

DEBT SURVIVAL TRAINING MANUAL

Survival Training Manual 1 Rev.1



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Debt Survivalist

Free Advice

Ways to help you get
out of debt and avoid
running out of money
no matter what
happens to the
economy.



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STOP ACCUMULATING DEBT THE MONEY WASTE CYCLE

1. If you trim all expenses to a minimum and concentrate on paying off debt you will, in the end, accumulate much more wealth than if you use credit cards (plastic debt) all of your life.
2. Do you go out to eat during the day when you could pack a lunch?
 - a. Try to save money and take your spouse out on the weekend if you need to.
 - b. I recommend not going out at all right now and saving all of your money.
3. Have you considered cutting back on things that are not a necessity? If your family consumes alcohol, you might consider cutting back.
4. No matter how cool it will make you look or feel, don't buy it right now! If your clothes wear out, try a less expensive store such as a discount retailer like Target. Designer labels are in style only for the reckless right now.
5. When shopping, never pay full price. Wait for the item to go on sale.
6. Buy classic styles off season.
7. Establish a pre-set limit before you go shopping.
8. Don't go on a major vacation. Save your money, pay off all debt with your excess money. Act as if you are bracing for impact of a severe financial crisis and then you'll have more money than your neighbors do.
9. Try to cut back on variable costs in new ways to enable yourself to make payments on existing debt:
 - a. If you use cable or a dish, you might be able to downgrade your package. You might even try using an antenna to save money.
 - b. If you have a land line phone, consider combining your cell and your land line into one unlimited use cell phone plan.
 - c. Unless you use your cell as your main line, consider dropping cell phone minutes.

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d. If you use Internet at your home and at your office, consider using a mobile cell card on your laptop/router so you can bring one Internet connection with you instead of paying for two services. They make routers for mobile cards of Laptop or USB type. Sprint, Verizon and Cricket offer plans for these. They are close to as fast as a DSL at home.

e. Drive a well-running slightly older vehicle. Sometimes older is worse if it is too old. However, you can overcome this by becoming best friends with a car mechanic who works on evenings and weekends out of his house or even in your own garage.

f. A good mechanic as a friend can become a highly valuable resource.

i. Here's how he can help you. A) You look for used cars that are inexpensive on Craigslist.org or may be sitting in your neighbor's yard. B) Then you ask your mechanic friend (for a small fee like \$35 + fuel) to look at a less expensive vehicle you might be interested in acquiring. Many dirt cheap vehicles are available that need work done on them such as a transmission. If you become good friends with a good mechanic you can have them fix your transmission or whatever needs fixing, and come out with a well working vehicle with payment. Plus you just gave the mechanic a job! Car dealers make a business out of this. They purchase trade-ins and they resell them after fixing the trade-ins. How can they accomplish this task and make a profit? They have a good mechanic on site who works on all of their cars.

ii. At the very least find a good mechanic and make him your friend fast by having him do all of your small jobs. Tip him for the work he does (if you can). Make sure he or she knows you mean business about having him around for awhile. You need this relationship, should your main running vehicle go bad on you. Instead of buying a new vehicle at \$450/month, you can have your new best friend fix your transmission for \$700. Then with less than 2 normal car payments (as an example) you just upgrade a major component of your used vehicle to brand new status.

iii. I have found that light tipping and a close friendship

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with a good mechanic will provide even on-site service. I have had my mechanic friends drive across town and fix my car right where it breaks down.

iv. If you cannot get yourself to drive an older car, try buying a newer looking car with higher miles. Or keep what you've got. Always keep the friendship firm with that mechanic friend you should be making soon.

v. A good mechanic is smart enough to know where to get used parts.

vi. Remember, there are a lot of broken cars on Craigslist.org for sale that your mechanic friend can fix for not very much money if you give him a lot of work.

vii. Refer as many people to your mechanic as you can. Call your mechanic friend and have him or her call your friend so your mechanic friend knows how many people you are referring to them.

viii. Not every mechanic has to be certified to do a good job for you. They might have a higher skill level without being certified but with lower confidence (meaning a lower price). I've seen this.

