



DEBT ELIMINATION STARTER GUIDE

A step-by-step overview of how to find cash flow inefficiencies, start a debt payoff plan, and build lasting financial health.

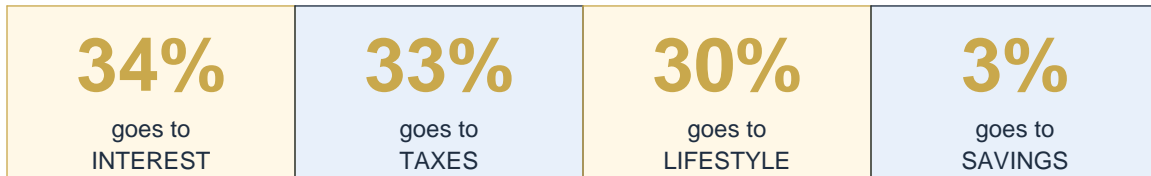
Featuring the Your Family Bank[®] Approach

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THE REAL COST OF DEBT

Most Americans feel like they're working hard but getting nowhere. That's not a budgeting failure — it's a **system problem**. The way most households manage money sends a large percentage of every paycheck straight to lenders and the IRS, leaving very little for savings or future security.

Here's what the average American household looks like today:



Source: Average American Household Data — Your Family Bank® Research

The average American household carries **\$250,000 in total debt**. By the time that debt is paid off at minimum payments, most families will have paid nearly **twice** the original amount in interest alone. That's money that could have been building your retirement or your children's future.

The good news: With the right strategy, a typical family can become completely free from lenders — including their mortgage — in **9 years or less**, without spending any more money than they already are. This is the foundation of the Your Family Bank® approach.

THE 7-STEP FOUNDATIONAL FRAMEWORK

Your Family Bank[®] uses a proven 7-step framework that goes beyond simple budgeting. It looks at your entire financial picture — debt, taxes, risk, and retirement — and shows you how to make every dollar work harder. Here is a high-level overview of each step:

1 KNOWLEDGE IS POWER

Understanding how money really moves through your household is the first step. Most people are surprised to learn how much of their income goes to interest payments. Awareness is where change begins.

2 TRACK YOUR MONEY

When you track your money, you control it. A Spending Planner helps you identify exactly where your dollars are going — and where inefficiencies are hiding. This step also prepares you for the unexpected through the 80/20 rule: 80% for planned expenses, 20% for emergencies and irregular costs.

3 MINIMIZE DEBT

This is the engine of the program. Using a strategic, prioritized approach, debts are targeted one at a time — starting with the highest-cost obligations. As each is eliminated, those freed-up payments are rolled into the next debt, creating powerful momentum.

4 REDUCE TAXES

The less you pay in taxes, the more you keep. This step explores tax-favored strategies and helps you decide whether deferring taxes makes sense — or whether paying taxes now could save you significantly more in the future.

5 PROTECT WHAT YOU BUILD

Getting out of debt is only half the battle. Step 5 ensures your progress isn't wiped out by unexpected risks: disability, lawsuit, inflation, or death. Proper protection planning is what keeps your financial gains intact.

6 KNOW WHERE YOU'RE GOING

The three phases of money are Accumulation, Maximization, and Distribution. Knowing which phase you're in — and planning for all three — gives your financial journey direction and purpose.

7 A GOAL WITHOUT A PLAN IS JUST A WISH

The final step is creating your personalized Big Picture Plan: a comprehensive, written roadmap that ties all six previous steps together and gives you a clear path from where you are today to where you want to be.

STEP 2 IN DEPTH: FINDING YOUR CASH FLOW INEFFICIENCIES

Before you can eliminate debt, you need to know exactly where your money is going. Most families are surprised to find hundreds of dollars each month that can be redirected once they complete a thorough Spending Planner. Here's how to start:

- ✓ **List every debt** — mortgage, auto, credit cards, student loans, medical — with the balance, interest rate, and minimum monthly payment.
- ✓ **List all fixed monthly expenses** — utilities, subscriptions, insurance premiums, phone bills.
- ✓ **Track variable spending** for 30 days — groceries, dining, gas, entertainment, and miscellaneous purchases.
- ✓ **Identify your total monthly income** — all sources, after taxes.
- ✓ **Calculate your cash flow gap** — what's left after all expenses? If the answer is "nothing," the Spending Planner will show you where to find it.
- ✓ **Apply the 80/20 rule** — set aside 20% of your budget for emergencies and irregular but predictable expenses (car maintenance, annual insurance, etc.).

STEP 3 IN DEPTH: THE DEBT PAYOFF STRATEGY

Once you have a clear picture of your finances, the Your Family Bank[®] debt strategy puts your money to work in a specific order to minimize the total interest paid and accelerate your path to financial freedom.

Assess	Complete a full financial audit — every debt, asset, income source, and monthly expense is documented.
Prioritize	Debts are ranked strategically by interest rate and balance to identify the fastest path to payoff.
Redirect	Existing cash flow inefficiencies are identified and redirected toward debt payoff — without changing your lifestyle.
Accelerate	As each debt is eliminated, its payment is rolled into the next target debt, creating a compounding payoff effect.
Reinvest	Once debt-free, the money previously going to lenders is redirected into retirement and wealth-building accounts.

REAL RESULTS: A FAMILY EXAMPLE

Consider a two-income household with a combined monthly income of about \$7,000 and \$180,000 in total debt — including a mortgage, two car payments, credit cards, and medical bills. On their current path, they would spend **30 years** paying off that debt and pay nearly **\$200,000 in interest alone** — more than their original debt balance.

After completing the Your Family Bank[®] program with Black Hills Financial Planning, here is what changed:

WITHOUT the Program	
30 years of debt payments	Free from all lenders in 7.8 years
\$200,000 paid in interest	\$122,739 in interest saved
\$307,000 in retirement savings (after taxes)	\$1,004,387 in tax-favored retirement savings
Constant financial stress	Financial clarity and freedom

The cost of *not* doing the program? For this family, it was over **\$820,000** in lost financial potential.

READY TO TAKE THE FIRST STEP?

Schedule a complimentary Financial Audit with Black Hills Financial Planning. We'll review your current financial picture, identify inefficiencies, and show you exactly what's possible with a personalized plan.

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