

# #1 - Stop Creating New Debt. No Matter What.

The only way to stop the debt cycle is to stop using debt. No matter what. For some, this is easy. I've seen many people make the decision that they are done with debt in their life, cut up their credit cards and never look back. For others, the idea of never using credit cards feels like an insurmountable, unachievable goal. If that is you, know that you aren't alone and that you can do it. It will just take time and perseverance.

The most important strategy you can implement to never use debt again is to have reserves and savings silos, and to make those a priority in your spending plan. Easier said than done? Yes! But it is the end goal, the one strategy that is the most effective to keep you from never creating new debt again.

One key reason is that we think much harder about using our own money and our savings than we do about whipping out a credit card. Our spending decisions change when it's our money we're using, rather than the vague knowledge that over the next two or three years, we're going to have an extra credit card payment.

Realistically, though, if you're digging yourself out of debt, it will take time to build reserves. You'll need to use other strategies to stop using debt. Some of my favorites are:

- Cut up your credit cards.
- If you can't bring yourself to do that, then put them somewhere hard to get to.
- Make a commitment to an accountability partner that you won't use debt to buy anything without talking to them first.
- When you think you "have to" use debt to pay for something, sit down and write out six options you have to not use debt. Use our handy worksheet.
- Sleep on it. Rarely are there true emergencies that you have to make a split second decision. Let your subconscious work on the problem while you sleep. You might be surprised.