



# FINANCIAL FITNESS

# INTRODUCTION



There is no one-size-fits-all method when it comes to financial planning. While we wish it were that easy, sometimes you need to try a variety of strategies to find a method that works best. There is no better time than now to start on your journey to financial freedom. The LivEZ team created this booklet to provide you with different strategies and activities that will challenge you to be proactive when it comes to your finances.

## App Suggestions:

- Every Dollar: This app allows you to budget every dollar of your income, making your input equal to your output.
- Clarity Money: This app helps track spending, identifies unnecessary subscriptions, helps find new credit cards that meets your needs, and helps you start saving.
- Personal Capital: The personal capital app helps you monitor all accounts and provides you with financial advice to grow your net worth.
- Mint: This budgeting app links with your bank account to keep track of your spending.

# STRATEGIES TO PAY OFF DEBT

## Snowball Method:

One method of paying off debt is the snowball method. This method is for those people who need the little victories in life. The idea behind the snowball method is paying off your smallest loans first, then continuing the amount used to pay smaller debts onto paying off your larger debts, like rolling a snowball down a hill. After paying off a small loan you feel rewarded and stay motivated when paying off your other debt.

To start, write down all loans you need to pay off and each minimum monthly payment. Next, arrange them in order of smallest monthly payment to largest monthly payment, ignore the interest rate. After budgeting your money and paying all minimum monthly payments on each loan, use any extra money and apply it to your smallest loan. After the smallest debt is paid, take the entire amount you were paying toward it (monthly minimum and extra money) and apply it to the next smallest loan. Continue this method until all debt is paid off.

## Avalanche Method:

Another method of paying off debt is the avalanche method. This method is for people who are numbers people. The debt avalanche is focused on reducing the amount of interest paid, which can create an avalanche of savings. This method will reduce the average interest rate on debt since the highest interest rate disappears.

Like the snowball method, you start by writing down all loans you need to pay off and each minimum monthly payment. Next, arrange the loans in order of highest interest rate to lowest interest rate. After budgeting your money and paying all minimum monthly payment on each loan, use any extra money and apply it to the loan with the highest interest rate. After the largest interest rate debt is paid, take the entire amount you were paying toward it (monthly minimum and extra money) and apply it to the next largest interest rate debt. Continue this method until all debt is paid off.

# BUDGETING WORKSHEET

Total Monthly Income (after taxes)

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## Fixed Costs (~ 50%)

Mortgage/Rent		Homeowner/Rental Insurance	
Utilities		Car Insurance	
Health Insurance		Life Insurance	
Phone		Internet	
Cable		Child/Dependent Care	
Groceries		Transportation	
Medications		Clothing	
Auto-Related Expenses		Subscriptions	
Entertainment		Pet Care	
Gifts		Charity/Donations	
Other			

## Debt (~20%)

Student Loan	
Auto Loan	
Credit Card	
Other	

## Savings (~10%)

Emergency	
Retirement	
Home Buying	
College	
Other	

## Fixed Costs (~20%)

Gym Membership	
Restaurants	
Hobbies	

# WAYS TO SAVE MONEY

## 1. Need or want?

- We challenge you to wait 7 days before making any optional purchase. Do you really NEED it, or do you WANT it? By waiting 7 days before making an optional purchase you can decide if it is truly a want or a need item.

## 2. Save \$1,000 in 6 months!

- Each week put aside \$45 and by the end of the 6 months you will have \$1,080.

## 3. No credit or debit card!

- For 1 month pay for everything with check or cash. This will challenge you to live entirely within your means and consider each purchase carefully.

## 4. One less item!

- For 30 days sell or get rid of one item from your closet each day. This will remind you of the things you need and will clear out space in your home.

## 5. Fill up at 2-liter soda bottle with dimes!

- By the time it is filled up you should have around \$700.



# SIX WEEK CHALLENGE

## Challenge 1: Financial Sensibility

Calculate your total non-mortgage debt and tell us three areas that surprised you the most. That includes all money owed on anything except your first mortgage (i.e. student loans, credit cards, car loans, second mortgages, etc.).

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## Challenge 2: Budgeting

Fill out the budget work sheet provided or on one of the apps recommended. No need to share your budget but highlight three areas where you can save.

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## Challenge 3: Pantry Challenge

Cook meals only from what you already have in your pantry. Share with us the cheapest recipe you created (minimum of three ingredients).

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## Challenge 4: Skip the Soda and Energy drinks

For this week skip buying soda, energy drinks, coffee, etc., and instead drink water to keep you hydrated. Tell us how much money you were able save this week without those \$3-\$5 charges adding up. Did you know skipping one \$5 charge per day will save you \$1,825 per year!?

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### Challenge 5: Free Family Activity Weekend

We challenge you to plan a free activity weekend for your family. There are plenty of activities that you can do with your family that are free (i.e. going to the park, having a movie night on the couch, going on a walk/hike, playing board games, build a snow fort, etc.). Share with us what your favorite free activity was this weekend.

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### Challenge 6: FireFly Modules

Complete two modules from the Firefly curriculum. Share which two modules you completed and what you learned (<https://atwork.everfi.net/firefly/login>).

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To do list :  
- read book  
- revise older  
- plan for L  
- finish  
- worry less  
\* Focus



Submit your challenge via email to [LivEZ@HealthEZ.com](mailto:LivEZ@HealthEZ.com) or fax it to 952-896-1261.  
For any questions, contact the LivEZ team at 800-948-8824