

LIVE WEALTHIER

Welcome. Thank you for downloading this exercise, actually two for the price of one!
These are tried and true approaches to managing resources and reducing debt.

SHIFT YOUR MONEY MINDSET

Creating wealth in your life requires, first and foremost, a shift in mindset. It is a good idea to begin with a personal inventory. If we overlook the riches in our lives that come from spirit – such as our native gifts and abilities, our network of family and friends, and the meaningful things that enrich our lives such as access to music and culture – no amount of added income will be enough. If we don't appreciate and honor what we already have we will always be in a state of deprivation, not abundance.

Understand that building wealth is all about how you deploy your time and resources. If you are like most people, you have a regular job which generates income. This is usually a fixed model – you work so many hours to receive so many dollars. We all have access to the same amount of time each day, each week, each month, and each year.

You have some limited control over both sides of the time/resource model.

If you add more time dedicated to generating income such as taking on a second job you can increase your financial resources. You can also eliminate activities that waste time and replace with more creative activities to improve or enhance your life. Or, perhaps by investing time on improving your skills or education you may be able to increase your rate of income.

A coach to help you achieve your wealth building goals will have many tools to help you achieve your goals.

• Here are two exercises – one to prioritize and manage the resources you have and the other for reducing or eliminating debt:

• PRIORITY AREAS FOR SPENDING

John Burley, a real estate investor, talks about the Five Priority Areas for spending. This is a great list to change your mindset on how to manage what you already have:

• Five priority areas for spending the money you have:

- 1 Pay yourself first – SAVE**
- 2 Pay your tithe – Support your CHURCH or CHARITY**
- 3 Pay your bills – Know your BUDGET**
- 4 Invest a little – For the FUTURE**
- 5 Spend the rest on whatever you want – Groceries, Gas, Fun, ETC**

• GET OUT OF DEBT

This Get Out of Debt technique is widely circulated and works on creating an accelerating model of debt reduction.

Pay off the smallest debt first, regardless of the interest rate.
Make minimum payments on all other revolving debt.

Once you pay-off the smallest debt take the monthly money you were using to reduce that debt and add it to the monthly payment of the next smallest debt. Pay minimum payments on the rest.

Continue with this strategy adding each monthly minimum payment to the next debt in line. You will be significantly accelerating the debt reduction on your larger and more expensive debts before you know it.

With this model you can forecast the date when you will be debt-free.



Important:

Do not add new debts that you can't repay within a month or two.