

\$50K

HOW I **REPAID**
in less than
2 Years!

**& YOU
CAN TOO!**



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How I Repaid \$50K in Less Than 2 Year And You Can Too!

BY SANDY SMITH

A LITTLE BACKGROUND

On October 22nd 2014 after paying down one bill, I crunched the numbers and realized that since January 2013 I have reduced my total debt by \$50,724.79. I felt as if I had just finished running the New York City Marathon and had shoved the previous winner right out of a guaranteed podium spot. I won.

I could have kept it all to myself and silently celebrated my little victory, but I decided that this was a great opportunity to share the process of how I managed to pay off such a massive amount of debt in a time when I was [unemployed for six straight months](#) and then worked as a temp for nine additional months until it turned into a full-time job on August 1, 2014.

I've occasionally read stories about people who repaid large debts and thought that it could never be me, but beginning in 2013 I challenged myself to see if I too could repay a large amount in a relatively short time. I hadn't really planned on my efforts coinciding with what was the most unstable work period of my entire career, but I made it to the finish line despite those challenges and I did so early too.

Was it easy? Absolutely not. Repaying any large debt takes an incredible amount of focus, determination, ambition and ultimately, sacrifice. I gave up quite a lot in the past two years but these days, I miss nothing.

While my family went on vacations, I stayed home. I declined invitations to weddings because New Yorkers appear to expect their guests to fork over about \$200 per attendee as a gift these days. While I love celebrating a new union, I just couldn't afford to help others fund their lavish weddings.

I converted my wardrobe into items that I could wear around the clock that didn't take much effort to put together. When you look at my closet you'd think that I'm either a funeral director or that I've embraced the Chanel black and white dress philosophy. By filling my wardrobe with basics that were primarily black or white colored, I have saved a decent amount by not spending money on clothes for the past two years. I entertain myself at home or online and go out far less frequently.

All of these sacrifices though, while small, meant big gains over an extended period of time. Just not going to the movies has saved me big bucks. Movie theatre tickets for two plus one shared popcorn and a drink is about \$45 where I live, and we're not talking *IMAX 3-D* tickets here, we're talking regular old movie tickets. New York is an expensive place to live, but I love it.

Sporting a short pixie hair cut was cute and stylish, but it also required expensive maintenance. I used to go to the hair salon twice per month to reshape my hair and have it blown straight at a cost of \$55 per salon visit. Instead, I grew my hair and made salon visits an irregular occurrence.

While all of those things were helpful, nothing that I did really mattered until I got smart, and put a comprehensive plan together.



Tips for Choosing How to Tackle Your Debt

- ✓ One of the most common questions for people seeking debt relief is whether or not debt consolidation is the right choice, but there is no definitive answer this question. Your financial difficulties, even though they might be the same as someone you know, might require a different answer depending on your situation. For some, debt consolidation might be the answer. For others a debt repayment plan might be the best solution. For still others, bankruptcy, yes, bankruptcy might actually be the best choice.
- ✓ **First**, it is important to gather all of your financial details and calculate your total debt. I keep a running total of my debt on my blog so I am never too far from that number. Reviewing your debt gives you a very clear view of the financial situation that you are really in. Often, we look at our debt in pieces (“I only owe Visa X, and I owe MasterCard Y”) and not in its entirety (I owe everyone Z), which might not help when tackling the problem of our debt.
- ✓ **Second**, determine if you could easily repay your debt with your current income and potential future earnings. If say, you are a medical intern with a \$300,000 student loan balance while making \$35,000 per year, you are in a completely different situation than a line cook at McDonald’s who is making \$7 an hour with the same amount of debt. The difference is in your future earning potential.
- ✓ **Third**, make an effective plan to budget and stick to it. At the very least you want stop increasing your debt, but the best scenario is one where you being to work your debt downward. I hate budgets, but I have a loosely created one that I try very hard to stick to.

GET BACK TO BASICS

Before you go any further I have to make sure that you have covered just the basics of any debt reduction plan. You have to know exactly what your situation is right now before you can map out how to get down the road to where you want to be.

The very first thing that you should do is determine just exactly how far in debt you are. Now, it doesn't matter whether you are comfortable sharing this number or not, but it's just something for you to know. There are all sorts of tools that you can use to help you. Everything from cell phone applications such as *Mint* and *You Need A Budget* can help you have your debt right at your fingertips. If that seems a little too intimidating for you, then do what I did; just write it down.

I listed every company or individual who could have picked up the phone and legitimately claimed that I owed them money. What I didn't list were recurring bills like my cell phone bill or insurance bill. Those were separate kinds of debts that could essentially be eliminated if I just cancelled the service. I devised a plan to reduce those to the most minimal levels possible, but those were handled separately.

