

- RECIPE 3 -

Blitz that Debt!

SHARING THE RECIPES FOR WEALTH



LEVEL OF DIFFICULTY > Easy

INGREDIENTS:

- 5% from "Savings Pot"
- 5% from "Contributions Pot"
- All your debts = everything you owe
- Debt Destroyer Fuel (DDF)
- Freezer in which to put your cards on ice

TOOLS REQUIRED:

- Balance Sheet: your liabilities

SKILLS REQUIRED:

- Determination
- Spreadsheets: a tiny amount

TIME REQUIRED:

- 3 hours initial set-up
- 10 minutes per month, to adjust DDF

METHOD:

Step 1 > Stop Using the Cards.

Put an emergency card in the freezer. Do not cancel the rest yet.

Step 2 > Determine your Debt Destroyer Fuel amount (DDF).

Commit to a fixed amount of money that you're going to use to destroy your debt.

Aim to make your DDF 10% of your income: 5% from your savings pot and 5% from your contributions pot.

Step 3 > Get The Whole Picture.

Fill in the Debt Destroyer Priority Planner spreadsheet with every single debt you have, stating:

- a. Who you owe
- b. The total outstanding balance

Cont. >

- c. The current interest rate
- d. The minimum monthly payment

Step 4 > Determine the Debt Priority Ratio.

Divide the outstanding balance by the minimum monthly payment to get the debt priority ratio.

Step 5 > Debt Destruction Priority Sweep 1.

Sort your debt by priority with the lowest priority ratio number being the highest priority debt.

Step 6 > Debt Destruction Priority Sweep 2 - Detester Element.

Go through every debt and determine which debt you DETEST the most. Add a number between 1 and 10, a 10 being "I detest you the most."

Re-order your debt destruction priority by making the debt with the highest Detester number your number 1 priority debt.

Step 7 > Destroy Your Debts.

Pay the minimum payment on every debt and accelerate the repayment on your number 1 priority debt with the minimum payment + the Debt Destroyer Fuel amount.

When Priority Debt 1 is repaid, continue paying the minimum on all other debts, while Priority Debt 2 is destroyed with its minimum payment + DDF + minimum payment from Debt 1.

Continue until all your debts are destroyed.

Step 8 > Stick with your plan and watch your debt disappear.

*Breathe, Relax, and Focus
on expanding you and your investments,
knowing your debts are a thing of the past*