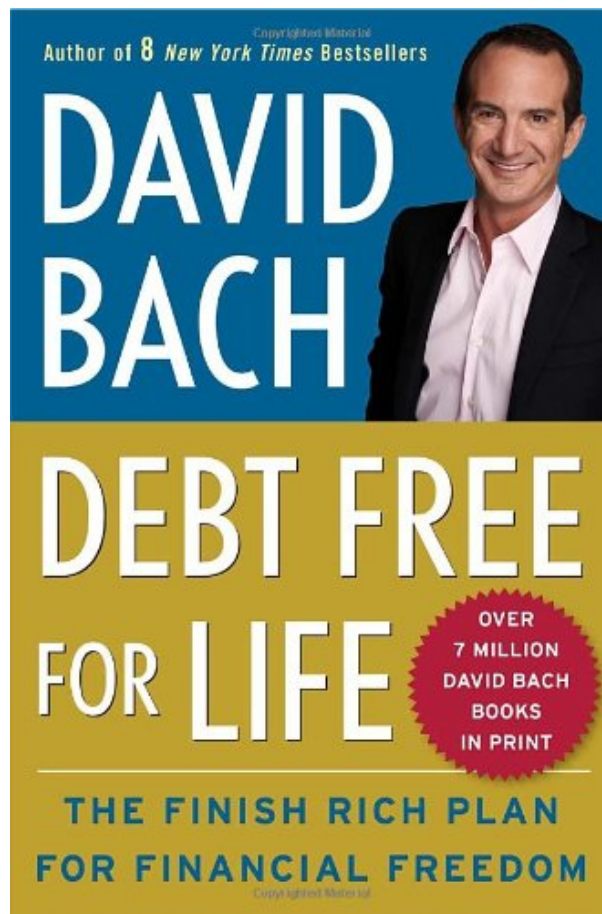
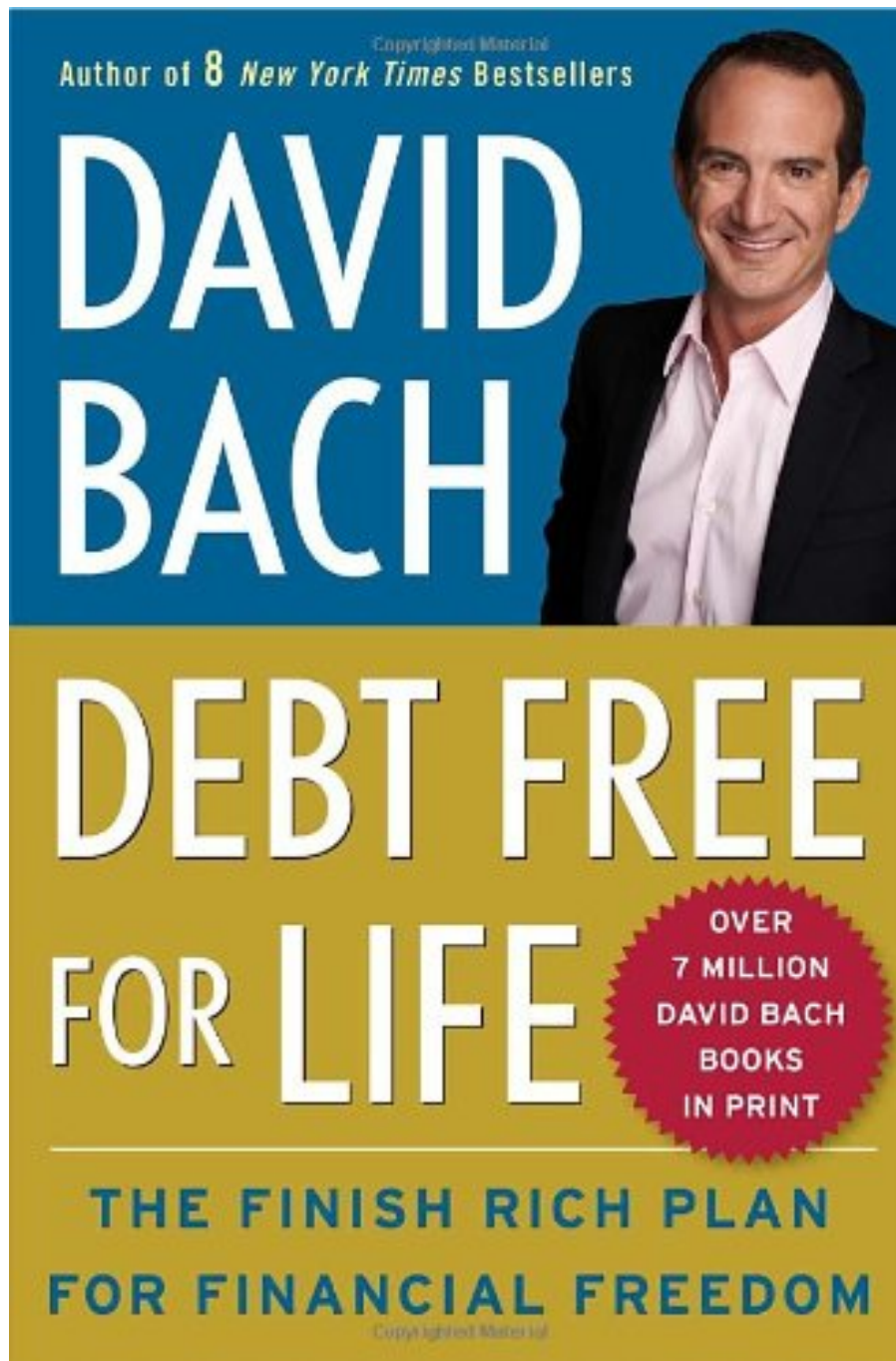


