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Intro: Hey friends! Welcome to Girls Night. I'm Stephanie May Wilson, and I am so happy that you're here. Each week I have a girlfriend over and we talk through one of the biggest questions we have about our lives as women.

We're talking about friendships and faith and relationships and self-confidence, about our calling in life, and how to live every bit of our lives to the full. Life is so much better and easier and absolutely more fun when we navigate it together as girlfriends. And I cannot wait to get started.

I am so excited about today's episode. Today we're talking about how to get out of debt. I wanted to do an episode on this topic because I know there are so many women in our community who are really struggling in their finances right now.

There are so many things that we all dream of doing in life, but for a lot of us debt is standing in the way of all of those things. You want financial freedom, but reaching that point seems confusing, daunting, and like it will require an unthinkable amount of sacrifice to achieve. I totally understand that feeling. I've been there too. But the things we're talking about in today's episode have helped me so much to get control of my financial life. And I truly believe that they'll do the same for you.

To help us with this, I invited my friend Rachel Cruze back on the show. Rachel is an author, a financial expert, and the host of The Rachel Cruze Show. I knew I needed to have Rachel on for this episode because she has helped countless people get out of debt and achieve financial freedom. And the way she does, it is so approachable and actually doable. I can't wait for you to hear from her.

But before we dive in, I wanted to make sure that you all have had a chance to check out my newest prayer journal. It's called *The Between Places: 100 Days to Trusting God When You Don't Know What's Next*.

Here's the thing. We all find ourselves in-between places throughout our lives. Maybe you're waiting for something, longing for something, or working for something, but it just hasn't happened yet. Maybe you know where you want to go but you have no clue how to get there. Or maybe you know you're not where you want to be in life, but you don't know exactly what needs to change or how to change it, and you don't know how to figure any of that out.

Maybe you're trying to make a big decision, but you have no idea which option to choose. Or maybe you're feeling like the whole world has turned upside down in

the last few years, taking your life, your plans, and any sense of security right along with it.

And in all of it, you're trying to trust God with your future, but you're just not sure how to practically do that and how to quiet the fear and anxiety all this uncertainty has brought up in your heart. That's what *The Between Places* is here for. Through 100 guided prayer prompts, *The Between Places* will help you trust God with the trickiest, most uncertain, and most important parts of your life.

It'll help you believe more fully than ever that God is good, that He loves you, and that He's taking care of you. It will help you live today with more contentment, step into the future with more courage and faith and rest in God's peace knowing that He's with you every step of the way.

To pick up a copy, just head to my website. It's stephaniemaywilson.com. Again, that's stephaniemaywilson.com. That link will also be in our show notes.

Okay, you guys ready? Let's hop in our conversation with Rachel.

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Stephanie: All right, friends, I am so excited for who I get to introduce you to today. Rachel Cruze, welcome back to Girls Night.

Rachel: Yes, thank you. Thanks for having me back. It's so fun.

Stephanie: I'm so happy to see you. I'm gonna have to look up how long it's been since we had you on the show last time. But it's been, I think, a couple of years.

Rachel: It feels like two or three years. Yes.

Stephanie: Okay, well, this is overdue then. For women who haven't gotten to meet you yet, tell us who you are, what you do, and a fun fact by yourself?

Rachel: Yes. So I am Rachel Cruze, and my working life is all around personal finance. So I love helping people with their money and how to handle their money. And money is such a... it can be a really hard topic and it can be a really difficult topic for a lot of people. So any way that I can bring it content, whether it's through books, or my podcast, or media, or anything to help give them direction on what to do with their money it's my passion and what I love so much. So that's kind of me.

I work with Ramsey Solutions as well. It's kind of the flagship. So when people hear Dave Ramsey or Ramsey, that's it. We're all connected with that. I was

laughing because I think my fun fact last was that I peed on stage one time when I was speaking.

Stephanie: It is hands down my favorite fun fact we've ever... We've done 150 episodes, Rachel, and that is my favorite. Totally it just got me. It's so good.

Rachel: So blindsided. I know. So I was trying to get a new one where I was like, I mean that's a pretty great one. This is not as fun or exciting but I will take a lot of pride and say that I might be one of the best sleep trainers when it comes to babies on the planet. So I'm gonna give myself that badge.

Stephanie: What about you makes you... like tell me... I don't know if you know this. I have 15-month-old twins.

Rachel: I didn't know you have twins?

Stephanie: Yes, I do. I have girls.

Rachel: I haven't done twins.

Stephanie: We managed to do it and they sleep great. But I'm so very familiar with sleep training. Is it that you're tough about it or what is it?

Rachel: I don't know. I think I have a great... Listen to me just pat myself on the back. I always said, like, if crap hits the fan at Ramsey and I have to go get a whole new job, I can either be a sleep trainer or a travel agent or both and make this whole business. Like I have this whole business idea I could do.

No, I don't know. The sleep training I think for me I thrive in, which can be healthy and unhealthy, like achievement and insane progress and things. That's definitely my Enneagram of personality. So I love seeing it. So I do get this high, this rush when things are working. And there's a process that I put something in and it works. I can deal with a crying baby for seven minutes. And I have my rules. I have my kind of my strategy, but all my babies slept within nine weeks through the night. So I don't know. That's gonna be my fun fact for you.

Stephanie: That is next level. I wish I had known that. I could have been texting you being like, "Okay, just tell me this is gonna work. Just tell me this is going to work."

Rachel: Literally after I had... I mean, my youngest is two and a half. But when I first did it with my first and all my friends are having babies, I was like, "Please text me." I even got a high off of helping other people and be like, "Do this. Set your alarm here. We're going to do that. Make sure this." I was like, "Oh, I loved it." I love it.

Stephanie: This is amazing. I really do wish I had known this like a year ago. But they, thank God, have been great sleepers. Now, we were out for a walk yesterday and people stop us and go, "Wow, you have your hands full." And we're like, "Yeah. But truly life was a lot when they weren't sleeping. But now that they sleep like champions, we're hanging in there. We're doing okay."

Rachel: It does a lot. Sleep does a lot for the sanity of the family for sure.

Stephanie: Okay, well, I love that. I mean, we're gonna have to send women back to listen to the previous episode we did with you, but can you give us a cliff's notes about being on stage?

Rachel: Yes. I've always had a really bad bladder. And I think there literally... I say this laughing but I'm serious. I think I have something wrong. My husband at least like four times a year, he's like, "Babe, will you go see someone?" I'm like, "No, I don't need to." And my thing is it's just when I have to go, literally I have to go within those three minutes or like it's done.

So peeing in my pants has been a theme sadly through my life. I mean, not like through high school and everything. But I mean, it's just... I don't know. I think a part of it I will take ownership that I am like a child, that I'm like before I go in the car or something, I just need to go try. I just need to go try it. And I don't always do that.

