

Debt Elimination Toolkit

STAY DEBT-FREE FOR LIFE

A Proven Method by Money Coach Sarah



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The Debt Elimination Toolkit is your step-by-step guide to paying off debt quickly, staying debt-free, and building lasting financial freedom. Packed with clear strategies, practical advice, and motivational tools, this playbook empowers you to take control of your finances and stay on track to a debt-free life. Let's get started!

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"If you want to be financially-free, you need to become a different person than you are today and let go of whatever has held you back in the past." Robert Kiyosaki

Welcome



After a painful divorce, I found myself overwhelmed by more unsecured debt than my annual salary. Driven to change my situation, I spent countless nights budgeting and seeking ways to boost my income, making tough sacrifices along the way. Gradually, my mountain of debt crumbled, leading to a life-changing transformation. Today, I live debt-free in a mortgage-free home with a 7-figure net worth. This journey taught me invaluable lessons about resilience and personal finance, and now I'm eager to inspire and guide others on their paths to financial freedom.

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01

Pick one wealth building habit to develop today to get started on your financial freedom.

Module 1

**ASSESS AND PLAN YOUR DEBT
PAYOFF**

Module 1

ASSESS AND PLAN YOUR DEBT PAYOFF

Assess Your Debt

Before you can tackle your debt, you need to get a clear picture of it. List every debt, including balance, interest rate, minimum payment, and due date. This debt inventory sets the foundation for your repayment plan. Use this worksheet to organize your financial situation and prepare for action.

DEBT	BALANCE	INTEREST RATE %	MIN PAYMENT	DUE DATE
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	

“Every morning you have two choices: continue to sleep with your dreams or wake up and chase them.” ~Carmelo Anthony

Choosing a Debt Repayment Method

Which is right for you?

Now that your debts are listed, it's time to choose between two proven strategies: Debt Avalanche or Debt Snowball.

Use the calculator on the [Tools & Resources page](#) to see which approach works best for you.

Debt Snowball

Focus is to pay off smallest balance first

Yields faster repayment results

Paying off multiple small debts can feel rewarding

Can be more expensive in the long run

Causes interest to accumulate on high interest debts

Debt Avalanche

Focus is to pay off the debt with the highest interest rate first

Minimizes impact of long term interest

Knocks out larger debts earlier

Slower overall repayment process

Chipping away at one large debt can feel discouraging

VS



02

Live the legacy you want to leave behind.

Module 2

**STRATEGIES FOR PAYING OFF DEBT
FASTER**

Module 2

STRATEGIES FOR PAYING OFF DEBT FASTER

Stay Motivated with Success Metrics

Tracking your debt payoff progress can make a huge difference in staying motivated and building better financial habits. Here are some key metrics you can monitor to measure success:

Debt Balance Reduction

Track how much your total debt decreases each month. Seeing those numbers go down can motivate you to keep pushing forward, especially when paired with the extra payments from rounding up.

Debt Payoff Timeline

Use a tool or app that allows you to visualize your debt-free date. Watching that date move closer as you make extra payments can provide a strong psychological boost.

Interest Savings

Calculate the interest you're saving by making extra payments. Many apps, like Undebt.it, can show you the difference in interest paid when you add a little extra to your payments each month. This is a great way to see the real-world impact of your efforts.