DEBT FREE FOR LIFE: THE FINISH RICH PLAN FOR FINANCIAL FREEDOM BY DAVID BACH



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About the Author

DAVID BACH is one of America's most prolific and bestselling financial authors of our time. He has written ten consecutive national bestsellers, with over seven million books in print, translated in over 15 languages. His runaway bestseller *The Automatic Millionaire*, spent thirty-one weeks on the New York Times bestseller list and was simultaneously #1 on the business bestseller lists of the New York Times, USA Today, BusinessWeek and the Wall Street Journal. He is also the author of the national bestsellers *Start Over*, *Finish Rich*; *Fight for your Money*; *Go Green, Live Rich*; *Smart Women Finish Rich*; *The Finish Rich Workbook*, and the number one bestsellers, *Start Late Finish Rich*, *Smart Couples Finish Rich* and *The Automatic Millionaire Homeowner*. Bach is a regular contributor to NBC's Today and has appeared a half dozen times on The Oprah Winfrey Show to share his strategies for getting out of debt and finishing rich. He lives in New York with his family.

To read excerpts of David Bach's books, and for more information, please visit www.finishrich.com or www.facebook.com/davidbach

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INTRODUCTION

GOODBYE, DEBT—HELLO, FREEDOM!

Early in the winter of 2010, I was sitting in the greenroom preparing to go on the NBC's Today show to do our weekly "Money 911" segment. The segment had been airing for more than two years. Each week we would take questions from viewers about their money. This week, most of the questions seemed to be about debt. Reading over the questions, it hit me—in just two years, we had gone from being asked mainly about investments to being asked almost entirely about personal debt.

As I thought about this, a friend in the greenroom interrupted me with a question of her own. “David,” she asked, “what’s your take on ‘good debt’ vs. ‘bad debt’?”

Almost automatically, I started giving her the standard answer about how good debts are generally considered to be debts you incur to buy things that can go up in value—like a home or a college education—while bad debts are things like credit card balances, where you’ve borrowed money to buy things that will depreciate or go down in value, like most consumer goods. But then I stopped in mid-answer and looked at her.

“You know something?” I said. “The truth is that this recession has changed everything. Homes are going down in value and people with college degrees are looking for jobs. Forget what I was just telling you. Forget about the idea of ‘good debt’ and ‘bad debt.’ The truth is that when you’re in debt, it doesn’t matter what you’ve borrowed the money for. The only thing that matters is whether or not you can afford to pay it back. And if you can’t, all debt is bad debt.”

My friend smiled sadly. “Tell me about it,” she said. “My home is underwater, and my mortgage rate is going up and I can’t refinance because my credit score has dropped.” She shook her head and sighed.

“So what do I do? What’s your advice to people like me?”

THE BEST INVESTMENT YOU CAN MAKE NOW

This time I stopped and thought before answering. “Here’s what I think,” I finally said, “and this is what I’m going to be telling everyone now. The best investment you can make over the next five years is going to be paying off your debts. So my advice is to pay off what you owe as fast as you can. The faster you pay off your debt, the faster you will achieve financial freedom.”

I went on to tell my friend that at Morgan Stanley, where I had worked as a financial advisor for nearly a decade, the clients of ours who focused on paying off their debt were able to retire an average of ten years earlier than those who didn’t. “So does this mean I should stop putting money into my 401(k) plan and instead use it to pay off my mortgage?” she asked.

I shook my head. “Of course not,” I replied. “You should never stop ‘paying yourself first.’ What you need to do is cut down your spending so you can stop going into debt, and pay off your debt faster. Trust me—getting out of debt has never been more important than it is now. Being debt free for life should be your new financial goal.”

And with that I headed into the studio with Al Roker to answer America’s never-ending questions about managing their money and getting out of debt.

ARE YOU TIRED OF BEING IN DEBT? DO YOU WANT A NEW WAY OUT?

