HOMEWORK

1. Debt Misconceptions

misconceptions about debt. Which ones have you been believing? Have you been considering debt evil or inherently part of your self- identity? What sorts of mind-set shifts do you need to have a better relationship with debt?

Go back to the beginning of the chapter and reflect on the

2. Negotiate Your Rate

Make sure you're getting the most favorable interest rates possible for you.

Call your credit card company and try negotiating your interest rate. Write about the experience in your notebook or a Google doc and what you learned or might want to try next time.

3. Create a Payoff Plan

STEP 1: Figure out your debt interest rates. Log in to your account(s) or call customer service to ask.

STEP 2: Organize your debt by interest rate, then balance owed.

STEP 3: Decide which high-interest debt you are going to conquer first. Do you need to focus on the loan with the smallest amount to keep yourself motivated, or are you ready to knock down the one that is costing you the most?

STEP 4: Once you're at three months of living expenses in your emergency fund, use the money you were putting toward your emergency fund as *extra* money toward the principal of the debt you've decided to tackle. (If you're not sure how to do this, call your creditor to find out.) Set it up on an automatic transfer, if possible.

STEP 5: Rinse and repeat, until all your debt is taken care of.