9. Is there an old car you can sell? Try selling any spare vehicles on Craigslist so you can use the money to pay down debt. Sell anything you don't need on Craigslist.org, Amazon.com or eBay.com. In most areas Craigslist is free to use.

10. If you have wood heat in your home, you can acquire free wood from old buildings that are being torn down instead of buying wood.



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TRAIN YOURSELF, TO HAVE MORE MONEY

WATCH YOUR CASH FLOW

1. Are you married (jointly sharing spending habits)?
 - a. Do you and your spouse agree on how to spend less?
 - b. Have a family meeting if you are married and do a tally of your finances.
 - c. If you are not married, teach yourself to spend almost nothing until you get out of debt.
2. Did you know that using your credit card(s) for more than 30% of their available credit line will cause your credit rating to drop?
3. Any pre-cash spending (meaning using a loan) will cause you to have less money in the long run.
 - a. Based on this information, don't use a loan unless you absolutely have to.
 - b. Don't default on any loan, but try really hard to stop using them.
 - c. If you have to borrow a little to make payments on other loans that is ok, but get out of debt as quickly as possible.

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DEBT PAY DOWN THOUGHTS

1. You might consider acquiring roommates to fill up extra rooms or spaces in your house. With the right person you might have another \$500 per month in income. Paying debt off is significantly more important right now than being proud. By the way, if you are married, the roommate should be somebody you can both get along with.
2. Consider an evening hobby that can help you make money. Something you enjoy doing will keep you more than interested as you make money.
3. Consider blogging for a business. You can buy books to learn how to turn blogging into a paying hobby or business or you can visit: <http://personalmoneystore.com/job-employment-opportunities/> and find an evening writing position that can be a hobby.
4. If you can't use a hobby to make money, consider obtaining a part-time job. No matter what the pay is, even if you already work 40-hours a week try to obtain a weekend or evening part-time job in order to pay down additional debt. The more you pay down now the more freedom you will have later financially should the economy fail even more. If the economy gets better, then you will be in a much better financial position.
5. Consider refinancing your auto loan to a better rate. Most credit unions offer the lowest rate auto loans available. Check into your local credit union for a refinance on your auto loan. You don't need to be shy about calling a loan officer at a credit union. A 5 minute phone call does not mean they will run your credit. In fact, they won't even pull your credit if you don't give them your social security number. Always ask when they will pull your credit report (to make you feel more at ease). Credit unions notoriously have the lowest rates and they tend to have outstanding customer service.
6. If you have a good payment history with the credit card companies you work with, call them and try to negotiate down a lower interest rate. Tell them you want to stay with them because you have been with them for such a long time and since you've been such a great client, you don't want to leave so you want to ask them if you can have a lower rate. If they do this and there are not threats to stop making payments of any type or reducing debt, it shouldn't hurt your credit. It's an honest negotiation. If they see you as a good paying client they may consider you lower risk and offer you a lower interest rate anyway. I personally have done this 1 or 2 times. It may not work for everybody, but it is possible.

**Get a
Personal
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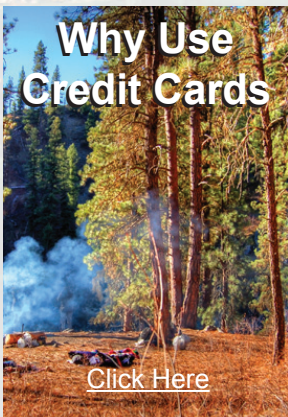
7. If you have some really high interest rates, consider paying those high interest debt instruments off first.

8. Pay off credit cards with high balances first. There is a lot of psychological benefit that comes from paying off debt. Concentrate on high debt cards first, unless one of them has a much higher interest rate.