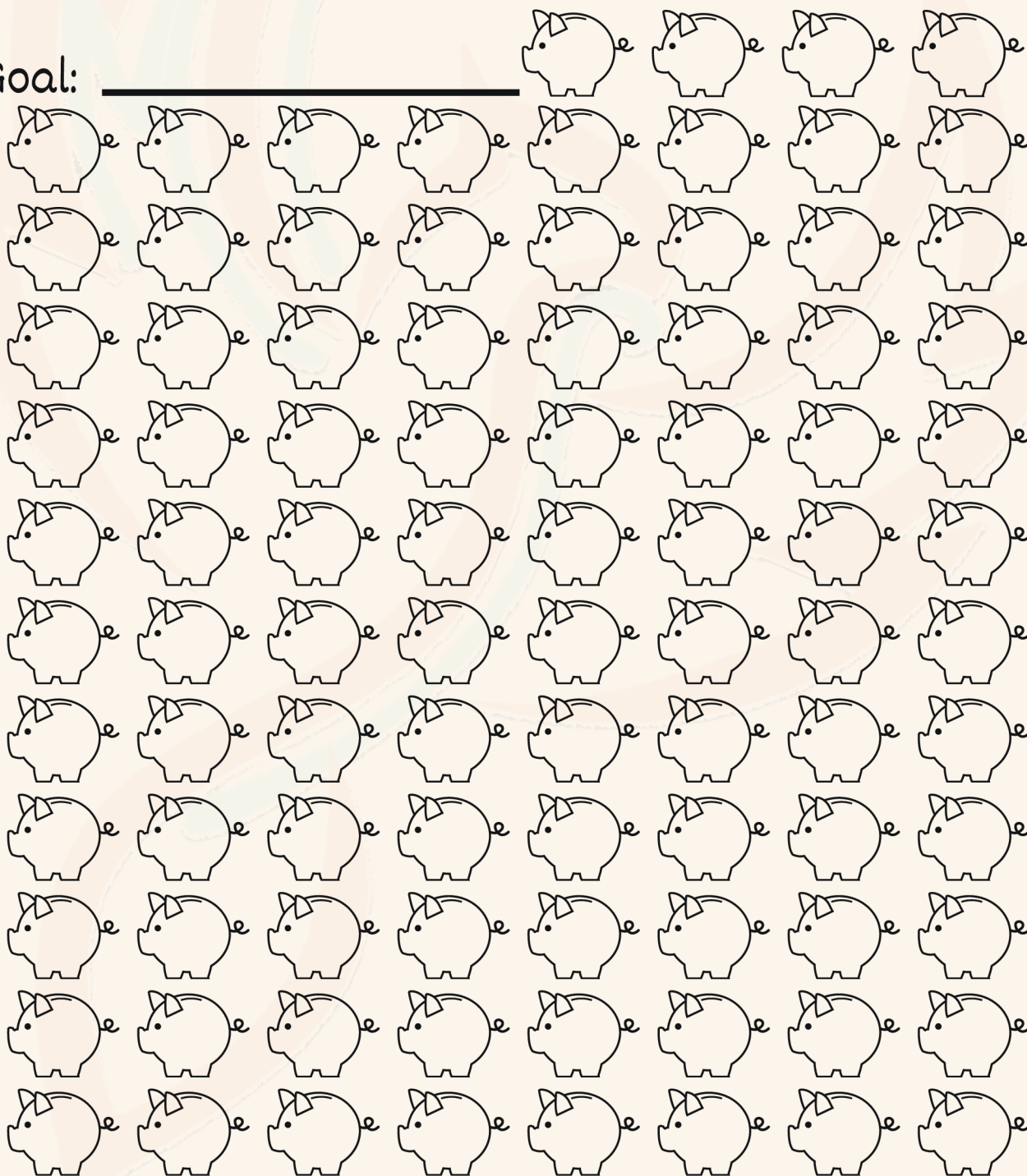
Credit Score Improved

If your goal is to improve your credit, tracking your score alongside your debt payoff can be motivating. Many credit monitoring apps will show how reducing debt improves your credit score over time.

Debt Payoff Tracker

Write down your debt payoff goal, then color in a piggy bank for every \$100 (or any amount you choose) paid toward your debt.