What I listed were the behemoths like my credit card bill, student loans, car note, mortgages and personal loans. These were the big kahunas with a strangle hold on my purse. Initially I listed them all by the total amount owed and the interest rates that I paid on each debt. You'll see why later.

I have a seriously hard time with the "b" word. Making a budget can be intimidating at first, or in my case, it felt like an annoying hassle. I thought that I didn't have the time to make a budget, but honestly, I just didn't have the knowledge to feel as if I was going to do it correctly.

That's pretty hard to admit, especially when you are an educated person. I have a degree in one of the sciences and an advanced degree in business. I had A's in my economics classes, so why couldn't I get a budget done where I felt comfortable? Simply put, I was never educated about how to handle my own personal finances and chances are that you didn't receive an education on personal finance either.

What I did next was test three of the major debt repayment methods that didn't require too much thinking on my part. I started off with the envelope system then moved onto the debt snowball method before incorporating the debt snowflake method on top of it all. It's effective and it works, but if everything I've just mentioned sounds like a foreign language to you then you need a bit more background information.

THE ENVELOPE SYSTEM

I have to say that although I'm not much of a fan of budgeting, a simple budget process is what helped me really begin paying my debts off. I started with something called the envelope system. What's that? Simply put, I would cash my paycheck (at that time I was getting a live check because I no longer trusted that my money wouldn't disappear overnight from the bank by a bill collector's claim) and then I would put money in each envelope that was designed for a particular bill or creditor.

So, let's say that you have rent or a mortgage to pay. You would want to put aside from each paycheck the amount that you're contributing to the monthly rent. Once your envelope reaches the desired amount you will send that money off to the creditor.

It also works most commonly in reverse: money in the envelope can be spent down. So, let's say that you earmark a certain amount for entertainment each month. Once the contents of the envelope reaches zero, that's it for the month. If there's nothing left in the envelope to spend you cannot spend anything.

It's a very simplified and powerful way to control your spending, but it works, especially for those of us who have a hard time writing down everything that we spend to see where our money goes. The key here is to be on a cash system instead of using your debit or ATM card at will. I have found that when you are swiping plastic, the money seems to go a lot faster than when you have to pull it out of an envelope. With this system you have a constant reminder of just how much or how little you have left to spend.

This envelope system helped me shave \$25,000 off my debt in one year because I was intensely conscious of how my money was being spent. Plus, I tried to get my money in large bills which makes it even harder, mentally and sometimes physically to spend. Pulling a \$50 bill out of an envelope to spend \$5 on a cup of coffee from my favorite coffee shop didn't seem to make sense anymore, so I broke that habit just because I was loathed to break a \$50 or \$100 bill. Plus, it also helped that a lot of smaller stores won't take larger bills anymore in New York City because of counterfeits. Their loss was my pockets' gains.

THE DEBT SNOWBALL METHOD

I'm a very visual kind of person. As humans, we respond to visual cues. When we see red and yellow we immediately think emergencies, danger, or anger...unless you're at the McDonald's drive-through, in which case I think of delicious French fries, ketchup and mayonnaise (don't judge me). Much like my french fries, the Snowball Method kind of gets you to focus on visual cues and immediate gratification. Here's what it involves:

- *Gather all of your bills listing them from the ones with the highest balance to the lowest balance*
- *Decide how much per month you want to dedicate to paying all of your bills in this category.*
- *Pay the minimum balance on all of your credit cards except the one with the lowest balance.*
- *Dedicate the balance of your monthly budget to the bill with the lowest balance bill until it is paid off*
- *Once the lowest balance bill is paid off, continue paying the minimum balance on all of your bills except the next bill in line with the lowest balance. There you dedicate the balance of your budget.*
- *Continue rolling along until all of your bills have been paid.*

Here's an example of the Snowball Method in action:

- *Mary has three credit cards with balances of 1) \$1,000, 2) \$500 and 3) \$300. The minimum payments are \$20, \$15 and \$10 respectively.*
- *Mary puts \$100 per month in her credit card payment jar.*
- *Mary should pay her cards \$20, \$15 and \$65 respectively. That adds up to \$100 per month.*
- *In about five months Mary will have eliminated the \$300 credit card debt. She should now pay \$20 and \$80 to her credit cards. That adds up to \$100.*
- *Once the second card is paid off, she should pay the final card the entire \$100 per month.*

The hope here is that once you see that your bills can be paid off, you'll be dedicated and motivated to continue paying as you pay off each creditor. It feels awesome to see a bill reach a zero balance. If you like that visual cue and think that it would be a great motivational tool for you, use this method. If, however, you want to minimize the amount of interest that you're paying and possibly reduce the length of time that it takes to repay your bills, allow me to introduce you to the revised Snowball Method and its friend, the Snowflake Method.

