



Michele Nosari

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Debt Payoff Plan



Steps to Pay Off Debt



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Steps to Pay Down Debt

1. *Know your Why*
2. *Know your Numbers*
3. *Pick Your Path*
4. *Get Started*
5. *Strategies for Success*
6. *Rinse and Repeat*
7. *Need Help? What's next?*



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*Know
Your
Why*



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Step 1: Know Your Why

Use the following pages to help you dig deeper and articulate WHY you are paying down your debt.

The steps are simple, but the process is not easy. If it was easy everyone would do it.



"WHEN YOU KNOW YOUR "WHY" YOU CAN ENDURE ANY "HOW"
- VICTOR FRANKL



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Know Your Why

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What will you gain when you have less debt?

What will you lose with less debt?

What will change physically? Emotionally?

How will a personal relationship be impacted?

How could paying down debt impact your health?



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What is your intention? What will you tell yourself?

An intention is a guiding principle for how you want to be, live, and show up in the world.

This is not your resolution or even your goal.

It is your mindset



I am paying off my debt

I have a plan to pay off my student loan

I don't open up new credit cards

I create debt free choices in my life

I don't ignore my debt

I know the month my car will be paid off

I focus on paying off my debt

I don't create new debt

*Declare
Your
Intentions*

Money mindset is your unique and individual set of core beliefs about money and how money works in the world. It is your attitude about money.



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Be Mindful: what is Your word?

Pick one word that will remind you of your WHY and INTENTION

You get what you focus on, so focus on what you want.

*What can you do to remind and be mindful of your word?
Keychain, artwork, screen saver, where else?*





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Put It all Together....

Because, I Want To...

Declare you WHY

I...

Speak your present INTENTION

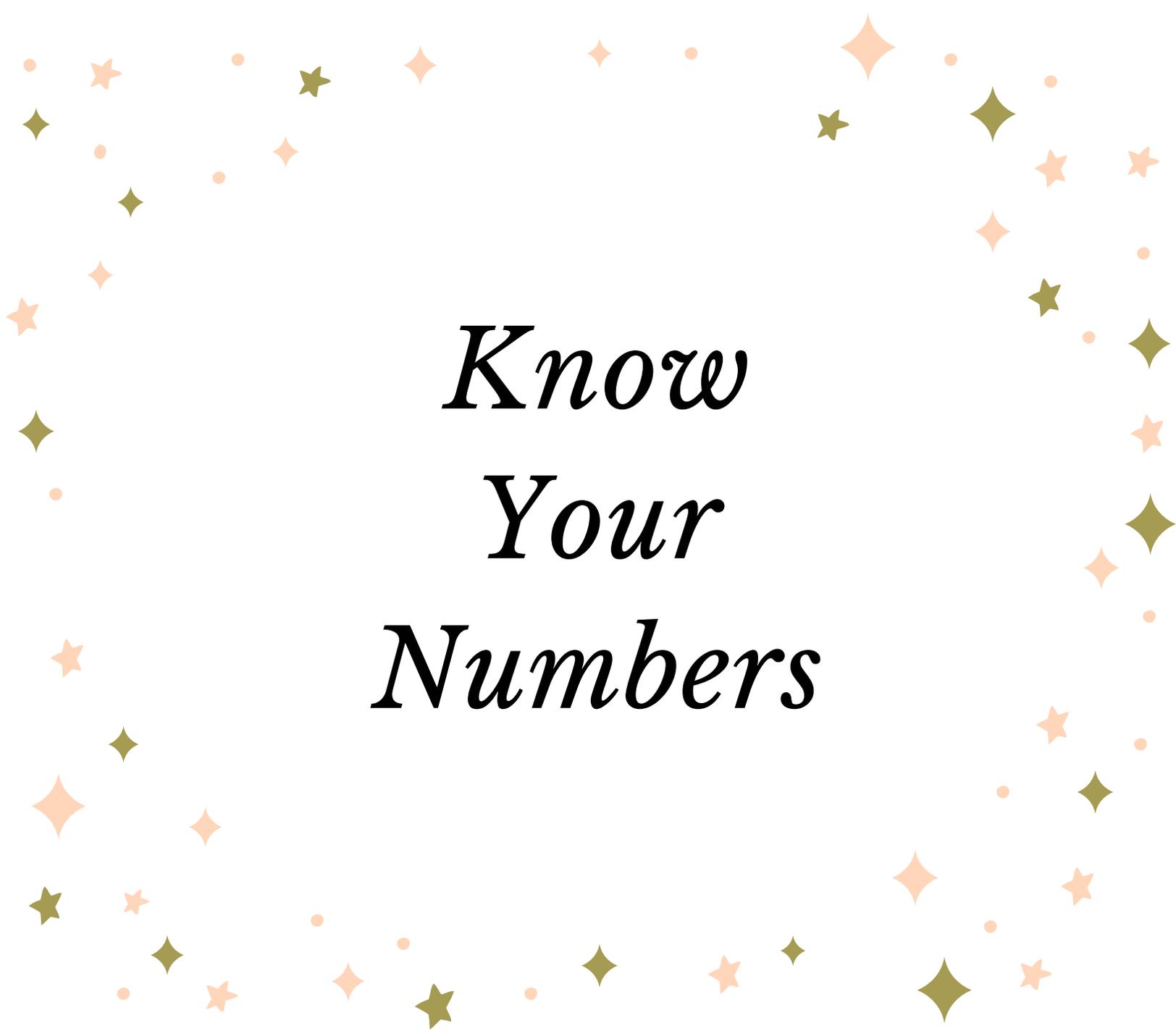
This will bring me...

