

I'm Terrance Odean. I'm here today with Suzette McDonough to talk about overcoming debt. Thanks Suzette, thanks for joining me this morning. Hi, thank you for inviting me. Tell us a little bit about yourself.

I am a mom, I've got two boys who are 13 and 16, I'm single, and I have an independent contracting hair business. And you're here in the salon that I rent from. Great.

So we're going to talk about overcoming debt. Can you tell us a little bit about your experience with debt?

I never learned to think about money as something to pay attention on a monthly level or a life-long level, or to aspire higher. In my home, there was a lot of fear around money, so bills wouldn't get paid. It's not being paid now, but if I don't look at it, I don't really see it. So avoiding taking care of things, just not being responsible and honest-- that made it really challenging as I actually did go to college. And as a college student-- I think it's still happening now-- credit card companies are like, here student, have plenty of credit cards, maxed it out. So I did. It took many years of looking at that and realizing what I would need to do to get rid of that. And it's crushing to live with debt at such a young age. Eventually I chose that I really wanted to be out of debt. What am I willing to sacrifice now to get to being debt-free so I can live the life I do want to live? Am I competing with my neighbors to have the bigger house, the bigger car? And in the end, when I do go, all this stuff doesn't matter.

So what sort of changes really helped in terms of lifestyle, spending? What sort of practices or habits would you recommend?

Not only living at my means, but choosing to live below my means so that I do have something extra to get out of this debt that upsets me more than not going out to eat now. I think a huge part was involving my kids. I started talking with them about my choices and letting them know this is what it is, and this is a lifestyle that has put me in this, and is what I'm going to do to get us out of it. And talking very openly about I am \$20,000 in debt, plus we have a mortgage. Well, what is the mortgage, kids? OK, it's just what I pay for the house for us to live here and over time, and that money goes to the bank. And here's this \$20,000 sitting there that went out to this restaurant and that restaurant, and those pair of shoes, that emergency, this, that, or the other thing. And realizing if I'm going to get out debt, I have to have an emergency fund always, because life is going to happen as I'm getting myself in order. So I always have \$1,000 tucked away, and knowing what's an emergency. Those awesome shoes on sale are not an emergency. My son wanting a new skateboard because he cracked it in this one really cool flip-- sorry, it's not an emergency to get you a new board. So really getting clear with myself about what my values are and choosing to really focus the kids and myself on we're going to set aside now, and get out of this so later we will have a better understanding of how we can live comfortably, what's important to us, and then we can go on those trips. We can save up and do college or higher education or this

educational trip for you somewhere. And we'll decide as a family what fits into our goals and our values, and get you where you want to be. And we're going to do this together. So that has been huge.

[So about how long ago did you start turning things around, and what triggered it?](#)

I actually started paying off the smaller credit cards first to start building confidence. So the big ones are there, and depending on which financial advising program you go through, they either say start chipping away at the big ones or start at the small ones. I like the small ones because I just felt more confident once that small credit card was paid and done. I could check that thing off, and it just felt good. So it helped me build momentum, and keep doing it. And to date, I think 6 and 1/2 years, 7 years out now-- next month is my last month, and I will be debt-free. All right. So excited.

[So do you still use credit cards?](#)

No. No? No, I have two debit cards-- one personal and one professional for my business, and I pay them off. Well, not that I have to pay the off because it is cash in there, and I am always aware of how much money I have. I've learned how to write out a budget for the month and what's going out, what's coming in. And it's gotten easier over time. In learning how to do this, it's the baby steps things. You stumble along the way. It takes a lot of effort and I struggled at different times trying to understand something. And it just gets easier over time. You learn.

[Thank you. Any other advice, any other suggestions for people who are trying to get out of debt?](#)

Know that it's possible. It's about deciding when to have enough, and what's enough. And day-by-day-- it's a lifestyle change. And you just got to want it. And it's possible.

[I've been talking with Suzette McDonough about overcoming debt. Thanks Suzette.](#)

Yay.

[Thank you.](#)