Tips for Choosing How to Tackle Your Debt

If you can consolidate your debt at a lower interest rate, do so. While considering debt consolidation or any debt management plan, there are a couple of things to consider:

ACTUAL SAVINGS EACH MONTH

If you are consolidating your debt, you must be able to see some immediate savings off of having your debts separated. Stick to the consolidation plan with rates that are lower than what you are currently paying. While considering a debt consolidation, a lower monthly payment can give you an idea of savings, but in reality it usually involves a longer repayment period, which might wipe out any savings. But if you are truly struggling, a lower monthly payment might be helpful until you can add extra payments to your plan.

IMPROVED CASH FLOW

It can be hard to track multiple payments to multiple places leaving the opportunity for missed payments and late fees. If there is only one debtor to repay this might actually improve your cash flow.

REDUCED STRESS LEVEL

I know that I never had heartburn like when I didn't know how to tackle my debt. Sometimes having just one payment can reduce your stress which might have the effect of boosting your confidence which might in turn help you make more money. Don't believe it? Studies show that shrinking violets make less money than the most visible people in the office.

EFFECT ON CREDIT RATING

A debt consolidation can either negatively or positively affect your credit rating. Technically you are taking a new loan which will be recorded in your credit history, but, if you make regular payments on a timely basis and maintain it, your rating should bounce back and could possibly even improve.

THE SNOWBALL METHOD REVISITED

For people like me with very large balances who want to minimize the amount of interest that is paid, you can tweak the Snowball Method a bit. Visual cues are great, but having more money in my pocket at the end of the day is better for me, especially when my credit card balances were initially close to \$20,000.

Alright, Here's How It Works

- ✓ Gather all of your bills listing them from the ones with the interest rate to the lowest interest rate.
- ✓ Decide how much per month you want to dedicate to paying all of bills in this category.
- ✓ Pay the minimum balance only on all of your credit cards except the one with the highest interest.
- ✓ Dedicate the balance of your monthly budget to the highest interest bill until it is paid off.
- ✓ Once that bill is paid off, continue paying the minimum balance on all of your bills except the next in line with the highest interest rate. There you dedicate the balance of your budget.

Continue rolling along until all of your bills have been paid. If your balance is high enough, you can shave months off of your payoff date and save hundreds of dollars interest. This is pretty much what I do.

Tips for Choosing How to Tackle Your Debt

If a debt consolidation program doesn't work for you, you might want to consider a debt settlement. You can choose a debt settlement company to negotiate on your behalf or you can try negotiating directly with your creditors. Usually this means that creditor will close your current accounts and dramatically lower or eliminate interest as long as you follow an agreed upon repayment schedule.

Make no mistake that this will negatively affect your credit, because these accounts will show as "Account Closed by Credit Grantor", but in the long run, this can have a positive effect on your credit because you would have avoided bankruptcy.

We can't forget our good friend bankruptcy. I know that everyone is scared of this and would rather spend time avoiding bankruptcy, but it is an option for a reason. Most of my debts wouldn't qualify for bankruptcy filing because they are secured or government loans that cannot be discharged (like my student loans).

Bankruptcy might result in your being put into a payment plan and not a complete discharge of your debts. I have heard of people filing bankruptcy multiple times and I'm not just talking about celebrities. Charges in the bankruptcy code was meant to dissuade people that abuse the system.

But if you were like my coworker, living in a single room apartment, with a six figure hospital bill due to no health insurance, it might be a legitimate option.

THE DEBT SNOWFLAKE METHOD

Another way of paying off your debt is called the Snowflake Method. Very simply, the idea is that even tiny payments add up in the long run. This requires you to make extra payments on your debt, no matter how small the amount. If you find an extra \$5 rattling around your jars, you would immediately send that off to a creditor to help pay down your debt.

You set your own threshold for when the extra money should go to a creditor. When I was just beginning with my budget, my threshold was a very low \$5 because I has been living paycheck-to-paycheck. I later raised that to \$20 and then later \$25 where it has stayed.

Lots of people use this method to help [pay down their mortgages faster](#). This proves that additional payment, no matter how small, can add up over time and chances are that you probably won't even miss having the extra money anyway.

So, if you're on the debt repayment journey and want to maximize your efforts even if you don't have extra cash to devote to debt servicing, consider implementing one of these methods. You might end up saving time and money.



