



How to Stop Living Paycheck to Paycheck: **A STEP-BY-STEP CHECKLIST ACTION PLAN**

WORKBOOK

This workbook will help you transform your financial life into a successful journey to financial freedom.

Step One: Acknowledge Your Current Financial State

Total your cash. List your accounts and miscellaneous cash:

Checking Account _____

Savings Account _____

Retirement Saving _____

Stocks/CDs/Bonds _____

Wallet/Purse _____

Other _____

Other _____

Total _____

Do you know how much debt you have?

As you become more and more financially savvy, you'll recognize the importance of always knowing your total debt. For now, list all your debts below. Include credit card balances and loan balances, as well as anyone else you owe. *(Do not include monthly utility payments here).*

Next to the debt's name, record the interest rate you're currently being charged. Next to the interest rates, record the balance you owe for each account.

Name of Acct	Int. %	Balance	Name of Acct	Int. %	Balance
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Now, total these amounts: _____

This is your total debt.

Are you living paycheck to paycheck? _____

Step Two: Know Your Income Amount and What You're Paying for Each Month

List the monthly income you have from all sources and add it up.

_____	_____
_____	_____
_____	_____
_____	_____

This is Your Total Monthly Income: _____

List every bill you pay monthly & approximately how much you pay. Then, total them all.

Savings	_____	Telephone	_____
Mortgage/Rent	_____	Cell Phone	_____
Car Payment	_____	Internet	_____
Insurance	_____	Food	_____
Gas	_____	Credit Card	_____
Real Estate Taxes	_____	Credit Card	_____

Utilities _____ Other _____

Water Bill _____ Other _____

Cable _____

Garbage _____

Your Total Monthly Expenditures: _____

Now, subtract your monthly debt from your total monthly income above and put that figure here _____ .

This is how much money you have left over after paying all your monthly bills. If it's a negative number, you're spending more than you make in a month.

Step Three: Cut Excess Spending Today

When you recorded your daily expenditures for a week, what were your daily totals?

Monday Tuesday Wednesday Thursday Friday Saturday Sunday

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____

Now, for each day, how much of the money spent was frivolous spending?

Put frivolous spending totals on the following lines:

\$_____ \$_____ \$_____ \$_____ \$_____ \$_____ \$_____

Add your frivolous spending amounts and put the total here:

\$_____.

That's money you could be saving every single week.

What did you learn about your daily spending?

What will you do differently regarding your daily spending?

Examine your outgoing monthly expenses you listed in Step 2 above. Do you notice any monthly charges that you could get rid of? Pick at least one but more if you can. Write them here.

Now, make the calls to cancel the services so you won't be charged next month.

Next, take another look at those outgoing monthly expenses you listed in Step Two. Target expenses with amounts you can lower. Look closely to find at least two monthly charges you feel you can reduce. Write them here and what you will do to lower those monthly payments.

How do you feel about removing all your credit cards from your wallet right now and selecting just one to carry with you at all times?

Try it for 3 months and observe what happens. Keep the credit card that charges the lowest interest rate and charges no monthly fee. Which one will you keep? _____

Step Four: Start Saving Money This Week

What will you use for your money jar, container or piggy bank?

What are your concerns about putting the daily savings plan discussed in the ebook to work?

What day of the week will you pay yourself \$5? _____

Do you plan to start *this week*? _____

Step Five: Begin Paying Off All Your Debt

In Step One, you listed your total debt balances, their interest rates and the total amounts you owe to each. Decide now which credit card to pay off first and write its name _____

Stay focused while you're paying off the balance. Once the first credit card balance is paid off, move on to pay off the next credit card.

To help you pay off the credit card balances quicker, take 50% of the money you placed in your savings account last month to apply toward the balance in addition to the payment you normally make toward the credit card when you send the monthly payment.

Step Six: Earn Extra Income However You Can

Write down all the skills and talents you have. List everything you can do to provide a service to others.

Circle the 2 skills you want to use to earn extra income.

Write an ad to tell people about the service you'll provide. Make it short and sweet. Include your phone number and email address.

Where will you *specifically* place the ad:

List the small businesses you'll call about job opportunities:

Step Seven: Save the Other Half of Your Daily/Weekly Savings

Calculate now what it takes for you to live for a month. Multiply that total by 6. Put that total here: _____.

This is the amount of money you need for your 6-month emergency fund. Apply the other half of your monthly savings toward accumulating this amount.

In the event you receive a pay raise, bank half of the amount of the increase you receive every time you get paid. When you adopt this method of saving, you'll gradually increase your life savings.

Step Eight: Design a Budget and Stick to It

Have you ever done a budget before? If so, did you stick to it and consult it often?

What will you do to be successful this time?

"Money is better than poverty, if only for financial reasons."

-Woody Allen