9. Keep your credit card account open after you pay them off in order to make your credit history or FICO score look better. It can actually make your credit score look better if you have zero balance credit cards. Simply destroy your cards after you pay them off....or bury them, etc.

a. Avoid low interest bait offers from credit card companies like the plague. Their super low rate bait is usually only valid for 4-8 months. After that you are charged regular interest on that card. Your payments jump up considerably once the normal interest rate kicks in.

b. This severely harmed my family personally one time when we were using a credit card on a promotional offer to remodel a house before we were going to refinance. Our main credit card payments doubled over-night at the end of the promotional period. The card was full and there were no more promotional rates. Meanwhile, we paid approximately \$5,600 in interest that year on high interest debt before we refinanced (this is by far the wrong way to remodel or to fix a home). The heavy interest alone was the cost of an entire roof with labor.



**Why Use
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PAYDAY LOANS AS




1. Credit torture is when you spend too much, way in advance, and you take 20 years to pay down your credit card, only to charge more and pay more interest.

2. A quick tally of interest fees for a year on your credit card multiplied X 20 to 30 years will help you discover how many years you'll have to torture yourself with high payments because you used your credit card or bought that car which was too new.

3. It may be best not to use any loans right now. If you do have to use a loan right now an online installment loan or payday loan forces you to watch your cash flow very carefully. This means you can't spend more than you make. Of course there are fees, but all loans have fees. **Because they are small loans, they should not hurt you as much in the long run.**

4. Rarely do our lenders have to run your credit to be able to give you a payday or an installment loan. Based on this information, your credit rating should not be lowered if you use one of these 2 types of loans.



What
are
Payday
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1. Don't be seduced by impulse purchases

a. If you have to buy anything large give yourself 2 days to think about purchasing (unless it's an emergency because a major item in your life broke, like a refrigerator or a motor, etc.) Try to spend a small amount. If you have a friend mechanic, he will enjoy fixing your engine for a good price anyway.

2. Do your own home maintenance

3. Visit personalmoneystore.com to learn how to save on several types of bills.

4. Try carpooling

5. Use coupons (almost an unheard of option for some generations)

6. Raise your insurance deductibles

7. Use video conferencing instead of planning a trip

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TYPES OF INSURANCE YOU MAY NOT NEED

1. Hospital indemnity insurance
2. Extended warranty insurance
3. Specific health insurance policies
 - a. These insurance policies, although useful, tend to cover only specific diseases and are too narrow.
 - b. Basic or general health coverage, on the other hand, is a lifesaver.
3. Life insurance for children
4. Flight insurance

**What are
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1. If you do have a side business, make it legitimate and write off all of your expenses properly with your tax advisor.

2. One way to keep more money in the bank is to make more money. If you have a hobby or you spot an industry that has the potential to do well right now, try starting a small business. It's very easy to start a business. In fact, if you are scared, ask any business owner you are friends with. They can very quickly tell you what numbers to call in order to become licensed.

a. Having a business to work on in the evening is a perfectly legal way to have another job. Don't know what type of business to start? Try researching potential income streams that interest you. Remember, if you invent a new idea, process, method or service, you are really on the forefront of making a side income that could someday translate into full-time work. One additional word of advice: Do not over-spend trying to start a business. If you have a day job, if it is possible, try to creep along and try out your idea without investing any money. I've seen a lot of businesses over-spend in the beginning and then have two times more stress than they needed and they had a hard time servicing their debt (or dealing without their savings) from over-investing.

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Restructuring**

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LESS ISN'T MORE, IT'S WAY MORE.

Spend less and you'll accumulate more money or things as you won't be paying interest on credit cards, etc.

Don't carry a high APR on a credit card that piles up over time eating more in the long run due to a high credit card balance established from habit.

WANT TO REALLY KNOW HOW TO SAVE MONEY?

1. Find a retired person and ask them for advice. If you can find anyone old enough to remember the depression, ask them how you can save money right now. You'll think they are brilliant in about 10 minutes.

a. Younger folk used to think retirees from the depression era were silly. Now we should look to them for advice.



**Where is
Debt Relief**

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