GET SMART

One of the most important things that I did was made SMART goals to really lock in on my strategy for how I was going to get to the bigger number.

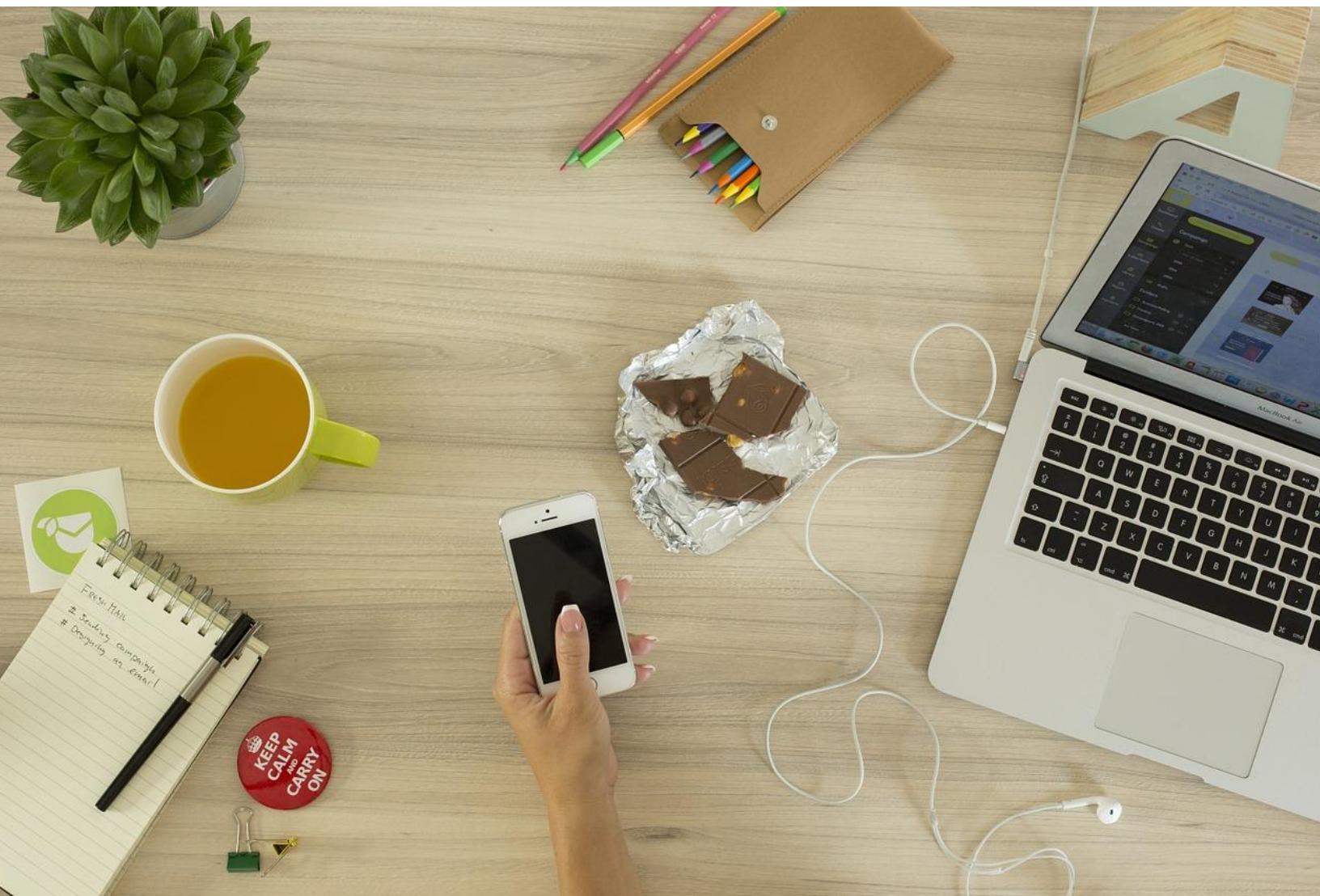
SMART goals have five characteristics:

Specific, Measurable, Attainable, Relevant, and Time Bound.

We use these tools a lot in the Human Resources field for annual employee goal setting and evaluations, so why couldn't I apply the SMART technique to my debt strategy?

SMART goals help to pull all of your debt reduction techniques into a structured format that will allow you to create clear milestones as you work towards your goal. SMART techniques will help you break down how you'll get to the larger end goal completed.

Want to run a marathon? You don't just wake up one day with that ability. You must break that goal down into smaller achievable goals before you get to run the NYC Marathon.