So I'm in a plane... or last week I was skiing with my husband, I literally had to stop mid-mountain and I was breathing in and out. I was like, "I'm literally I'm about to." He's like, "Here?" And I was like, "I'm sorry, I can't help it." So obviously that's the stuff.

Stephanie: Did you pee mid-mountain?

Rachel: I mean, I'm gonna say like, like 5%, which is not a lot for my other history. Your listeners are probably like, "She's lost all credibility with me."

Stephanie: Nobody loses credibility on Girls Night.

Rachel: I know. Well, so the peeing on stage, yeah, it was just one of those situations. I was on stage and I tried everything in my power, the way I walked, breathing in and out, like trying to get through it and I couldn't. So I did. But I had dark jeans on. I mean, and I asked the lady after I said, "This is what happened to me. Did you notice? I just need to know. If I just know people know, it helps me deal with it." She swore she was like, "Oh, no, I didn't know." I was like, "Okay, okay."

Stephanie: Is that it? You were able to continue on with your message while you're like I'm currently paying right now.

Rachel: But I was so distract... This is so TMI. I'm so sorry. But as I was walking, I remember kind of looking back, like, is there a trail? What is following me on stage right now because of what just happened? I don't know if people know. They may see it right now. And I don't know if they can..." Oh, it was terrible. It was terrible. So now I do have a rule that I'm... I spoke at a church a few weekends ago and before every service—they had three services—I said, "I need to go to the restroom. I am learning to take care of it."

Stephanie: That is truly to this day my favorite fun fact. No, you don't lose credibility. Truly at Girls Night, this is how you're like, "Okay, well Rachel is one of us now. Now we can listen to everything else she has to say." Oh my gosh.

Rachel: I still can't help it. And then it goes even further downhill after kids.

Stephanie: You know what? I love it.

Rachel: Maybe when we do this podcast in two more years, my goal will be to see a doctor before so I can update everyone in two years when I'm back on with you just saying-

Stephanie: "Guys my bladder..."

Rachel: "Here it is. Here was the exercises or the medicine. Here's what happened."

Stephanie: We're going to get a call from a urologist. Like one of our listeners who can be like...

Rachel: I know. That's right. If someone is a urologist out there, you can help me.

Stephanie: "Rachel, here's what you do." Oh my gosh. Oh my gosh. Okay, I have to recover. All right, so we're talking about debt today. And I'm really excited because I love the way that you teach about this. You teach about this in such a practical way but also with so much passion, which I love, but also as a real person who likes to live life. I feel like you teach about this in a way that makes sense. And I really appreciate that.

I know that we have women in our community who are in all different places financially, and who have all different dreams for life. I mean, I think all of us really debt is something we've contended with in our life or something that we've

narrowly avoided. And I think for a lot of us, our dreams are being put on hold or are really sitting under a cloud of debt. So because you're my favorite teacher on this, I really wanted to bring you on and have you just walk us through how do we get out of this so that we can start living our lives again.

To kind of kick it off, people have all kinds of opinions on debt. Some people say it's really good to have debt. Some people say that you should keep a balance on your credit card. Some people say that debt is very normal, and you know, whatever. How do you feel about debt? What is kind of your stance on it?

Rachel: So before I dive into that answer, I would say that the definition I use of debt is the debt is owing anything to anyone for any reason. Because I talk to some people, and they are like, "Yeah, I'm debt free, but I have a balance of \$26,000 in my student loans." And I'm like, "Well, that's technically debt." So we'll just have that definition out there.

And for me, I just do not believe that there is any good debt out there. I do believe in living a life completely debt-free. I'll say with the asterisk a mortgage is the one type of debt I'm okay with as long as it's a 15-year fixed-rate and your monthly payment is no more than 25% of your take-home pay. If it's in that realm, then I'm like, "Yeah, that's okay." I mean, obviously, 100% down on a house would be amazing. But I know it's not going to be the case for a lot of people.

Stephanie: Is that why that gets an asterisk because it's like no one has \$300,000 in cash?

Rachel: Right? And after a while, there gets to be a point where renting, which I think renting is great... Some people are like, "Oh, it's just wasting money." And it's not because renting can get you in a place where you're actually financially stable, which means you have no debt, you have an emergency fund, then you purchase a house. Like I want people to get to this point before they purchase a home.

So renting is a great option to that. But then it gets to a point where, yeah, you end up starting to lose money because... Homeownership is a great thing. I mean, you're investing in something that's going up in value, and owning a home I think is a big part of your financial plan. So that's one reason, and yes, the cash availability to just purchase a home.

People do it, though. I mean, I have the craziest stories of people that have followed a plan to a tee and even saved up for a house. So it happens for sure. But that's the asterisk.

I am no student loans, no car loans, no credit cards. So that consumer debt for sure I don't teach it because of what it does to you. And you kind of talked about it earlier,

but there's this level of debt that the math can make sense. Someone can walk me through a plan mathematically, they're like, "Well, if you take out this loan and instead of paying it off you invested the interest, you actually end up making more in the market." You know, they can play this math game.

But what you have to realize is that personal finance is such a small percentage of math. It really is your behavior. I always say personal finance is 80% behavior. It's only 20% head knowledge. So what happens is when people just focus on the head knowledge and just focus on the math with their money, they miss out on things. They miss out on the risk of life that happens.

Like a pandemic hits and your entire world is shut down and you can't go to work, you lose your job, your business closes. Well, no one factors that in. No one factors in a medical diagnosis that you didn't expect. People don't factor in life when they're just doing the math side of debt. So there's a risk that you take on when you owe someone something.

And then they don't factor in the emotional and spiritual side of debt. That when you owe someone something, there's a level that debt takes from you. I mean, it can take your sleep at night. It takes your peace of mind. It takes the reason why you go to work.

For many people they go to work to pay their payments. That is the reason they go to work. Versus going to work, making money, and being able to invest in themselves or in a passion they have or give it away or say for their kids. It's going directly to a bank.

So it just steals a lot of these opportunities and options for you. So none of that is factored in when people just look at the math side of debt. Well, it's smart to do X, Y, and Z. I'm like, "Yeah, but you're not factoring in risk in life and you're not factoring your emotional and spiritual state when you owe someone something." So there's something to be said about being free from payments that frees you up more than just your money. It frees you up, I believe, in an emotional spiritual sense as well.

Stephanie: That makes a lot of sense. I think we can all relate to that. Debt or just worrying about money in general it really does... You're exactly right. It takes your joy. It takes your peace of mind. It takes your ability to fall asleep at night. It takes your ability to dream. You can't dream big if you know that... It really puts a cap on your dreams. So that makes a lot of sense.

Okay, I want this to be really practical because this is a practical thing. For women who are sitting here who are in debt right now, how—giant question, small deal—how do they get out? Like, what do we do? What's the plan?

Rachel: Great question. I would say a couple of things. First off, if you're married, I want as best as you can you and your husband to be working together. If you can work as a team when you are married, that is a huge benefit. If you are single, find someone in your life that has the same value systems view when it comes to money that can be your cheerleader.

