

10 Days to Clean Up Your Finances

Tessa Coltrin, PsyD

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Day 1: Release Shame and Guilt

Very often in life, we do what we must to survive or we make choices based on what we know at the time. We wouldn't necessarily make the same choices at 40 that we did at 20, and that's a *good* thing. Our brains develop fully, we have lots of different life experiences, and we receive various forms of education on different topics. This changes our approach to, well, everything.

This most definitely includes our approach to spending and money.

- 1) What are some money decisions you have made in the past that you regret?

- 2) How did these decisions make you feel then? How about now? What harsh words do you use to judge your decisions or experiences?

- 3) Write some examples of harsh words or phrasing that you use about your financial choices. Underneath each example, I want you to rephrase them into something less judgmental and more positive. These are called reframes. Use wording that you would use with a loved one or a friend, e.g. something much nicer than what you typically say to yourself!

Day 2: Gather Debt Information

You're going to be dealing with your debts right after you've dealt with your shame and guilt. That's on purpose- I want those reframes fresh in your mind before you look at the numbers.

Remember, this is not an exercise in judging yourself. Rather, you are taking steps to take control of your finances and your future. Now, I want you to log into each of your debt accounts and find the current balance as well as the interest rates. Write them below.

Credit cards:

Student loans:

Car/ vehicle/ motorcycle/ boats/ etc:

Mortgage(s)

Personal loans:

Other:

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Day 4: Pull Your Credit Report

Today, I want you to go get your credit report. Go to Annualcreditreport.com and look it over with a fine tooth comb. Are there any mistakes? Any outstanding debts you weren't aware of? Contact your creditors if you spot something that shouldn't be there. Do a quick Google search to see what improves your credit and what decreases it. Once you become a millionaire and pay cash for everything, you won't need credit anymore, but for now just assume that you do or that you will need it in the future.

Annual CreditReport.com

The only source for your free credit reports. Authorized by Federal law.

The screenshot shows the homepage of Annual Credit Report.com. At the top, there is a navigation menu with links: Home, All about credit reports, Request yours now!, What to look for, Protect your identity, Frequently asked questions, and Contact us. Below the menu is a grey banner with an orange warning icon and text: "During the COVID-19 pandemic, accessing your credit is important. That's why Equifax, Experian and TransUnion are continuing to offer free weekly online credit reports." A red button below the banner says "Request your free credit reports". The main content area features a blue background on the left with the text: "You've found your dream house. Are your credit reports ready?" and "People with good credit should check their credit reports too. Regular checks ensure the information stays accurate. Your good credit will be ready when you need it." A white button below this text says "Learn what to look for". To the right is a photograph of a blue house with a white porch. At the bottom of the page, there is a blue navigation bar with links: PAUSE, SPOT IDENTITY THEFT, GOOD CREDIT, DON'T BE FOOLED, MORE THAN A SCORE, and NOT LIKE THE OTHERS.

Your credit reports matter.

FREE Credit Reports. Federal law allows you to:

BROUGHT TO YOU BY

Day 6: Spend Two Hours (Or Less!) Reducing Bills

This is meant to be a quick exercise. Using the categories that you worked on yesterday, I want you to think about what bills could be reduced. Is there any low-hanging fruit (aka easy to target bills) you can grab? Can you call your providers and ask for a lower rate or different plan? This is a timed task. Life is SHORT and I want you to spend it in ways that you enjoy. Therefore, you are going to make a plan and ***hit it and quit it*** as quickly as possible.

Bills to consider targeting:

- 1) Cell phone
- 2) Internet
- 3) Television or streaming
- 4) Insurances (car/ house/ etc)
- 5) What else?



Day 8: Decide On A Debt Plan

Now that you know exactly how much money you owe, it's time to develop a plan for getting rid of it. How are you going to do this? You're going to take the money you saved on day 6 plus the money you are now making from your day 7 exercise and use this to start paying off your debts.

- 1) Credit cards or anything else with high interest **MUST GO FIRST**. If you have a personal loan from a loved one you might want to target that second or even first if it's straining your relationship with your personal lender.

- 2) If your debt consists of student loans, consider if you want to pay them off or if you want to see if you qualify for debt repayment or forgiveness programs. Research the following:
 - a) National Health Service Corps
 - b) Public Service Loan Forgiveness
 - c) State loan forgiveness programs
 - d) Your employer's loan forgiveness program
 - e) Income driven repayment plan + forgiveness after 20 years

- 3) Use this space to write your plan of attack for your debts:

Day 9: Figure Out Retirement Contributions

Free money time (hopefully)!! Your task for today is to find out if your employer has a retirement matching program. If so, invest enough of your paycheck to at least get the match. If it's 6%, invest at least 6%. However, for most people, you will want to invest at least 10% and **more** once your debts are paid off. If you are self-employed or your company does not offer a retirement program, you will need to open your own retirement account with a company like Fidelity or similar. Once you start contributing to your retirement account, double check to be sure your money is actually invested and is growing each year and not stuck in a holding account!

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Day 10: Dream Big About What Comes Next

Friends, if you have completed the previous 9 days of exercises, you are well on your way to having your finances sorted out. Way to go!! The lovely thing about personal finance is that once you have a plan rolling, you can “set it and forget it” and just check in periodically if obsessing about personal finance really isn’t your jam. Here is the fun part- I want you to consider what you want your life to look like, and how managing your finances can make that possible for you. Do you want to have an emergency fund that could cover you for a year if necessary? Do you want to have children? Pay for your children’s college? Own rental properties? Start a business? Support your parents in retirement? Retire early? Travel the world? The sky's the limit. Use this space to start thinking about what kind of life you want to build.