Here are examples of SMART goals:

Not Smart	Smart
I owe my credit card \$1,100. I'd like to pay it off.	I will pay my credit card \$200 for the next six months to pay off my \$1,100 credit card debt.
I need to start an emergency fund.	I will save \$100 each pay period for one year to start an emergency fund.
I'd love to be as fabulous as Sandy.	I will read Sandy's entire blog over the next three weeks to learn how she is getting out of debt so quickly and apply all of her guinea pig style tests and techniques so that I too can lower my debt by \$50,000+ in two years.

Okay, that last one was a ringer, but still, you get it. Let's look at what makes some goals SMART while others are not.

I owe my credit card \$1,100. I'd like to pay it off.

Paying off your credit card is an enviable goal. I want to be right behind you in line with that, but where is your road map on how to get there? You know that you owe your credit card \$1,100, but how much do you need to pay to get rid of that debt? Are you planning on paying it off all in one shot? Are you devoting a portion of your monthly income to the debt? When do you plan on paying it off? Is this a year from now? How about two years? You need greater detail here.

I WILL PAY MY CREDIT CARD \$200 FOR THE NEXT SIX MONTHS TO PAY OFF MY \$1,100 CREDIT CARD DEBT

Here's what makes this SMART:

Specific	I will pay my credit card.
Measurable	\$200
Attainable	Depending on this person's income, \$200 each month is completely doable.
Relevant	Everything here relates to the debt. If I had written, I'm buying a dress so that I can pay off my credit card there would be an issue with relevancy here. What does the dress have to do with your credit card debt? Also, if you know that your debt was \$5,000, paying \$200 per month really isn't going to pay it off, now will it?
Time Bound	Six months.

This laid out a very specific road map. Now I know that I just have to make sure that I pay that \$200 per month and in six months my credit card would be paid off – provided that I didn't make more charges to the same card.

I applied this technique by setting annual goals for myself. In 2014 my goal is to pay my total debt down by \$28,000. I broke this down even further. I set monthly goals. I went even further than that. I set specific goals for each debtor every single month. In fact, I set goals for 2014 for every single month all the way through December way back in January. This allowed me to make projections as to when I would hit what number.

If I didn't exactly make it one month I would adjust accordingly for the next month, but I left my December goals intact. If I hit my December goal I would have reduced my debt by \$56,424.79 plus interest in two years.

What sexy tool did I use to get to my numbers? I'm old school so I used good old Microsoft Excel. If you don't have Excel you can use Google Docs. I can look back on years of data and look forward for as long as I have made projections. I'll let you in on a secret – I've already made projections and SMART goals for the next four years. Is this revolutionary? Nope. Can you do it? Hell yes.

If you're a fan of technology, then downloading any one the free budgeting tools that are currently available will be right up your alley. I highly suggest using *Mint*, *You Need a Budget* or *Ready for Zero*.

All of these apps are available on the Android and Apple market. If you don't like one app, try any of the other two until you find the one that works the best for you and your lifestyle.

Listen, I hate the 'b' word. While my friend thinks that [budgets are sexy](#), I'm so horrible at budgets that I technically don't really have one...at least, I don't have one now.

You shouldn't be afraid to budget or at least to monitor where you are spending your money. You can make all of the SMART goals in the world, but if you have not gotten your spending under control or at least managed your spending accurately, your SMART goals will fail.

**Don't Be
Afraid to
Budget**

BLOCK THE HATERS, DOUBTERS, NAYSAYERS, NEVER-GONNA-GET-IT PEOPLE

Sometimes, when you have big, grandiose ideas there are people out there who buzz by your ears and put an idea in your head called You Can't Do That. It's not that they don't mean you well, but they just haven't reached the same mental space at the same time that you reached it. Let's not kid ourselves, if I had announced to the world that I planned on repaying \$50,000 over two years, more than one or two of you would have been skeptical.

I watch *Family Feud* a lot mainly because I love answering the surveys and because I find Steve Harvey pretty entertaining as the host. Sometimes families answer a question with a response that comes out of left field and he gets on a look on his face that basically says, "Dude, seriously? Are you seriously saying that as your answer right now? Let me just start walking on to the next person because I know that the answer is not on the board."



That's what I'm talking about. Steve doesn't mean the families ill will, but he's already thinking that the response was so far from reality that he's not going to waste another second of his energy. Most days, he's right. Sometimes though, he's wrong and the wacky response is on the board. Thinking and saying that you'll repay a massive amount in a short time might get the same kind of response from your family and friends.