Because doing this whole thing alone can be very isolating, can be very lonely, you can get discouraged quickly, you can forget why you're doing it. So to have someone else... I just believe that we are made for community. So find someone in your life that can at least walk this journey with you. I would say that's one piece of it.

And then tactically number one also is to get \$1,000 as an emergency fund. So that's gonna be the first thing you're going to do is get \$1,000 emergency fund. And then once you have that, then I want you to start paying off your debt.

So you're gonna do this by what we teach as the debt snowball. You're gonna list out all of your debts smallest to largest regardless of the interest rate. You're gonna pay minimum payments on everything and you're gonna pay off that smallest debt first. That's the thing you're going to focus on. So even if it's a \$400 Nordstrom credit card bill that you just pay the minimum payment on all the time, and you're like, "I racked up this bill." And it's \$400. If that's your smallest, you have to pay it off first, and you focus on everything.

And part of the intensity of this is the more you're willing to budget, the more you're willing to cut your lifestyle, the more you're willing to say no, the more willing you are to even get an extra job or do something on the side to bring in more income, as much sacrifices that you can make, the deeper you can sacrifice the faster you're going to see a result.

So when you're able to say, Okay, I'm not going to go shopping for the next nine months, we're not going on vacation this year, we wanted a fun new car because we just want it, we're not gonna buy the new car. Like we are doing nothing but putting any extra money towards this debt.

And we find that people are paying off all of their debt in 18 to 24 months. So it's everything but your house. And there's something that happens when you pay off that smallest one. Again, even if it's a Nordstrom credit card, when you pay it off,

and you're like, "Oh, wow, that bill that's been following me around for the last five months, it's gone. I paid it off. I can do this."

And then you move over to maybe a personal loan that you have that's \$2,000 that you owe your parents from something. And you pay it off, and you're like, "Okay, that's gone." And then you move to maybe a small student loan that you have. I feel like we have eight or twelve student loans all tapped into one. And so it's like maybe that smallest student loan, you pay it off.

As you keep going down, what happens is this behavior that we were talking about earlier, it starts to change to hope, where before it could have felt so overwhelming, so scary. And for some people listening, you don't even know what your debt is. When I say list your debts smallest to largest, I said that in two seconds. But that could have been the mountain that you have to climb where you actually have to face what you have. Because some people kind of live in this denial where they're like, it kind of just gets taken out here and there and I just don't want to look at the total because it's scary.

But man, when you start to actually know where you are and you start attacking it smallest to largest, hope starts to interject into your life, where before it was overwhelming and it was scary. You actually are like, "I'm happening to my money. I am doing something that is making progress to something incredible, which is freedom."

So this smallest to largest way versus the highest interest rate versus lowest interest rate which some people teach, that's the math side that we were talking about earlier. It's not about math. There is a behavior and emotional element to this. And so when you pay off that smallest debt, something happens in you that ignites that you think, "I got this, I can do this."

Stephanie: That's so awesome. I'm sitting here getting excited. That feeling of accomplishment is such a big deal and it lights a fire under you. It's proof that you can. And I think that that's a huge piece of the battle is like, This has been overwhelming me for so long. And I like how you said: your money happens to you. Well, now you're happening to your money. And that's such important tips. That's so awesome.

Rachel: And I will say though, too, when you're on this journey, you know, it's 18 to 24 months on average. Again, I mean, some people will do it less time, some people will take more depending on how much debt is and how much your income is, all that. But there is a level.

And everyone I talk to that goes through a debt free journey, you're gonna feel the excitement of doing it but you're also going to face some hard times because you're

changing the way you've been doing money. If debt has been a part of your life forever and you thought that you'd have your student loan for 20 years and then maybe the government will forgive it, you'd have a credit card that you kind of mess around with, sometimes it has a balance, sometimes it doesn't, you know, car payments, two cars sitting your driveway, that payments attached, like you've been living this certain way.

So when you start on this journey of paying off debt, just to say out loud to people, remember my voice because there's going to be friction. You're going to bump up against things during this journey that's going to be hard. It's going to be difficult. You may go backwards sometimes of like, "Oh, we thought it was gonna take us this long, it's taking us longer." Whatever it is, remember, there's going to be friction because anytime you change in life anything you've been doing, you're going to feel a little bit of pain, a little bit of friction.

You know, I have three kids that have attributed to my bladder situation as well. I switched their car seats a few months ago, and I had my two-year-old on one side and my newborn on the other, and my two-year-old panicked. And she was like, "Not my side of the van, mommy. Not my side of the van." And she just was freaking out, threw a fit, this whole thing. And as I'm driving, I was like, "Man, even at two years old we don't like change." Like she was comfortable in what she saw, what she recognized. And even though right or wrong that's where she said it was familiar to her.

So as you're going on a journey to change and shift, it's going to start not to be familiar, it's going to be new. But have the hope, though, that what you're changing to in the future is better than your present. Because if you're sitting there with payments and you're gonna start to change, and you kind of feel that friction, that is good friction because what you're changing to is so much better than where you're sitting today.

Stephanie: And it's so cool because... You know, we'll talk about this kind of at the end, but that money that you're putting towards your minimum payments and that you're putting towards all these debt payments, once they're gone, you get to keep it. And that's so cool.

Rachel: Yes, exactly. I mean, yeah, it frees you up for more money that you can continue to throw at the other debts and pay it off even faster. But just a freedom, right? And when you have your income come in and you're like, "Oh, wow, this percentage that was going to a car payment is now just sitting in my account, and I get to decide what to do with it." Yes, it's amazing. It's an amazing feeling.

Stephanie: I know that we have women listening that, you know, for some of us it's like \$400 at Nordstrom, or it's \$2,000 to our parents to pay off a car loan or something like that. But I know that there are women listening who are like, "I have 100 grand of debt or something. So for the women who are sitting there... I don't have 100 grand of school debt, I was able to pay off my debt actually using the snowball when Carl and I got married, which was so cool.

But for women who are sitting here going, "This is big, what's sitting on top of me," can you talk us through that? Because that is just really like... Maybe it's a huge number or maybe, I don't know, maybe collectors are starting to call. Talk to us about that.

Rachel: Yes, absolutely. That was example for that small ends of your debt snowball. But you're right. I mean, six figures of student loan debt sadly has become normal. That has become a normal thing. So it can feel so overwhelming. But what I say it's just one piece at a time. And so that's why I do love even the debt snowball method, is even if that \$100,000 student loan is broken up into smaller debts within that, smaller student loans, go ahead and list those out individually so that you can feel those quick wins.

But I would also say that, yeah, it may take you a little bit longer than the timeframe I just gave. But to know that you can do it. Like I'm sitting in my seat and I hear daily, daily people becoming debt free because they chose to and they had the hope that they could do it.

