



## Point-to-Path Coaching Ezine!

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### This week's topic: Dave Ramsey's Total Money Makeover

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This past weekend, I attended Dave Ramsey's Total Money Makeover *Live!* Dave has a talk show on Houston Business Radio 650 weekdays 2pm – 4pm. If you haven't heard his show, it's worth tuning in.

Dave has developed a Baby Step formula to a Total Money Makeover (a best selling book) and I want to share that with you. I take no credit for any of these ideas. I just want to turn you on to Dave Ramsey! For the full details and product lines, visit [www.daveramsey.com](http://www.daveramsey.com).

Baby Steps are listed with elapsed time:

1. Establish a \$1,000 emergency fund (1 month). Use this to pay for insurance deductibles, repairs and unplanned needs. Running out of tequila for your favorite home-made margaritas is not an emergency.
2. Debt Snowball! Pay off all debt except your mortgage (18-24 months). Pay the smaller balance accounts first – attack them hard! Pay the minimum payment on the larger balances. As each of the smaller accounts get paid off, roll that payment amount into the next account and proceed the same way. If you have a boat, car or 4-wheeler that you can't pay off in 24 months, sell it!
3. Establish a fund of 3-6 month living expenses (6 months). This is *when*, not if, you lose your job. He says *when* not if.
4. Start investing 15% (30-36 months) of your income for retirement into pre-tax retirement and/or Roth IRA.
5. Establish a college fund for your children (after steps 1-4).
6. Pay off home early (7-9 years). He talked about all the myths regarding the "advantages" of having a mortgage. One myth is "I need the tax break." Why not give \$7,000/year to a charitable organization instead of interest to a bank? There's your tax break.
7. Build wealth and give. Giving your money to someone who needs it is the most fun you'll ever have with money.

I hope this leads you to learn more about Dave Ramsey. He has a great philosophy toward money. He has been rich, then broke, now rich again by using this system.