

Women & Money



Clever Tips To Accelerate Your Debt Power Payoff Results

Tip #1: Stop Feeling Poor

It's crucial not to feel poor, or impoverished when paying down debt, so avoid trying to use a strict budget or 'good behaviour' plan, which won't work for very long. Instead, use some or all of these bonus tips to accelerate your payoff success, while still enjoying your life!

Tip #2: Use "Windfall" Money to Accelerate Your Freedom Payments

When you receive Windfall money (tax returns, refunds, rebates, pay raises, bonuses, etc.) take 10% to spend on you, just for fun. Deposit 10% into savings, and apply the remaining 80% as a lump sum payment towards the credit card or loan at the top of your payoff list. Remember, no amount of windfall money is too small to handle in this way, as it all counts!

Tip #3: Create Your Own Money Windfalls

Gather up items from your garage, attic, book shelves and cupboards that you don't need, rarely use or are just cluttering up your space. You'll be surprised how much this can add up to. Don't let guilt that you might still owe on an item stop you from selling it today. If you're an entrepreneur you have even more ways to create a windfall. You could host a sale of a product or a course that you have lying around. Or you can run a promotion for someone else's product or service and use your affiliate commission as your windfall. Once you start looking for windfall money you'll be surprised at how many and how frequently opportunities come to you!

Tip #4: Handling Gift Money Graciously

Gift money is given to you with love for you to spend on yourself. Don't pay bills or pay down debt with it. Treat yourself!

Tip #5: Renegotiate Lower Interest Rates on Balances Owed

While not every credit card company will be willing to do this, you won't know if you don't ask. Pick up the phone and ask to speak to a counselor at the credit card company. Don't accept speaking to whoever answers the phone as they probably do not have the authority to make a decision. Be assertive here and see what might happen that can benefit you! This applies to other services too like electricity and gas, Pay TV and so on.

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Tip #6: Explore Using 0% Balance Transfer Offers

Only use this strategy if you're certain you can pay off the balance in full before the interest rate jumps - and be sure to compare the fee you'll pay when initiating the balance transfer, to how much interest you'll save by paying off the top priority card in your list. It may or may not be worth it. Avoid using cash advance as the interest is very high!

Tip #7: Freeze Lending or Giving Money to Anyone Until You Are Debt Free

Yes, this includes your kids and loved ones. Let them know in advance that you're excited to be taking control of your finances by paying off debt and that until your goal is achieved, you won't be able to loan or give any money. If they're used to you being their bank they may try to pressure you or make you feel guilty. Don't! You are not a bad person because you are no longer willing to fund others while digging a deeper debt hole for yourself. They'll quickly adjust and you'll be setting new boundaries that you can feel good about. Remember this: lending or giving money to others won't make them love you more, but it will rob you of their respect, and your own self-esteem!

Tip #8: Plan On Saving Even While You're Paying Down Debt

Have a vacation you want to go on? Or maybe your home needs a few improvements? Decide how much you want to save each month and pay that into your savings account, just like you would any other bill. It can feel like a stretch but you'll be surprised at how much it adds up to. Remember, no amount is too small to save!

Tip #9: Shred New Credit Card Offers

Enough said!

Tip #10: Accumulate Air Miles/Points Without Increasing Debt

If you use your credit card for monthly expenses such as groceries, petrol, utilities, etc. then pay the amount charged in full each month. Even better, the same day you use your credit card for these purchases, log on to your online payment system and make a payment for the amount just spent. This way, you won't be lulled into a false sense of having money that in truth, you've just spent. Plus, it will help you consider purchases at the time of making them, rather than wondering how your credit card balance jumped so high by the end of the month!

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Tip #11: Use My “Substitutions” Strategy to Save Big

Look for one substitution each day that will leave more money in your pocket. And watch where you're tempted to indulge in extras that, if you made a different choice, you would hardly notice were missing. For example, instead of picking up take out, setting yourself back \$30-\$50, why not prep some easy meals in the freezer – frittata's, fish cakes, chicken fritters, slow cooker meals and put together a simple salad? It takes very little extra time, you'll be eating healthier and you'll save a ton. Even more powerful is to tally up what you've saved and add that amount to your monthly freedom payment!

Tip #12: Play The Extra Payments Game

How many little extra amounts can you deposit or pay online throughout the month towards your freedom payment? Even amounts of \$5, \$7 or \$10 can add up. This one is surprisingly fun!

Tip #13: Make Half Your Freedom Payment Every 2 Weeks Instead of Monthly

This way, you'll make 26 payments in a year rather than 24, so you're getting ahead faster and you'll barely even feel it!

Tip #14: Be Grateful For Every Payment Made Towards Debt

How many different ways can you feel gratitude when making your monthly payments? You can feel gratitude that you have the money to make a payment, you are taking control of your finances, you are increasing your financial self-esteem, every cent paid is a significant move to freedom, you're now learning new money skills that will last you a lifetime, you're building financial muscle, you're supporting yourself emotionally and financially in new ways. The more you acknowledge and are grateful for each payment, the more you'll free yourself from being pulled into the emotions of the past. This is a new path for you and you deserve to be joyful while paying down debt!

Tip #15: Use the “Simplifying” Strategy for Extra Savings

Each month find one expense you can eliminate from your lifestyle. For example, buying lunch out weekly, ordering dessert at a restaurant when you don't really need it, or paying for extra channels on pay TV. You can comfortably accumulate the rewards of 12 total expenses you'll have saved over the course of a year, and all without feeling deprived!

Which one of these do you want to do first? 😊