So you really have to have this belief that yes, it can feel overwhelming and it's exhausting to look at or it feels daunting, but being able to map out a plan to start attacking that smallest to largest is going to help. And also celebrate the wins. Like have markers throughout your plan to say, "Okay, once we get out of \$20,000 of the student loan, we're gonna go and enjoy." Not a super fancy dinner because a lot of that is going still to your debt. But go and enjoy something. Go and take time away and celebrate the wins. You have to be able to look back at what you've accomplished.

My husband and I just went skiing last week. It was just him and I. We left the kids at home. So we were doing some of these hills, and I'm like... Of course, I haven't done Black in six years. And I'm in it and I'm honestly like, "Okay, yeah, I got this." I don't know, it just came back to me. But then I looked back up at the hill and I was like, "Look at what we just did. We just came off a cliff is what that looks like.

But when you're in the middle of it all you see is one side of the mountain to the next. It's like, "Oh." You want to be able to stop mid-mountain and look up and be

like, "Look what we just did." You want to be able to celebrate. So please celebrate the wins as you go. Don't have your head so focused down that it's like you almost just end up losing steam. You have to be able to take a break, take a breath, look up and celebrate and look at what you've accomplished.

Stephanie: I love that. That's the next thing I was going to ask you is like, you know, we have our debts listed out smallest to largest, and we're paying minimum payments, and we're putting everything we can towards the small one. And then once we're done with that, we put all that into the next one. But how restrictive should we be? How much should we be paring back our life? Is it like we can have no fun, we can't eat no good food, we don't shop ever? How restrictive are we getting here? And then is that realistic to put every single extra dollar? Can we sustain that?

Rachel: I would say the deeper you're willing to sacrifice the faster you're gonna get out. So for people that I talked to that have deep pain with their debt, their marriage is falling apart, they feel like this thing has taken them and they're in a job they hate and they want out so fiercely that they don't care, they really will have, you know, \$300 a month for groceries and that's it. Or whatever it is. But they will pair down their lifestyle so deeply because they so deeply want out.

And those are the people that you see and you're like, "Dang, like they did it." And what's funny is you become efficient in one area of your life and then other things start happening. So hearing people that they not only worked more, but they got a raise at work because of their diligence even at work because they're being efficient in one area. You see this combination happening all the time you're like, "Man." So I would just say, the deeper you're willing to sacrifice, the faster you're going to get out.

And it's for a short time. Like I'm not telling people to do this for 12 years of their life. Again, on average, two years. Two to three years. Two years of your life. And what you kind of start to see too is you start seeing, "Golly, I just buy so much crap I don't need. We waste so much money and we're not thinking about our spending. We're just going to a restaurant and like, "Yeah, sure, let's order this. Let's just... yeah, yeah, yeah," when you sometimes don't even have the money to do it.

And when you actually live on a budget, you're like, "Oh, wow, if I could throw this extra here, that's going to not just pay for the interest of the debt, but it's going to get me that much faster, you start to be motivated by it to say, "You know what, let's don't go out to eat for six months and see what happens. Everything we're going to spend, let's throw it at the debt."

So it's everyone's personal take, but I would say sitting in the seat that I'm in and knowing the stories that I know, the people that are willing to sacrifice, they do it.

And also, yes, they're able to find fun. You're able to do things that you know you never thought because it actually makes you be creative. When you don't just have this level of like, "Oh, we're just gonna go spend and spend and spend," it almost can be this Band-Aid to go and do. But when you say, "I'm not, it forces you to think creatively and think of different options."

And there's a joy in it too when you're doing it with people. So that's what I was gonna say. You know, whether it's your spouse or a good friend that you know who's cheering you on, like having people in your corner to say, "You got this like." And looking at the map, it's like, "Yeah, I've got nine more months. I've got nine more months. I can do this," it's an amazing feeling.

[00:29:13] <music>

Sponsor: Hey friends! I am so excited to introduce you to today's sponsor. Our sponsor for today's episode is a company I love called [Babbel](#). There's something you may not know about me is that I have a huge passion for learning other languages. I started learning Spanish when I was just 10 years old, and I continued to study Spanish throughout middle school, high school, and college.

I've had the amazing opportunity to study in Spain and to travel to other Spanish-speaking countries. And along with that, I also minored in French in college because it's always been my dream to speak Spanish, French, and Italian.

I had the best teachers and professors in school and so for the longest time that dream actually felt achievable. But all that changed when I graduated. It's hard to learn languages on your own. But now thanks to Babbel, the language learning app that has sold more than 10 million subscriptions, there's an addictively fun and easy way to continue my language learning journey.

Whether you want to travel abroad, connect in a deeper way with family, or you just have some free time, that'll teach us bite-sized language lessons that you'll actually use in the real world. I've been using the app for a while now and I seriously love it. Right now I'm using it to brush up on my Spanish and it has been so fun. Their lessons only take me 15 minutes to complete. So it's the perfect way to brush up on my language skills when I'm on the go or when my twin girls are napping.

You can choose from 14 different languages including Spanish, French, Italian, and German. And their lessons were created by over 100 language experts so you know you're getting the best, most accurate teaching.

Friends, if you're interested in learning another language I highly recommend starting your journey with Babbel today. Right now you can save up to 60% off your subscription when you go to [babbel.com/girlsnight](https://www.babbel.com/girlsnight). That's [babbel.com/girlsnight](https://www.babbel.com/girlsnight) for up to 60% off your subscription. Babbel, language for life.

Sponsor: Hey friends! Our sponsor for today's episode is an amazing female-founded company called [Olive & June](https://www.oliveandjune.com). Now, I don't know about you but I love having my nails done. I just feel more put together when I have a fresh manicure. But to be honest, I rarely do it.

A few times a year I do treat myself to a salon mani-pedi. I always walk out of the salon having spent like \$100, and I usually end up chipping my newly painted nails as soon as I get in the car. So then I go through a period where I decide I'm just going to do my nails myself. But no matter how hard I try, my nails always end up looking like they were painted by a 6-year-old. That's why I'm so happy to have found Olive & June.

Olive & June founder spent a year doing and redoing and redoing and redoing her own nails, identifying all the reasons it is impossible to make them look good on your own, and then she fixed it. She created their Mani System that helps you achieve beautiful salon-quality nails for just \$2 a mani. And the polish truly doesn't check. It lasts for seven days or more.

The Mani System comes with all the tools you could possibly need for salon-quality nails, and they're all in one box. It includes the poppy which you put on top of the nail polish candle to make it easy to grip and to paint your nails on both of your hands. This is a game-changer. With a poppy I can finally keep the nail polish on my actual nails instead of getting it all over my fingers. Anyone else?

You could also customize Your Mani System box with your choice of six polishes. Recently I've been wearing their nail color called Pink Sands, it's this gorgeous white, pink neutral color that I love. You guys, I truly love this company so much. I actually enjoy painting my nails now and the end result is seriously so good.

Not only that. Their Mani System is going to be my new go-to gift for all of my closest people so that we can all use them together at our Girls Night. Friends painting your nails can actually be fun and affordable, all because of Olive & June.