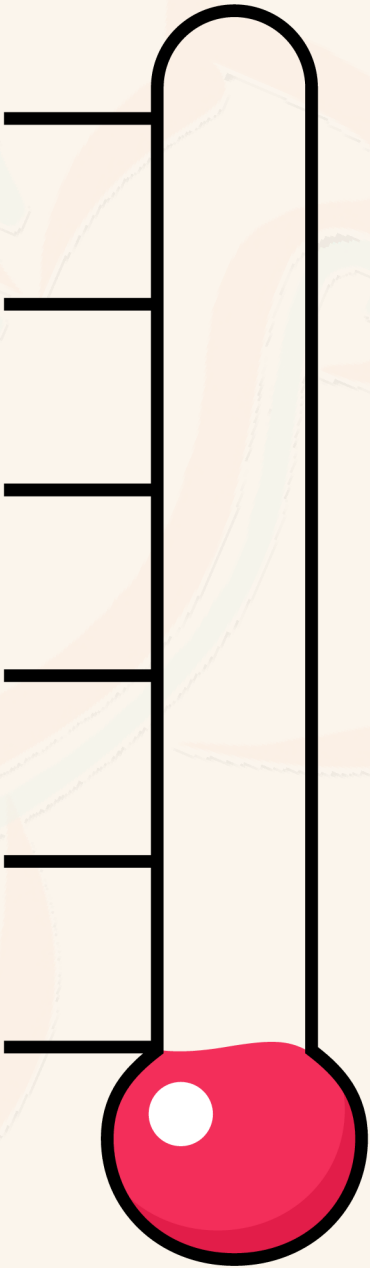
Goal: _____



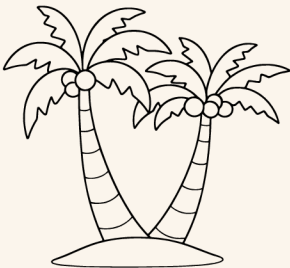
"The man who moves mountains begins by carrying away small stones." ~Confucius

Debt Payoff Tracker

Motivation is key! Use visual aids like a progress bar or thermometer to celebrate wins. Track your progress by listing your payoff levels on the left side of the thermometer, and fill in as you pay off your debt.



Pro Tip: Search online for coloring book pages to use for your debt tracker. I used one of palm trees to track my debt free journey.



Extra Income

Making extra payments can dramatically shorten your debt payoff time. Consider monetizing your skills or hobbies, taking on a part-time or seasonal gig, or selling unused items.

INCOME GENERATION WORKSHEET

Brainstorm some ideas: Cleaning the neighbors yard after their dog(s) once a week? Canine taxi to deliver local pups to doggy day care? Running errands on your route to/from work?

INCOME GENERATION WORKSHEET

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[illegible]

"Do all the things you already know you should be doing."

Alex Hormozi

02

Cut Expenses and Reallocate Savings

Paying down debt doesn't always mean making more money—it can also mean cutting back. Review your expenses and find ways to reduce unnecessary costs.

EXPENSE CUTTING WORKSHEET

CURRENT EXPENSE	MONTHLY PAYMENT	NEEDED? Y/N	AMOUNT TO REALLOCATE

Pro Tip: Identify where you can trim your budget and put those savings toward debt repayment – subscriptions, dining out, or utilities.

“The rich get richer and the poor get poorer, but only if the poor stay poor and don't try to change their financial future.” Robert Kiyosaki

A top-down view of a desk with a wavy notebook, two pens (one white, one brown), a piece of wood, and a shell. The number 03 is overlaid in a large, white, serif font.

03

Today I commit to living my financial dreams.

Module 3

ADVANCED DEBT ELIMINATION TACTICS

03

Module 3

AUTOMATE AND ROUND UP

Automating your debt payments is a powerful way to stay on track and avoid late fees or interest penalties. By setting up automatic payments and rounding up to the nearest \$10, \$20, or \$50, you can reduce your debt faster with small, consistent contributions toward the principal each month.

Top Apps to Streamline Debt Payoff

Oportun

Feature: Automates small transfers from your bank account toward debt or savings goals.

Benefit: Helps build extra payments effortlessly with minimal setup.

Consideration: Monthly fee; best suited for smaller, consistent payments.

Undebt.it

Feature: Helps create custom debt payoff plans with tracking and payment options.

Benefit: Free for basic use, keeps you organized with minimal costs.

Consideration: Basic interface, but effective for tracking progress. Connects with YNAB budgeting app.

