



How to Get Out of Debt and Save Money at the Same Time

Got your attention didn't I? This is the most commonly asked question and the topic of just about every article I've read in the last week on financial planning. Every time I turned on the news or opened a newspaper or magazine there was some article talking about savings rates, or debt rates or whether it's better to save than to invest.

The ones that really get me wound up are the ones that tell the reader or listener that they need to lower their expectations for retirement because they aren't saving enough. Ugggh!! It's all bordering on financial malpractice as far as I can tell.

First, what does it take to retire? Savings or money coming into your household to pay for the lifestyle you desire to live? It takes income of course, and when you have income coming in from sources that don't require you to go to work to earn them, then you would be financially independent - not retired.

Second, if you give up on your dreams, you die - yes die. Many studies have demonstrated the power of goals, so what on earth is the deal with telling people to reduce their expectations and 'get real'. How about showing people what they can do to reach their goals - give them some options. If you continue to tell people they can't have this or they shouldn't do this, then who is the winner? No one. This is the problem: too many people have been told for too long that they can't do things or they better not because it's risky so they don't even try, and instead, they settle for mediocrity and then look to the government or the banks to help them out because they still feel they are entitled to their life of financial freedoms.

It takes a dream to inspire someone to action and to make a dream come true (financially speaking). You have to use all your resources (financial and otherwise) by taking your existing income and using it to create wealth, which creates more income which creates more wealth and so on and so on.

Saving money, for most people, is not as strong as an incentive as the immediate gratification that helps them feel better in the moment. If you are being told you can't have something, or maybe you should lower your expectations, then it's even more likely that you will want to enjoy the short-term rewards from spending money on something you want today.

The answer to how to get out of debt and save money at the same time is really quite simple when you consider the emotion and psychology of goals and immediate gratification. The answer is not to look at getting out of debt at all, and not to look at saving money at all. The answer is to look at creating income. Not income that comes from a second or third job, but income that comes from setting powerful personal lifestyle goals and surveying all your available assets, then implementing some systems to build a foundation where your current resources are working to create income. It's

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the power of a sequence and the power of having a full plan and not just several pieces of the picture taken independently.

To effectively answer the debt / savings question, you need to have a whole plan that starts with what income you want to live the life you want - then never ever, ever give up on that dream.

Money expert Tracy Piercy is a Certified Financial Planner professional, author, and founder of the MoneyMinding Makeover System. To learn more about this step-by-step system and to get the **Free MoneyMinding Financial Success Sampler** program visit www.moneyminding.com.

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