Visit [oliveandjune.com/girlsnight](https://www.oliveandjune.com/girlsnight) for 20% off your first Mani system. That's [oliveandjune.com/girlsnight](https://www.oliveandjune.com/girlsnight) for 20% off your first Mani System. Olive & June thank you so much for sponsoring our Girls Night. We just love having you.

[00:33:27] <music>

Stephanie: I love the way that you just put that. I feel like this is a great opportunity to make a memory with someone. There was this moment... And I don't know if this is gonna make any sense to anyone outside of my marriage. But when Carl and I were first dating, he was moving from a house into an apartment. And the apartment was like a couple floors up. It was one of those where the hallway is outside, like the stairs and the hallway they're concrete and they're outside. And we had to get a queen-size mattress up the stairs into his apartment. And it was just us. And I'd never moved a queen-size mattress by myself let alone upstairs before. We did it though. I mean, we're kind of having the friends' moment of like pivot.

Rachel: That's exactly what I thought of. I was like, "Are you lost?"

Stephanie: Yeah, we were doing the whole thing. But we got it up the stairs. And we were so proud of ourselves afterwards to the point where we... We laugh about it now because that's not that big of a deal. But for really the last eight years that we've been married, we always say like we can do anything. I mean, we got the mattress up the stairs.

We've said that about starting businesses. We said that a lot when we were having you know infant twins. We're like, "We got the mattress up the stairs so we can do this." It's just a funny example of like, we can do this. And that's a really cool thing to get to look back on. Whether it's you doing it or whether you're doing it in your family, you get to remember the creative things that you did in the absence of, I don't know, your normal routine. And then also like, what else can you do together? If you guys can do this together, what's next? It's really cool.

Rachel: Absolutely. And that's what's so funny is like when I talked to couples that do it, married couples specifically, and they get through it and they always say our marriage is the best it's been. And it's not because they went through a marriage course. But you would learn these things because there's a tie that brings you together. There's an intimacy that's created when you do the impossible.

So just like you were saying, "It's impossible for us to get this freakin mattress up stairs. There's no way." And then you do it and you're like, "Oh, my gosh, we did that." And it does that theme. I love that theme. I love that you guys even call back to that, because it's like, "If I can do the mattress, I can do anything. We can do this together." And this is the thing. You are doing the impossible.

Everyone says you can't live without debt. There's no way you can be debt-free. I mean, you hear constant messages of what life is supposed to look like and there's no way you can do it with cash. When you do that with someone, there is a bond

that is created. That is an incredible thing. So it's a byproduct of getting out of debt I think when you're married and you do it with your spouse. That's just awesome.

Stephanie: Yeah. And I mean, if you're doing it by yourself, too, it's like what an incredible sense of accomplishment. I love that you've seen people succeed more at their jobs when they're being really diligent and really disciplined in one area of their life it spills over.

And yeah, when you finish climbing this mountain, you go, "Okay, well, I had no idea I could do that. What else can I do?" And then you get to go find out. And that's just a really cool thing to do whether you're doing it with a spouse or whether you're doing it by yourself.

Rachel: Absolutely.

Stephanie: Are there some things that you've seen... because I mean, you've watched so many people go through this journey. Speaking of being creative, are there some things that can make this journey a little bit easier or more fun along the way?

Rachel: Yes, I would say I mean, your attitude has a lot to do with it. So if you go into it like, "This is gonna be terrible This is going to be terrible," and you wake up every day talking about how terrible it is, you probably gonna be terrible. But if you look at it and say, "Okay, what is that creative thing that we can do? What are things that we can think outside the box? What's a fun challenge so we can have a no spin challenge this month?" And make it fun and interesting and enjoyable.

The attitude that you have going into it and during the process is going to make or break you. I mean, there's a level of like, yeah, we're doing this for a reason. And yes, it's going to be hard. It's going to be friction like we talked about. But that attitude, I think, is a big part.

And then I would say to the quick wins that you can find. This is really tactical, but even pausing your 401k during this time and any retirement that you're doing, any investing, pausing that to throw the debt snowball will give you some money to go and throw at this debt that you can get some quick wins.

Look at all of your insurances. This sounds so nerdy and I know it's not that exciting, but like, go through and be like, "Okay, I'm gonna go and reevaluate all that we're paying in insurance." People are finding thousands of dollars that they're just paying to insurance because they haven't found a new quote in years.

So there's things you can do in your everyday life and everyday payments. Looking at subscriptions that you have, and you don't even realize you have them. Like

going and finding this quick money is helpful. That's going to give you some energy as well. That's a part of it.

But I think too on the third side is like, yeah, what are those creative things that you can do as a family? What are things that you're gonna have to force yourself to do? Where you would have just paid money to do fun, what are the things you can do for free?

And I hear everything from going to a local winery or going to listen to music that's free out in a park or going with your kids and actually playing outside, doing things that they want to do. It's amazing when you actually stop and say, "Okay, if I'm not gonna put money to something, what are things that we can do?" And the options are there.

I think it's more tiring. It takes probably more effort, more work. It's not as seamless always, like, oh, we could just go by and rent a movie and that would be so much easier. Like, what are the things that you can do that are different? That gives you energy as well.

Stephanie: So I know budgeting is a big part of this. And I think that for a lot of us, when we think about budgeting, it kind of feels like being on a permanent diet, which sounds terrible. But I know that there's a different way to think about it. Yeah, just a different perspective. So talk us through that first. With budgeting, why is it not just the super terrible permanent money diet?

Rachel: Oh, well, I felt like that for a long time. I'm naturally more of a spender than even a saver. I love, love spending money. So that's my natural bent. I'm more of a free spirit. So details and all of that, I'm like, "Oh." So budget to me was terrible. It felt like every time someone said the word budget, it was negative. It was like, "Well, we can't go shopping, we're on a budget," or "we're not going on vacation, we're on a budget." Well, budgets are not fun, people. Like that is not the life I want to live. I want to enjoy my life.

So for me, I started to realize... You know, my husband and I, we got married and he's the one a few months in that was like, "We need a budget." And I was like, "Oh, I know. Look at my head, of course." I knew we should.

So we started living on it, and it didn't work the first few months. And then it kind of started working. So we were living with one. We did one every month. And then we had this vacation that we took. And during the vacation, he said to me, "Don't worry about the budget." We had a vacation number that we're going to hit that we could spend." And he was like, "I'll take care of it. Don't think about it."

It's so funny to me even being a spender, I was at the pool and I wanted to order some snacks, like chips and guacamole and all that. And I found myself hesitating so much because I didn't know how much we'd spent already. And I found myself... and I'm the spender and I'm the free spirit. This is not me. I was like, "Rachel, who have you become?"