I've found that keeping these large goals to myself removes the obstacle of someone else putting doubt into my head. In this case the old saying that a wise man (or woman) keeps his own counsel held very true for me. I just bit my tongue and plowed along. Might work for you too...might not.

If you have positive, supporting, life-affirming people in your circle then keep them close and confide in them. Everyone needs a little someone who is supportive because this won't be easy, and you'll need someone who can help you recharge your batteries. For me, going to an annual conference of financial writers did this a million times over.

Getting this work done is easiest if your partner is in board, but what happens if they aren't? The fact is, a significant other who is spending as if the world will end tomorrow is more of a hindrance than a help, and like it or not, you will have to deal with this.

Have a candid conversation with your spouse about the impact of your financial decisions and how it is affecting you're your life together. Make a concerted effort to get on the same page.

If your partner is still just not getting it, start this process on your own and hope that they will come around eventually. If they don't and if this is a deal breaker for you, I leave next steps completely up to you.



NEW STRATEGY THE BIWEEKLY MORTGAGE

You don't have to have an official bi-weekly mortgage to save thousands of dollars in interest payments over the life of your loan. It basically works this way; instead of paying your mortgage once per month, pay half of your mortgage every two weeks.

Once you add everything up, you will have made 26 payments or about 13 monthly payments per year and those extra monthly payments can add up to big savings over time.

Here's an example of how this could work:

Original Loan Amount: \$100,000

Interest Rate: 4%

Loan Term: 30 years

One payment per month: \$477.42

Bi-weekly payment: \$238.71

You will pay \$71,869.51 in interest and the loan will be paid off in 30 years under the original terms. If you paid the loan bi-weekly, you will pay \$60,180.16 in interest and the loan will be paid off in 25 years.

Something to know is that many mortgage companies will not accept a bi-weekly payment. They may ask you to set up a bi-weekly payment plan for which they might charge you a \$5-\$10 monthly fee. One way to avoid that is to just have a different account where you have your bi-weekly payment held and then just send it over every time the amount in the account adds up to a full payment.

If you just can't bring yourself to make bi-weekly mortgage payments, why not just toss small extra payments onto your mortgage?

DON'T BE AFRAID TO TRY SOMETHING UNORTHODOX

This section is where I might lose some of you, but since it was a part of my strategy I'm going to include it. I've listened to finance "gurus" who are so far removed from what my daily reality was that I just felt no connection to them.

Yes, I read their advice and there were great nuggets included that I could apply, but I wanted to get to the finish line faster than your average debtor. My student loans was one area where I felt that I needed to ignore advice and break with tradition.

It now takes the average person ten years to pay off their undergraduate debt. Ten years. Ten years of interest can be a really high amount. My undergraduate student loans had been locked in with a mind numbing 7.25% interest rate. When I looked at where my payments went almost 50% went straight to interest based on my income contingent payment. I felt like I would never get out from under that debt, and I had graduate loans on top of that.

“
Two roads diverged in the wood, and I, I took the one less traveled by. And that has
made all the difference” - **ROBERT FROST**

What I decided to do was assess my tolerance for risk. I have a fairly high tolerance so I did a fairly risky thing. I transferred \$8,000 from my student loan servicer, that I had a [hate-hate](#) relationship with and onto my credit card.

I'll wait for your collective gasps.

Let me tell you why I did this.

First, my credit cards consistently offer me long-term 0% balance transfer offers for a period of between 12 to 18 months.

Second, the tax deductible portion of the interest that I was paying wasn't more beneficial to me than eliminating the interest at all for that period of time.

Third, the balance transfer fee capped out at \$50.

Finally, I converted a debt that would follow me to my grave and reach into my pockets to check if I had any coins left, into a consumer debt that can potentially be discharged. Are you still with me?

I found myself at *Chase Bank* one day when my dog partially ate some of my money explaining to a Wealth Manager why I had done this. By the time I finished explaining my reasoning, I could see that the light bulb had turned all the way on in his brain and he was actually nodding in agreement with me.

I am going to caution that this isn't for everyone. It really isn't. If you're transferring more than you can pay off before the balance transfer period ends, you can potentially end up paying a good bit of interest – none of which is tax deductible.

What I did with the balance left was simply roll the amount onto another card with a competing balance transfer offer.

Frankly, other than about \$150 in balance transfer fees I haven't paid interest on that portion of debt at all and it'll be gone much faster than if I had kept it with the student loan servicer. When I hear random rhetoric about credit cards being evil, I tend to ignore the talk and continue doing what works best for me.

This is just one example of the unusual steps that I have taken to eliminate my debt. I've been willing to try all sorts of things from switching to an all cash budget for a period of time and getting my paycheck as an actual physical check to dropping my national cell phone plan for a prepaid phone.

