write for websites, newsletters, blogs, catalogs and even magazines – in fact, there are more writing gigs than available writers if you know where to look.

Just like the Online Surveys, the attraction here for us is the freedom to work from home, set your own hours, and take advantage of little blocks of time rather than getting a second job or committing yourself to a regular schedule. We found a program that supplies new writing jobs daily that we can pick and choose from according to our availability that day. Check out the details [here](#).

- ***LEGITIMATE ONLINE JOBS***

We use the word legitimate very deliberately, because there are a lot of scams out there these days. With persistently high unemployment and a lot of retired folks looking to supplement their Social Security checks, everyone seems to have a way to make thousands of dollars a week for doing nothing (provided you pay a fortune for a “training package” or “welcome kit”!). To be honest, we were desperate enough in the early days of our journey to debt freedom to fall victim to these scammers once or twice – lesson learned!! At least we were smart enough to stay away from stuffing envelopes!

We persisted and finally found a plan that works – posting online ads as an outsourced freelancer for other companies. It sounds more complicated than it really is, and you'd be surprised how much you can get done in just a couple of hours here and there. This works great for stay-at-home Moms and Dads. Check out the details [here](#).