But I realized in this moment sitting at that pool where I was like, "I feel out of control." I've realized for the first time in months I felt out of control with my money. And a budget gave me control that I didn't know I even wanted or needed. So for me, I look at a budget as permission to spend. And when I know what's in my clothing line item in the budget, I can go to JCrew or Loft or whatever I want to do online and buy clothes and I'm not feeling guilty. I'm not second questioning, Ooh, is this okay? Do I have enough money here? Are we going to be tight on this? Oh, gosh." None of that. None of that. I don't have any of that because I have a plan and I know what I can spend.

So for everyone out there, a budget doesn't mean that you have to say no your whole life. Doesn't give you guardrails to live within your means? Yes. But that's a goal in our whole financial life that we want. We don't want to go into debt. So it does give you those guardrails. But it also gives you just the sense of control and peace where you think, man, I can actually spend it in joy in areas because I've set money aside to do it. Like I know what I have and I can enjoy it that much more.

Stephanie: I think that when we don't have a budget... So when Carl and I first got married, we ended up with a little bit of debt from a couple different places. It was just like, you know, wedding plus moving plus just... It was almost like we just got busy for a month, so then we ended up not paying off our credit card that month.

And then before we knew it, it was like there was a little bit of a balance there. And that had never happened for either of us before. So that plus I had a little bit of college debt. That was when we were like, "Okay, what is this debt snowball thing? How do we get started with that?"

But then our task was to create a budget. And I had never had a budget before and it felt really restrictive. And I'm the same way. I'm like, "Budget, people are terrible." That's not fun at all." And at first it was really hard. But then the more we got into it, it really did feel like it gave us permission. And we were able to go out to lunch because we knew that going out to lunch wouldn't mean that we didn't have money for this. We were able to actually enjoy spending that money in that place.

And there have been times where we haven't been as diligent about keeping track of every dollar. I find that what happens in those times, even though we're still totally

fine, it's more like there's this constant sense of we need to cut back. So it's like we hesitate to spend money anywhere because we don't know exactly how much we have to spend on each of these things.

So it's this constant feeling of we're doing too much, we need to spend less instead of going, "Okay, well, we need to maybe eat out a little bit less." But also, we have money for shoes. Like, I need to get some new shoes. That doesn't mean that I won't have money for this category or something. So yeah, it's overall belt-tightening feeling that you don't have to do. You don't have to tighten all the places if you're budgeting and if you know where each dollar is supposed to go.

Rachel: You're exactly right. And I use the app EveryDollar. It connects to your bank. So all your transactions from your debit card come into this app. I mean, almost every day, it's kind of become a game where you like click on transactions. I drag and drop them on like groceries, Costco, clothes or our kids each have a line item. So if they have school pictures or something, I dropped that transaction into their line item. So I sit there just organizing.

And then I see on that app, like, "Oh, we have this much and out to eat and it's the 27th, well, Winston and I are gonna go to a nice dinner because we're gonna spend it. And we have it and it's fine. Like you're able to enjoy and plan and know.

I was talking to a friend and we kind of think a little differently with money, so it was a friendly conversation we're just talking. And she said she's like, "I just worked too hard to budget every dollar. I just want to enjoy." And I was like, "That's so interesting." I said out loud, I was like, "I just feel like I work too hard not to plan and know exactly where my money is going. I want my money to work for me and me not work for my money.

So it's a mindset shift kind of in it too to say, you know, this isn't to parade you or to keep you from doing stuff by tracking things. It's actually to give you more freedom to say, "Oh, wow, we can do more."

And people that have never budgeted before and they start to budget, it feels like you got a raise because you do not realize all the small transactions that you do throughout a month that you don't even realize event and how much it adds up. When you actually look and see it, you're like, "Oh, wow, this much could be going towards paying off debt," or "I could actually use this money to maybe if you are debt free to save up for an emergency fund or to invest it or to spend it or to give it." You actually know where it's going.

So, I would say for anyone that's never budgeted before, do a zero-based budget. So this means you're going to do one every month before the month began. So you're

gonna look at next month and you're gonna say, okay, as we're recording this podcast next month is March, you're gonna look at March here, say, "Okay, here's how much I think I'm gonna make. If you're on salary, it's very easy. If you're on commission, it might be kind of a guesstimate. But just figure out, Here's how much I'm gonna make. And if you're married, your spouse's income is included. So you put that at the top.

Then you're gonna list out everything. You're gonna list out giving, you're gonna list out any debt payments you have, you're gonna list out your mortgage or your rent, lights, utilities, cell phone, insurance, food, groceries, and out eat. I mean, you're gonna list out all the categories you spend money on, put dollar amounts next to each of those categories. And you can go back to the previous month just to see, Hey, how much have we spent at the grocery and use that as a starter.

Then your goal is for your income minus all of those expenses should equals zero. So every dollar coming in is already assigned to a category. Now, if you've never budgeted before, you probably are overspending on groceries, you probably are overspending on out to eat, you probably are overspending on some categories.

Stephanie: Out to eat is always-

Rachel: I know. It's terrible. I know. We're the same way. But you're going to look at those numbers and say, Okay, we can shrink those. We actually have a plan and I can do grocery shopping in this. And we're gonna take any extra money from this budget that we can squeeze out and again throw it at the debt that we were talking about earlier. And you're able to do that.

And then once you're debt-free, and you have an emergency fund of three to six months of expenses, then you can kind of take your foot off the accelerator and say, "Okay, we are going to add some more money back in out to eat and have a little bit more margin and enjoy. Or I'm going to add more back in clothing, I'm going to... You're able to spend more because you actually have the income. Your income comes in. And when you're debt-free, you get to use it and say, what do we want to do with this?

So the budget is a powerful thing. But give yourself three months to get it right. The first month is gonna be terrible. Second month, there might be some stuff. By the third month, you're gonna see some consistency and know, okay, this is happening.

My last budgeting tip I'll say is always throw in a miscellaneous category. Have some money that's just miscellaneous because stuff is going to come up, whether it's you're in a book club, you gotta buy a book, or kids are starting a sport and they

need new cleats. Whatever it is that comes up that you didn't plan for before the month began will fall into that category. So have a catch-all category as well.

Stephanie: Okay, I like that.

Rachel: I know that was a lot, but...

Stephanie: No, it's so good.

Rachel: But it's so helpful. It really is.

Stephanie: There's... I don't know... Are you a Great British Baking Show person?

Rachel: I'm not.

Stephanie: Oh, man. Well, it's okay. It's like life for some people and it's not for others. One of the judges in Great British Baking Show... Love it. It's currently my go-to sleep show. I'm like wine down show. But she always talks about things being worth the calories or not.

And I kind of feel like that. It's always a bummer when you're spending money on something that you don't even want or you don't even like, you don't even care about. And it's like that's not worth the money. Or you eat something and it's not even that good. Like, I would have rather eat something that was actually worth the calories and something delicious for spending that.

I'm thinking particularly about I have a \$10 Planet Fitness subscription that I have been paying for like probably eight years. And Carl's like, "Oh, are you going to Planet Fitness a lot now and stuff these days?" I mean, no, I haven't been in literally years. And it's \$10. But that is not worth \$10. That is not worth my \$10. I'd rather have it back... and I don't know.

