

# 5 simple strategies to take control of your finances





# An introduction to the 5 strategies

***Most of us feel overwhelmed or stressed when we think about our financial situation.***

We may be drowning in debt, living paycheck to paycheck, or completely unsure about how to save and prepare for the future.

Because we know how much money stress impacts our lives and our relationships, and how most of us were taught very little about money management, we wanted to share our very best strategies for gaining control of your finances.

As financial coaches, we use all of these strategies when working with clients to help move them towards financial freedom. Some of these strategies may feel easy, while others may be a little overwhelming.

***And that's why we exist!*** A financial coach can provide guidance and support regardless of where you are in your financial journey.

***So, let's begin! The first strategy is the most important...***

# 1. Gain clarity on where your money is going

*This might seem like an obvious strategy, but many of us don't take the time to list it all out. We may feel afraid of what we might find, or fear having to make drastic changes with our money. It's so easy to get really comfortable with our spending, even if it's unhealthy! I assure you, getting past this fear and gaining awareness is the most important step.*

The very first task to any type of financial goal setting is to take stock of everything you have coming in, and going out. It can seem daunting but it's pretty easy to do, and it just takes a little time and patience. Determining your Income versus Expenses will give you instant clarity so you understand whether or not you are living within your means and where you can make adjustments to help you achieve your financial goals.

A simple way to keep track of where your money is going is to use a spreadsheet and/or an App. I like to recommend that people download a free app like Mint, where you link all your bank accounts and track all spending, savings, and debt in one place.

When it comes to your money, ignorance is **not** bliss. The confidence that comes with gaining awareness around your spending can literally change the trajectory of your financial future.



## 2. Track your daily spending

*Simply writing it down, keeping a note on your phone, or ideally logging your spending in a spreadsheet to reflect on your purchases will instantly help you identify if emotional or habitual spending is a factor.*

One of the easiest ways to overspend without realizing it, is by not being aware of where your money is going on a day to day basis. Often the mini purchases, the coffees, the lunches out, the hair salons etc, that seem inexpensive individually, can add up really quickly and push you over your budget without any big purchases.

The easiest way to implement this new awareness is to just ask yourself a few questions after each purchase:

***“Was that a want or a need?”***

***“How did I feel after making that purchase?”***

***“Was it worth the money?”***

Impulse buying is one of the most common reasons people overspend. By building on this awareness day by day, you will automatically become a more mindful spender and better saver!

### 3. Find creative ways to increase your income and decrease expenses

***Making extra money on the side or selling items you no longer use can make a huge difference in your ability to pay off debt and build up your savings more quickly. Check out some of our tips below for simple ideas to help you get started.***

- a. See if you can work overtime with your employer, consider getting a part-time job, or start a side hustle to make some extra money.
- b. Declutter your home and consider selling items you no longer use on Facebook Marketplace, OfferUp or Ebay.
- c. Maximize every paycheck by not withholding too much money if you're getting large tax returns.
- d. Contact your service providers yearly to negotiate your bills (insurance, cable, medical bills, credit card interest rates...etc).
- e. If you have good credit and can stay disciplined with your future spending, consider consolidating your debts into one monthly payment in order to reduce the amount of interest you are paying each month.
- f. Cancel any unnecessary subscriptions like Spotify, Netflix, Hulu, Apple TV, Cable TV, Gym Memberships, etc.

## 4. Fund an emergency savings account

*When we work with coaching clients, we set a goal for them to work towards saving at least 3 months (ideally 6 months) of expenses to have available for emergencies.*

Once you determine how much you can afford to save each month, it's a good idea to set up automatic deposits from your checking account each month so you don't even have to think about it.

As you build your savings, you can also create savings buckets or separate accounts for each of your specific goals. Some of these may include a travel account, a clothes fund, down payment on a house, education, car maintenance, etc.

Again, you would syphon off a dedicated amount each month from your checking account to feed into these savings...and because you won't be manually moving that money, your savings will increase automatically. It builds fast and feels so good!

**Pro tip:** Consider opening a High Yield Savings Account to take advantage of high-interest rates.

## 5. Pay off your debt once and for all

*When it comes to debt, it's important to know your exact balance, interest rate, and minimum payment to determine a debt payoff strategy that you can commit to.*

Two of the most effective strategies we like to recommend are the **Debt Snowball** or the **Debt Avalanche**.

**The Debt Snowball** method - you pay off debt in order of smallest to largest, gaining momentum as you knock out each balance. When the smallest debt is paid in full, you roll the money you were paying on that debt to the next smallest balance. This approach gives you quick wins and will help you stay motivated!

**The Debt Avalanche** method - you pay off debt by getting rid of your balance with the highest interest rate first. With this strategy, you make minimum monthly payments on all your debts but pay extra toward your debt with the highest interest rate until it's gone.

**Both are very effective, but it is important to pick one strategy and stick with it as you move towards financial freedom.**

When working with a financial coach, we can help you choose the best strategy for your specific situation as we have developed powerful tools that can help you know exactly how much to put towards each debt and exactly when that debt will be paid off.





## Get in touch!

***If you feel overwhelmed or are not sure where to begin, we can help!***

Our Mindful Money financial coaching will give you powerful tools and accountability suited to your specific situation to not only help you get started, but to see you all the way to financial freedom.

Contact us today to schedule a free 20-minute consultation to see if financial coaching is a good fit for you based on your needs, challenges, and financial goals.

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