“The man who moves mountains begins by carrying away small stones.” ~Confucius

03 Consider Consolidation Carefully

Debt consolidation can simplify payments or reduce interest rates, but be cautious—consolidation doesn't eliminate debt. It requires discipline to avoid accumulating more debt afterward.

Ask yourself:

Do I have a plan to pay off the consolidated debt before the promotional rate expires?

Will I avoid using newly freed credit for more purchases?

My Consolidation Story ...

When I began my debt-free journey, I reached out to my local bank, and they connected me with a well-known credit counseling service that had no out-of-pocket fees. This company managed my payments for me—I sent them a single check, which they used to pay my creditors through the debt avalanche method.

While this seemed helpful—since it consolidated my payments into one lower amount—it didn't change my habits. I had simply shifted the debt, and some of my credit cards weren't even closed, leaving them available for me to use and fall back into debt.

Thankfully, I had the mindset to change my situation, so I closed those accounts. I paid off nearly half of my debt in three years. After that, I switched from the debt avalanche to the debt snowball method. The motivation of seeing small wins helped me pay off the other half in just 12 months.



“Don't tell me where your priorities are. Show me where you spend your money and I'll tell you what they are.” ~James W. Frick

Is Consolidation Right For You?

Do you have multiple high-interest debts (e.g., credit cards)?

☐

Yes

☐

No

Are you struggling to manage multiple payments each month?

☐

Yes

☐

No

Is your credit score high enough to qualify for a low-interest loan? (e.g., 650+)

☐

Yes

☐

No

Will you avoid using credit cards after consolidating the debt?

☐

Yes

☐

No

Are you committed to a structured repayment plan (e.g., 3-5 years)?

☐

Yes

☐

No

If you answered “Yes” to most questions: Debt consolidation may be a good option. Explore a consolidation loan or credit counseling service.

If you answered “No” to most questions: Focus on managing your debt with strategies like budgeting, debt snowball, or debt avalanche.

Tools & Resources

Access my personal templates along with curated links to calculators, apps, podcasts, and other tools below to help you manage your finances with ease. For even more valuable suggestions and insights, be sure to check out my LinkedIn page!

BUDGETING TOOLS	CALCULATORS	APPS
moneycoachsarah.com	MagnifyMoney.com	<u>EveryDollar</u>
<u>Consumer.gov worksheet</u>	<u>Undebt.It</u>	<u>YNAB</u>
<u>Google Sheets Template</u>	<u>Calculator.Me</u>	<u>PocketGuard</u>
Pen & Paper – can't beat this classic!	<u>Latte Factor</u>	Check your bank app's features

SIDE GIG SITES	PODCASTS	BOOKS
Fiverr.com	<u>Dave Ramsey Show</u>	Total Money Makeover by Dave Ramsey
Guru.com	<u>Mad Fientist</u>	The Automatic Millionaire, and Start Late Finish Rich by David Bach
TaskRabbit.com	<u>Journey To Launch</u>	Rich Dad Poor Dad by Robert T. Kiyosaki
Flexjobs.com	<u>His & Her Money</u>	
Upwork.com		

*Note: Most Side Gig sites charge fees as a percentage of your earnings. FlexJobs charges a subscription fee.

Final Thoughts

Understanding your debt is the first step—assess it carefully to know exactly where you stand. Once you have a clear picture, choose a repayment strategy that works best for you, whether it's the Debt Avalanche or Debt Snowball method. Boost your progress by increasing your income, cutting unnecessary expenses, and automating payments to stay on track. Remember, consistency is key to long-term success, and the steps you take today will shape the financial future you desire.

Book a Discovery Call with Money Coach Sarah, download valuable resources like a budgeting toolkit, or start your own journey with the 90-Day Financial Freedom Coaching package.

[Linkedin.com/in/sarahdpadilla](https://www.linkedin.com/in/sarahdpadilla)

www.moneycoachsarah.com



"You know what you can do when you don't have any payments? Anything you want."

~Dave Ramsey