Rachel: Go enjoy lunch or coffee. Actually use it.

Stephanie: Anything else. That's not worth the \$10. Okay, I love that. So you mentioned EveryDollar. Can you talk us through a couple of different ways to keep a budget, because that's the other thing. There are a lot of options out there and keeping track of it, that also feels hard.

Rachel: For sure. Yeah. So that's why I love EveryDollar is because it attaches to your bank account. So all your transactions from your debit card within that bank are going to show up. So whether it's gas or if you're traveling. Anything. Anything is going to

show up in that and you can drag and drop it to the appropriate category. So it does the math for you.

I mean, it really is the best way for me to see your people when it comes to just like an app on your phone. Now, some people just do Excel and they keep their receipts and they manually just go and put in their transactions. And that's awesome. If you can do that, that's great.

For some people even it's like a yellow pad. They just have a sheet of paper that they just do it that way. I mean, so you have a gamut for sure. But if you're going to go and purchase an app or do that, I would do EveryDollar because it's the way we teach about budgeting. And it's the most realistic I think with having your transactions commands, so you're not having to manually put them in. But some people want to and that's what they love. And that's great if that's you. So power to you.

Stephanie: I know, God bless you. When Carl and I got married we were planning our wedding and he wanted to make a spreadsheet so we could keep track of how much flowers were, and what [inaudible 00:50:20] for my dress, and all these things. And he found out very quickly that I do not know how to use Excel. Just don't know how.

I mean, I know how to put things in boxes, but doing things automatically. I don't know. There's so many things. And still like to this day, I tried to do some Google Sheets, and I have them but like, he'll see them and go, "This makes zero sense." So yeah, I don't know.

Rachel: I'm the same with you. I'm the same with you. It'd be a disaster.

Stephanie: Excel people are amazing. Okay, let me see. This is kind of controversial but like a little bit. I know that there are opinions on other side of this. Talk to us about credit cards. I personally am a credit card person but I'm a paid off every single month kind of person.

And honestly, if that time in our life, where we ended up with a balance that we couldn't pay, if that was a habit or if that was something that was deeper or harder to get out of or something like that, then I think I wouldn't mess with it at all. But other than that one brief moment has never been a thing for us. So I have it for airline points and things like that. And I know a lot of people do. But what do we need to think about? What are some things through this if you're going to have your credit card things? Because I know that you guys are-

Rachel: We're hardcore, Stephanie. I'd say just a couple of things. Are there people that pay it off every month like you guys? I meet people all the time who are like, "I paid

off?" I'm like, yes. Is that possible? 100%. So I'd say the first bucket is that conversation. And for some people, they can't. They really do depend on it to pay bills, and they keep a balance because they don't have... It ends up being a bad habit. It's kind of that you play with snakes, you make a bit kind of thing.

The second bucket I would say there are studies that show you do spend more when you spend with a credit card. There is a psychological thing that when you are spending and swiping it is not your money that you're spending. So there's a level of percentage that you do end up spending more. It's funny I had a friend that worked here, this was probably four years ago, and he left but we're still good friends with him and his wife. And he said, he's like, "Rachel, I'm gonna tell you. I got a Southwest credit card." I was like, "You did?" He was like, "I did. I did."

And he said, "We had it for about five months." And he goes, "And I realized I gotta get rid of this thing." He was like, "I would just go into Academy sports and I'd be like, "Oh, yeah, we have the money." And he's like, "I'll just throw in kind of extra stuff." He said, "Subconsciously, I didn't even realize what I was doing." And I left and then the bill came and I was like, "Oh, man, I can't believe we spent that. We have the money to pay it. But man, if that was my money coming out of my account, it changes."

There's a psychological thing. So I do believe and I stick with the studies that you do spend less when it's your money. And a debit card will do everything a credit card would do. My husband and I we just went skiing. We checked into a beautiful hotel, we got Uber, we did a rental car to the... we did everything with a debit card. So I would say that for me, you're going to spend more statistically speaking on a credit card.

And then the third bucket, which I will throw in here and not to make you feel bad, Stephanie or anyone listening.

Stephanie: No, you're fine. You're fine.

Rachel: But a lot of people do it for the airline miles or the points and all of that. And again, you look at it like "Yeah, that does make sense. If I'm gonna have to pay for gas, no matter what, I might as well get some airline miles from it." But for me, I'm just so... the whole industry just grosses me out. It's so toxic because I see the belly side of it, and it's gross.

So what's happening is we're getting quote-unquote, "free miles and points," not because that MasterCard or Visa is this generous entity that wants to help out people. It's because that there are people out there that can't pay their bills and

they're making so much money off of people that are mismanaging their money. And then on the benefit side, we get to take advantage of that.

It's almost like the lottery. I'm like, you go and play the lottery so that I, the upper class citizen can get the HOPE Scholarship in Tennessee to go to college, but I'm doing it because of lottery tickets that are being purchased in an area code that is below the poverty level. It's like poverty people paying for people to go to school. Do you know what I'm saying? It's that same thing for me. And I'm like, it's just gross. I just don't want anything to do with it.

So that's my personal conviction. So we went on Southwest and yes, we paid for the ticket full but we did. And I'm like I just don't want to mess with it. So that's kind of my stance with credit cards. That's not so-

Stephanie: No, you're fine. That all makes sense. I completely agree with that. If I were spending on a debit card, and you know that... I don't know, your bank account is going down little by little with every swipe, that is definitely a different mental thing. I completely agree with that. I think that I would spend less money if it was coming out of my debit card. And that makes a lot of sense. Credit cards, the business model is that they make money when people don't pay off their bill and... I mean, that's how the-

Rachel: That's how the system works. It's the industry totally. Absolutely. Absolutely.

Stephanie: That makes total sense. And those are really good things to think about as we try to decide.

Rachel: And let me say this, too, with another aspect of this whole debt conversation. For me, debt is not a sin. It's not a salvation issue. So if you are someone that is a believer, you can get into heaven with the Southwest credit card. I don't think that it's something we have to confess our sins at all.

For me, it's just the wisest. What's the wisest way and the fastest way for me to get to point A to point B with my money? If my husband and I wanted to invest in real estate, like whatever that thing is, you want to get out of debt, whatever that thing is to get to point A to point B, what's the fastest way. And an element of being completely debt-free even without credit cards, it is the fastest way. So that's the reason. It's a wisdom thing. It's not a sin issue. So let me just say that too.

Stephanie: I love that. Rachel, this is exactly why I wanted to have this conversation with you. I love this. So we're talking about all this. What do we do after? There's a lot of talk about getting out of debt. And then what? What's the next step? I mean, there is the

element of getting to add a little bit back into all of our categories, like specifically eating out for me. What's the next wise step with our money once we get free?

Rachel: The next step you would do, and I would say, to kind of keep a little bit of that intensity you had when you're paying off debt is to build up an emergency funds. So get three to six months' worth of expenses. You can have this in a traditional savings account or a money market account. This is not to be invested. This is just to be a safety net for you.