Focus on your one WORD



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*Know
Your
Numbers*



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*Pick
Your
Path*



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Step 3: Pick your Path

SNOWBALL

Popularized by Dave Ramsey, this method targets the debt with the **LOWEST** balance first.

Show progress and stay motivated by getting to the point where you get to actually crossing a line of credit off your list faster than other methods.



AVALANCHE

Recommended by Suze Orman, this method targets the debt with the **highest** interest rate first.

This is the method that the pencils out "on paper" to save you the most money on interest rates in the long run. Best for those attracted to spreadsheets and can see the long term financial impact of paying off that loan first,



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Step 3: Pick your Path

SUMMIT

"Rich Dad, Poor Dad" author Robert Kiyosaki recommends paying off the largest minimum payment first.

This method can be good for someone who has a very tight budget without a lot of wiggle room. This plan will give you some cushion by freeing up cash quickest.



GO WITH YOUR GUT

Which debt FEELS the best to pay off first? Pick that one. Ultimately you want to pick the debt that you are most motivated to pay off. The one you just don't want to look at any more.



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Step 3: Pick your path

which path feels motivating to you? why?

which path feels frustrating? why?



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Get started!



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Step 4: Start paying it down



PAY MIN ON ALL

Every month the pay minimum payment on all of your loans. Keep up to avoid late fees or additional interest.

EXTRA AMOUNT

Determine how much extra cash you are going to add to your minimum payments to reach your goal. Commit to adding this amount to your minimum payments, as if it was required every single month.



PAY OFF 1ST DEBT

Each month the balance of the targeted debt will shrink faster than it ever has before. Eventually, you will have one less debt on your list. Congratulations! This is the step where you can see that making a plan helps you get ahead!





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*Strategies
for
Success*



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Step 5 Be Successful

Which Path / Debt is first?

How much **over** minimum amount each month are you committed to pay down?

If you come across extra income during this process (raise, bonus, gift) how will you use the funds?

What challenges will impact you from achieving your goal. How will you deal with it to stay on track?

How will you automate your plan?

After you pay off first goal, what will you do to Celebrate?





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Success Strategy: Establish Goals

Good Goal:

Better Goal:

Best Goal:



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*Rinse
and
Repeat*



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Step 6: Rinse & Repeat



GO BACK TO THE START

Re-access your money mindset and your Whys. What has changed? What changes did you make that helped you succeed in paying down your first debt? What made it harder? What will you change next time?

UPDATE YOUR NUMBERS

Important to re-do your spreadsheets to see your current position and understand where you are today. So many benefits to this including seeing your progress!



PICK YOUR NEXT PATH

Although you can, you don't have to pick the same method for each debt. What are you going to try differently this time around? What worked last time that you want to keep the same?

What's Next?



FREE Private 1:1 Coaching:

Need More? To help answer your questions about using this workbook and paying off your debt. Grab some time for a free Q&A and I will help you answer them confidently

Go to www.FinancialFeedbackWest.com and reserve time on my calendar for a free 30 min Q&A and I will help you move forward confidently.