Sometimes trying something extreme or radical – but within reason – is just what you need to shake things up to get you out of a financial rut.

Just be sure to determine what the worse outcome could possibly be then ask yourself if you are willing to risk the absolute worst happening.

SHIT HAPPENS; GET OVER IT

Donald Trump and I don't have much of anything in common. I mean sure, we both breathe air, but that's just about where the similarities end. Everything from his comb over to his tan and boorish attitude makes my skin crawl, but he does have a quote that I like:

“What separates the winners from the losers is how a person reacts to each new twist of fate” – DONALD “THIS-IS-NOT-A-COMB-OVER” TRUMP

I got into a major car accident when a teenager was [texting and driving](#) and slammed into my car going at a speed of what my insurer estimated was over 90 miles per hour. My five year old car that was paid for was completely totaled. Had I planned on that happening? Nope. Did I cry about it? Nope. I got back on the horse and got a new car within 30 days.

When I [lost my job](#) last year I didn't panic. I was prepared enough that I took a much-needed break from work for six glorious months. In that time I was still able to make serious advancements on my debt repayment. I had prepaid many of my bills so that my car note didn't have to be paid for three months; my student loans were two months ahead in payments; my mortgage was at least one month ahead of schedule and so on. Prepaying my debts bought me such much needed time and a strong peace of mind. I slept pretty well during those months.

“Sometimes you just gotta let shit go and say “to hell with it” and move on”

– MARSHALL “EMINEM” MATHERS

Stuff happens. How you react to it is what determines the ultimate outcome. Yes, you can make all of the best plans in the world, but there will ultimately be things that happen for which you are not prepared. It's okay. Don't beat yourself up about it. Just adjust and soldier on...and get smarter for the next random thing because something that you have not planned for will happen again.

That is also why it is incredibly important to have an emergency fund. If you're not able to save a solid six months' worth of living expenses, then do what I did and prepay as many of your bills as you can. Having my bills prepaid allowed me to keep less money in an emergency fund but still gave me the breathing room that I needed in case of a catastrophe where I wasn't able to pay my bills for a few months.

“
I'm hustler baby. I just want you to know. It ain't where I've been, but where I'm about to go”

– PHARRELL WILLIAMS

I've had many jobs and lately, the pace at which I change jobs has increased. But this section is not about a job, it's about a hustle. I'm going to consult my local Urban Dictionary here for those of you who are lost. According to one of their many definitions a side hustle is, “Sideline that brings in cash; something other than your main job. Maybe playing weekend gigs or life coaching.”

I will admit that my accelerated debt repayment would not have been possible without my many side hustles. This blog is a great outlet for me, but it is also a side hustle. I generate a bit of money from this blog, but this isn't my only side hustle. I also design and sell cell phone cases on Amazon and [through my website](#). Also, if I find time, I am paid to write the occasional article. What you won't notice here is an hourly rate or a boss other than myself. Some of my side hustles will pay me regardless of how many hours I work. This is what I mean when I talk about separating getting an hourly pay or salary from your ability to make money.

Over the years I have been the queen of side hustles. Let's list a few starting back from high school to college:

I have sold candy, Beanie Babies, music CD's (remember those?), costume jewelry, SIM cards, cell phones, home decorating items, adult novelties, sneakers, high end cosmetics, college term papers, coats, jeans pants and cell phone cases among other things. I have tutored kids in college

classes on statistical analysis for a fee. I have been a telemarketer, stock clerk, secretary, data entry clerk, bartender and other things all before I even graduated college.

Been there, done that, got the t-shirt.

I'm willing to try lots of different things outside of my job to made additional money that I can push those funds towards the debt. The key here is to look at this extra money solely from a debt repayment standpoint and not as a windfall that you can use to support a lifestyle outside of your regular means.

Nothing in the world can take the place of persistence. Talent will not: nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education alone will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent.

– Calvin Coolidge

One of my debts was a \$9,000 loan that I had taken from my mother less than one year before writing this. Every time the profits from my product sales hit \$500 I sent her the money electronically. Sometimes I only sent her \$500 for the month. Some months I sent her \$2,000. Either way, I paid her back quickly, efficiently and with more interest than she would have earned by keeping her money in the bank. Mom is a loan shark but she knows that I'm good for it and I always pay my debts.

I convinced my brother to ditch his old clunker and buy a new car using money that he made off of sub-wholesaling sneakers to me. The result? I sold enough sneakers to pay 100% of the cost of his brand spanking new car in less than two years. The total cost of ownership of the new car was less than one fourth the cost to just maintain and service the old car. That's taking a side hustle the next level. All my brother really had to do was supply me with sneakers. I did all of the selling for him! It was a win-win situation for the both of us.