And at this point, it's amazing. Like when you have no payments and you have five months' worth of expenses saved up in the bank, it puts you in a totally different place. Like you can actually breathe, you can quit the job you've always hated. If a pandemic hits, you're not freaking out because you have no bills and you have savings. So that's the next step I would do for sure is that emergency fund.

And then from there you want to be investing 15% of your income into retirement. So that's 401K, Roth IRAs. If you have kids, that next step would be to open up a kids' college fund. So an ESA or a 529, and then throw any other money you have toward paying off that house that you have. So the mortgage is not part of that debt snowball. That'll be later on.

So those are kind of the more tactical steps. But what I think it does, too, is it frees you up to dream again, to be like, Okay, you know, once we have no debt and an emergency fund, then we want to go to Disney or we want to go on this great vacation, or I want to take a girls trip to Cabo for so long. I'm just gonna save up and do it. Like it frees you up to do things that you want to do.

So while you want to take care of retirement and college and all of that in the future, that's a small part of it. You can kind of take your foot off the accelerator at that point, say, Okay, yeah, I am freed up. What do I want to do? And so having goals I think is really key. Have a year-long goal. Have a five-year goal. Even have a 10-year goal, even though that'll probably change.

But look on the future and say, "What do I want to do? Do I want to upgrade car? Don't want to give more? We haven't talked really about giving a lot in this. But that's a huge part of our message is like when you live like no one else, and you sacrifice and you get out of debt, later you get to live and give like no one else.

Part of building wealth is not just to keep it all and buy more stuff even though it's not necessarily wrong. There's a point that it just doesn't become that exciting anymore. So the giving aspect of this, when you can have the joy of giving and actually have the margin to do it, it's an amazing thing. When you can write a check for \$10,000 and buy someone a car that needs it, there's no replacing that.

Like there are things that you can do with money as a tool to completely radically change people's lives. And it's an amazing thing. So that's another part of this that you get to do that. You're not able to when you live paycheck to paycheck.

Stephanie: That's so awesome. That's so awesome. Two quick follow-up things. One, at the very beginning, you talked about putting away \$1,000. I didn't ask more about that but I want to make sure to because I know that there are women who are writing this down. And I know we have some resources from you. We'll link to those on the show notes. But talk to us about the \$1,000. Why do we start with that?

Rachel: So your \$1,000, that's your emergency fund. So that's while you're getting out of debt. If something happens, you can go to that. Now if you're getting out of debt and something big happens that's more than \$1,000, you can pause your debt snowball, save up that cash you're going to be putting towards debt and throw it up that emergency so that \$1,000 is there.

And some people kind of hate it because it's like, "I thought a lot of money. Of course it scares me that everything will be taken down to \$1,000. That's all I have." But I want you to get through this step quickly. So when you make the decision to get out of debt, I don't want you to have to save for another three months to have some pile of money in the bank to then start getting out of debt. I want you to do this quickly.

So this \$1,000, I want you to get in 30 days or less. Like, I want you to cut stuff out, I want you to sell stuff, get an extra job on the side, do whatever. Like you want to get this step quick because it gives you that momentum to propel into paying off debt. So that emergency fund of \$1,000, that's your step one. You can put that again, like we said earlier, in a savings account, you can keep it at home, whatever you want to do. You just have it there that that's your safety net, and then you go to start paying off debt.

Stephanie: Okay. And then once we're done, is it three months of an emergency?

Rachel: Three to six. So if you're single and no one's really dependent on your income, you could do three months and feel great. If you are commission-based and you have five kids, you probably want to go maybe more six months just to be a little bit safer. So it kind of depends on your status in life and your income stream and all of that. But it's funny, most women want closer to six months to have a little bit of that security, where most dudes are like, "Oh, three months, I'll be fine. I'll figure it out. Don't worry."

Stephanie: I'm such a safety net person. Okay, that is so awesome. Rachel, I really appreciate this. I love the way that you talk about money, and that money is a tool and that so much can be done with it, so much good. So much fun can happen with it. I love the picture of freedom that you paint.

So for women who are sitting here like, Okay, this is a giant thing looming over me forever, but I think I'm gonna take a leap, is there just like a last piece of encouragement you could give?

Rachel: Again, it's one step at a time. So it's gonna feel overwhelming at first. But once you get in this new rhythm, it's amazing. When your habits change, your mindset shifts, this can be the starting point. Today it could be that you're listening to this and you're like, "You know what? I'm gonna figure out how much that I have. I'm gonna find that \$1,000 quickly. I'm gonna do this," I promise you, you will look back in six, nine, twelve months and be like, "I can't believe that I was doing it another way."

Like, once you start tasting this freedom, you just think, "How did I do it before? I can't believe it took me this long to realize." You kind of start to have these thoughts of like, "Man." Because my thing always is, once you're completely out of debt and you hate it, you can easily get back in. If you hate being debt-free, it is America, you can choose to go back in debt.

But for so many people it is. It's like this, man. But it's that first step. It's kind of that deciding, "Okay, I'm going to do something different. I'm going to engage in change, I'm going to engage in something difficult, and something hard and sacrifice." But man, as you go through it, you will find the joy of it. It's there. It is because you're not being owned by your money anymore. And for so many people it is—their money just owns them. And when you can flip the script, and you're the one in the driver's seat being like, "No, I'm actually going to be in charge of my money. I'm going to tell my money what to do," there's something that releases and it's an amazing thing.

So anyone can do it too, any debt level, any income level. I've seen every dollar amount you could imagine. And the person on the other side who does it believes that they actually can. And that belief is huge.

Stephanie: That's so awesome. Rachel, thank you so much for coming on the show. I'm so glad to get to talk to you again. Just thank you for all the work that you're doing with us.

Rachel: Absolutely. Thanks for having me on. I so appreciate it.

[01:03:12] <music>

Outro: You guys, isn't Rachel amazing? I just love having her on the show. Don't forget that if you ever want to find the links for anything we talked about in our Girls Night episodes, you can always find those links over in our show notes. Just head over to girlsnightpodcast.com and you'll find links for everything, including links for Rachel, so you can pick up her books, watch her show and follow along with all the great stuff she's doing.

All right friends, that's it for today's episode, but we have so much good stuff ahead this season. And with that in mind, now is the perfect time to make sure you're subscribed. Subscribing to the show is the best way to make sure you never miss an episode. It won't send you an email or anything. It just makes sure your phone downloads the latest episode when the new one is released.

And I did want to take a quick second to ask you a favor. If you enjoyed this episode or if you've been a Girls Night fan for a while now, would you take just two quick seconds to leave us a rating and a review on iTunes? Those reviews help out our podcast so much and it really would mean the world to me. So if you'd take two quick seconds to do that, I would be so grateful. All right, friends, thank you so much for joining me for Girls Night. I'll see you next week.