



Your Debt-Free Cheat Sheet

Lois Center-Shabazz | MsFinancialSavvy.com

YOUR DEBT-FREE CHEAT SHEET

BY LOIS CENTER-SHABAZZ

1. IF YOU DON'T NEED IT, DON'T BUY IT, HENCE NOW YOU CAN START TO CLEAN UP A DEBT SNOWBALL

How many clothing items do you have in your closet that you don't wear?

How many books do you have on your shelf that you haven't read?

How many utensils or dishes do you have that you haven't used?

Go through your garage, can you find things you haven't unwrapped?

How much furniture do you have that you haven't sat on yet?

If you answered an affirmative to any of these questions, you don't need to keep buying items in these categories. Also, it would help your budget to get rid of some of the things you don't need. There are also things you have in your possession, but have not used for years, these are things that you can consider getting rid of to [pay off bills](#).



2. COMPARISON SHOP FOR THE BARGAIN ONLINE, BEFORE YOU HIT THE STORES

Internet shopping has revolutionized the way we shop in the past few decades. If you have little time, and are in need of major items, using the internet can save time, gas, and money. You can comparison shop at several single sites for the same item. There are many internet shopping malls that serve the purpose of comparison shopping and afterwards, you can purchase from the same mall. You can also comparison shop with stores in your own area. Using the internet shops first can also tell you if an item is stocked in your local store, so you don't waste time and gas traveling. Use this [powerful guide](#) to understanding the big picture of personal finance.

3. IF YOU KNOW YOU HAVE A SHOPPING ADDICTION, STAY OUT OF THE STORES

It takes a little bit of discipline to admit that you may be shopping for the thrill of it. This is when you know you have a shopping addiction, and are not in need of most of the things you buy. In this case your money would be better spent on therapy to curve your shopping addiction or doing other healthier and less expensive activities.

4. CONCENTRATE ON PAYING OFF BILLS WITH INCOME OR SAVINGS

It sounds a little silly to say you need to pay off bills with income or savings, but some have gotten so heavy into the debt trap that they confuse money with debt consolidation programs – which is just more debt. Stay away from getting loans to pay off loans, this will help to get your debt snowball under control. Learn more from my [power budgeting sessions](#) at MsFinancialSavvy.

5. DON'T USE DEBT TO PAY OFF DEBT, THAT'S CALLED DEBT REPLACEMENT

I said it before, save up some money or budget money from income, no matter how small and use that to pay off your debt. Most of us have to have some debt, but it should be in line with your income at minimum. Much of the debt we carry is emotionally burdensome and unnecessary. You can get out of debt forever, if you understand this.

6. HANDS OFF YOUR RETIREMENT ACCOUNT, IT'S FOR YOUR RETIREMENT

When retirement age rolls around some workers have to wait 2 years, some 5 and others 10 or more years to retire because they used the undisciplined approach of spending retirement dollars before retirement time. Not only did they spend the dollars, but they had to repay interest and penalties for early use of the money. This makes no sense at all, unless it is a matter of life and death (your own), you should not touch retirement money until retirement time. The general rule of thumb is that you can safely take out 5% a year to retire on, after retirement. Most accounts can generate at least that much in interest to consistently replenish the account.

7. BEFORE A PURCHASE ASK YOURSELF, “DO I NEED THIS, DO I WANT THIS, WILL I USE THIS, CAN I AFFORD THIS, AND WILL THIS LAST?”

This is my famous saying. It came as a result of my own years – long battle of spending, borrowing, and saving money. I finally got the saving part to dominate all others. Then I adopted the above mantra before I buy anything. Once I learned that at some point you can buy so much that you start to duplicate things you already have. At this point, it is usually bought if I need it, I am going to replace something that are no longer useful, or I am going to give things away to those in need.

In summary, stop your debt snowball by under spending and over saving. When you need something, you can pull money from your savings or income. Keeping debt low works to keep your mind, emotions and finances, in good shape. Learn more when you book a [Free Live Discovery Session](#) with me.

Regards,

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