“I CAN’T DO THAT LIKE YOU RICH PEOPLE”

Someone actually said this to me on a Twitter debt chat hosted by Money Crashers when I mentioned that I had seriously begun making inroads on my debt repayment when I mentally separated my ability to make money from having a job. I nearly fell off my chair after I saw the tweet and then I realized that although she had mentioned me when making that comment, she clearly hadn’t mean to say it to me. For a second I glanced over my shoulder before re-reading because rich and [@yesiamcheap](#) did not belong in the same sentence.

But no, it was on my screen. I responded back to the individual outside of the chat with a link to my [about me](#) page to show that no, the person behind the Twitter handle and website was and is very far from rich.

What I am though is focused like a hungry zombie on the hunt for the next fresh brain to eat. That and I have been on this journey for five years already. I have tried everything to get out of debt and realized that it wasn’t about how many more hours I could work in a day or how many jobs I had.

But she didn’t know me from a can of paint. She didn’t know about me [growing up poor](#), getting hand-me down clothes from the boys in my family and plugging holes in my sneakers.

She didn’t know about me dodging [bullets and crack vials](#) to make it to elementary and middle school. How could she known that I had been working since I was 15 – often going to school and working another 25 hours each week while I was in high school...or that by the time I was 17 I had two jobs and high school to contend with?

How about paying for all of the ancillary things that teenagers need like books and clothes and transportation and food for both my brother and I before I was 18?

What about fast forwarding a decade later to right before I started this blog when I had reached a point where I was afraid to deposit my pay check into my bank account for fear that it would be garnished?

Or that I was supporting a family of four – none of which were my children since I didn’t believe that I had a right to [have kids when I couldn’t afford them](#) – on a craptastic salary for years before I finally woke the heck up just slightly before maybe jumping off the nearest bridge since the stress was killing me anyway?

The burden of poverty isn’t just that you don’t always have the things you need, it’s the feeling of being embarrassed every day of your life, and you’d do anything to lift that burden.

-Sean “Jay-Z” Carter

I realize that my story isn't unique and that there are thousands and thousands of people living my past story right this minute, but I am so happy that I am blessed enough to have escaped the thought processes that would have kept me in the cycle of poverty.

It's amazing how much my life has changed in the past two years let alone the past five years...and it all started when I began this blog and was exposed to a world of different people and different thinking where money was concerned.

[My net worth](#) made a 180 degree turn in that short time, but if I had kept thinking that I needed to add another job like that individual did, or that my income was tied to my employment then I would not have made it this far.

We are trained to trade little bits of our lives in hourly increments for money. We call that our hourly pay or annual salary. But what if I said that yes, \$15 per hour is great, or working two and three jobs to make money is honorable, but you can make money outside of your regular employment?

What if you controlled how much you were paid by adding a side hustle? I know that this takes a serious mental shift because [entrepreneurship isn't for everyone](#), but if you have a talent, you should exploit it. If you're in debt this should be a no-brainer



**Entrepreneurship Isn't
For
Everyone**

What Else



Beyond making sacrifices that you already know that you must make, I have no additional nuggets of information to add. You already know that maybe you should skip a fabulous vacation to sock money away for your debt.

You already know that maybe [ditching your expensive phone](#) can save you serious money over the course of a year.

I've spoken about how small changes add up over time and even about the lengths to which I will go to [fool my family](#) into helping me save money. My [website](#) has a ton of resources that will help you cross off a large debt repayment number too.


I have been a serious guinea pig for just about everything from [negotiating my own debt settlement](#) to [skipping health insurance](#) for about a year to save the \$7,200 annual premium. Luckily, it was a serious gamble that I took that paid off.

I only had to pay for one annual check-up out of pocket. That was \$250 including blood work. Millions of people go without any health insurance at all and it's not by choice.

If you hate my site – and honestly, why should you, it's fabulous – then I'd love to point you in another direction for someone else to help you.

You should know that I take a tough love approach to getting out of debt because no one coddled me and you have to own it, internalize the knowledge, sort through the [BS finance guru advice](#) from people who have no idea what it's like to be a broke and hungry college student inventing ways to eat ramen noodles (been there, done that too) to move past it and ultimately conquer your debt.

I hope that you've enjoyed this long lesson. [Drop me a line](#) sometimes or connect with me on [Twitter](#) or join my [Facebook](#) group to interact with me.



GOOD
LUCK!