

## Teleseminar notes

### Get Out of Debt!

April 30, 2008

#### Introduction:

You are in debt today because of yourself, because of your own choices and decisions.

You are in debt because you have decided to be in debt, or at least, you have not decided not to be in debt.

In this seminar, I will explain a series of practical, proven strategies and techniques that you can use to get out and stay out of debt – faster than you may have thought possible.

#### Start: Magic Wand Principle

Image you could wave a magic wand and make your financial life perfect in every way:

1. How much would you be earning?
2. How much would you be worth?
3. How much passive income would you have each month and each year?

Always start with your goals, with a clear idea of where you want to be sometime in the future:

1. What are your ten and twenty year financial goals?
2. What are your five year financial goals?
3. What is your one year financial goal? 12 months?

The greater clarity you have, the faster you will achieve it.

Resolve today, make a decision, to get your finances completely under control, to pay off all your debts and achieve financial independence.

Definition of financial independence? You have enough money so that you never have to work again.

Calculation? Monthly expenses – for everything – if you had no income?

Current savings? How many months, years, could you survive right now?

Multiply monthly expenditures x 12 to get your annual requirement.

Multiply your annual requirement times twenty to get your lifetime savings goal.

Financial analysis: prepare personal balance sheet to determine current assets, liabilities and net worth:

1. Make a list of all your assets and their cash value. Add it up.
2. Make a list of all your debts/liabilities. Add them up.
3. Deduct your debts from your assets to get your net worth, positive or negative today.

This is your starting point.

Question: Why do people spend too much and get into debt? You must be aware of these factors!

1. Path of least resistance: Natural tendency to do what is fun and easy throughout life.
2. Easy credit – possible to get credit cards, accounts and easy financing for almost anything.
3. Impatience – inability to practice self-discipline, and desire for immediate gratification.

4. Impulsiveness – tendency to buy things quickly, without enough thought or research.
5. Childhood conditioning (worst of all) – your associate spending money, buying things (candy) with pleasure.

Reality: Pleasure from buying things is short, fleeting, and momentary – goes away very fast.

Getting out of debt? You need to rewire, reprogram yourself with regard to money, from: 1) I like spending money; it makes me happy; to 2) I like saving money; it makes me happy.

Deepest emotional needs: safety and security. Fact: having money saved/invested gives you a deep down sense of security, peace of mind, confidence and calmness.

Being broke and in debt makes you feel insecure, nervous, inferior, tense and worried.

Verbalize: “I love to save money and watch it grow.”

Visualize: See yourself as financially independent.

Emotionalize: Create the feeling of being rich.

Getting out of debt? Track your expenses carefully:

1. Make a list of every expense – home, car, medical, utilities, clothing, gas, food, entertainment, etc – that you have each month.
2. Make a list of every debt you have and the required monthly payment. Add them up.
3. Resolve to reduce, control, cut, and minimize your expense so that you are earning a profit each month.
4. Create a monthly budget based on your income and expenditures and stick to it.

5. Notebook: Carry one and write down every cent you spend during the day.
6. Get rid of all your credit cards except one or two. Cut them up!
7. Make a plan to reduce your monthly expenses by at least 10%.
8. Use this money to start paying off your debts, starting with the highest interest rate debt.
9. Resolve to pay cash for everything from now on.
10. Sit down and analyze your financial situation each weekend.

Three secrets of self made millionaires:

1. They put financial independence above all other financial considerations.
2. They practice frugality with every expenditure.
3. They spend 10-20 hours per month studying their money and how to invest it, make it grow.

Getting out of debt? Key principles:

1. Pay yourself first: Save 10% - 20% of your income off the top. Live on the other 80% to 90%.

Whatever you do repeatedly becomes a habit.

2. Start with 1%, live on the other 99%:

Open a Financial Freedom account and deposit your savings each paycheck.

Put every extra, unexpected amount in this account.

Once the money goes in, you never touch it.

3. Activate the laws of accumulation and attraction.

As this account grows, it will act like a magnet and attract more and more money.

Example: \$3,000 per month? Save 1%, equals \$30 per month

End of one year? \$360? No! \$500, \$800, \$1,000 and more!

4. Delay, defer, and put off every expenditure. Give yourself 24 hours, the weekend, or even a month before you make a buying decision.

The more time you take to decide, the better decision you will make.

5. Break Parkinson's Law; "Expenses rise to meet income." Resist this natural tendency.

6. Wedge formula for financial independence:

Drive a wedge between your increasing income and your rising expenses.

Save 50% of your income increase for the rest of your life. This alone will make you rich.

7. Open separate bank accounts for home, car, boat and debt reduction.

Getting out of debt? Use the bucket method:

1. Bucket number one: 10% for saving, investment
2. Bucket number two: 10% for debt reduction
3. Bucket number three: 10% or more for home, car, vacations etc.

Learn to live on 70% or less of your income.

Getting out of debt? Increase your income!

Your most valuable financial asset? Your earning ability!

Double your income? Inevitable! At 3% per annum, you will double it in 22 years.

At 25% per year, your income will double in 2.7 years.

Resolve today to be the best in your field; join the top ten percent, the highest income earners.

Everyone in the top 10% started in the bottom 10%.

What others have done you can do as well.

Commit to excellence, one skill at a time.

Law of Three: 90% of the value of your contribution is contained in three things that you do at your job.

What are the three most valuable things that you do?

Your weakest key skills set the height of your income.

Question: What one skill, if you were absolutely excellent at it would help you the most to double your income, double your earning ability, and double your value?

Set this one skill as a goal, make a plan, and work on it every day.

All business skills are learnable; you could be only one skill away from doubling your income!

Dedicate yourself to life long learning, life long personal and professional development:

1. Read 30-60 minutes in your field each day
2. Listen to educational audio programs in your car

3. Attend every course and seminar, live and online, that can help you to improve your earning ability.

Key: Do fewer things, but more valuable things, do them more often, and get better and better at those skills that determine most of your income.

Summary: Here are the ten keys to getting out of debt and achieving financial independence:

1. Set clear, written goals for every part of your financial life;
2. Do a complete financial analysis of your financial situation;
3. Draw up a monthly and annual budget and stick to it;
4. Reduce, cut back, trim every possible expenditure;
5. Pay yourself first. Save 1%, 2%, 5%, 10% and eventually 20% to 30% of your income and live on the rest.
6. Practice the Wedge Formula and save/invest 50% of every increase in your income from now on.
7. Open a Financial Freedom account and deposit every extra or unexpected dollar you can in it.
8. Dedicate yourself to life long learning. Be the best at what you do. Join the top 10%;
9. Continually visualize yourself as debt free and financially independent.
10. Back your plans with persistence and determination, and never give up until you achieve your goal.

### [The Ultimate Goal Achieving Package](#)

The starting point of great success is when you sit down and decide exactly what you really want, in every area of your life.

The Ultimate Goal Achieving Package will do just that. It's a simple and easy-to-learn method to get everything you want out of life.

Your ability to set and achieve goals will determine your success and happiness more than any other skill you can ever learn!

Get on the road to success and start living the life you've always dreamed of.

[Order The Ultimate Goal Achieving Package today!](#)