If you’re like most people, you’re probably familiar with the idea of “good debt” and “bad debt.” Millions of Americans believe in this idea. In fact, millions of Americans have based their lives on it. At the heart of this belief is the notion that good debt makes you rich and bad debt keeps you poor. You only borrow to buy assets, and you shouldn’t borrow to buy things that drop in value. It makes sense; it seems logical.

I, too, used to believe it. But you know what? I no longer do. And neither should you. Why? Because the idea that there’s such a thing as good debt and bad debt is a myth.

The truth is we’ve been misled.

- We've been misled by billions of dollars' worth of advertising that gets us to buy things we don't really need.
- We've been misled by a multibillion-dollar credit card industry that tells us the good life can be ours for the taking when we use their credit cards.
- We've been misled by the banks that loaned us money for homes they knew millions of us couldn't really afford.
- We've been misled by the subprime lenders who promoted the idea that we were "silly" to keep equity in our homes when we could "cash it out" to pay off our credit cards.
- We've been misled by a tax system that promotes heavy borrowing by offering tax deductions.
- We were sold a bill of goods—or, more accurately, a bill of loans (trillions of dollars of them). And now this bill has come due, and our debt has become our personal financial prison.

Are you tired of being in debt? Are you tired of waking up each morning to face an ever larger pile of bills? Like my friend in the greenroom, do you find yourself working harder than ever to pay for things you no longer care about—or even want to own?

If so, you are not alone. Millions of people feel the same way—and like you, they are ready for a life free from debt. A life where you own your life—rather than lease it.

The good news is that there is a way out of this nightmare. There is a better way to live—starting today—a way that will allow you to be debt free for life!

THE MIRACLE OF COMPOUND INTEREST— IN REVERSE!

Here's the truth: DEBT IS DEBT. Probably the most important lesson of the great recession we've just lived through is that there's no such thing as a good debt if you can't afford to pay it off. When you can't make the payments, the only difference between "good" debts and "bad" debts is that the bad variety can destroy your financial life much more quickly.

Now, don't get me wrong. We need to be able to borrow money. Without a lending industry and the ability to borrow, we could not function as a society. Borrowing to build assets can make sense—if you have a real plan to repay your debt. But if you don't have a plan, look out! Debt is all about basic math. It is the miracle of compound interest in reverse, which is to say that if you don't stay on top of it, it will mushroom faster than you can imagine—and crush you before you know what's happening.

This is one big reason why I wrote this book: to give you the plan you need to pay off your debts faster than you ever would have thought possible.

DEBT FREE FOR LIFE:
A NEW APPROACH AND A NEW ATTITUDE

It is time for us to rethink entirely the way we manage our money and our debt. If the great recession has taught us any- thing, it is that the less debt we have, the better off we are. With this in mind, I am now on a mission to inspire America to shed its debt. I believe it is time for us to buy back our freedom, and I know that together we can do it. This is another reason why I have written Debt Free For Life—and why I hope you will read it and act on its advice starting today.

Debt Free For Life is my twelfth book. It is very possible that you have read (or at least heard of) one of my previous titles. As I write this, there are more than 7 million copies of my FinishRich books in print around the world. I am known for my honest, simple, and “take action” advice about finances, and I’ve been privileged to inspire millions around the world to be smarter with their money and truly live a rich life. Perhaps you have seen me on television on NBC’s Today show, “Money 911” segments, or on Oprah’s “Debt Diet” series, or on CNBC’s “The Millionaire Inside” series. Then again, maybe this is our first visit together—and if it is, welcome! In either case, I want to say, THANK YOU. Thank you for your time and your trust that I may have a plan for you—a plan that will make you DEBT FREE FOR LIFE!

ELIMINATE YOUR DEBT—
AND BUY BACK YOUR FREEDOM!

So why did I pick this moment to write a book on getting out of debt—and why should you spend a few hours reading it? Why is it time to buy back our freedom and focus on our own personal economy?

The answer is simple:

In our new economy, getting out of debt fast is the most important financial move you and your family can make.

There are three reasons for this:

First, I believe that our debt is out of control.

Every day I get tons of questions from my readers—maybe you’re one of them—and most of them are related to debt. You email me at www.finishrich.com, you post at my community at www.facebook.com/davidbach, and you call in to the various shows I do. What I hear from you is scary. You’ve got credit card balances you can’t pay off, mortgage loans and home equity lines that are crushing you, student loans, car loans, medical debt—you name it. “David,” I hear over and over again, “I’m drowning—what in the world can I do?” Or: “David, I have had enough—I want to retire someday and

not be worried about money—how can I get out of debt once and for all?” The fact is that we’ve lost control of our debt both individually and as a nation—and this has to change. We have come to a point in history

where personally, nationally, and even globally the devastating effect of debt is beginning not only to crush the human spirit, but also our ability to be free and ultimately secure.

Second, I believe the world is waking up to the problem of debt.

National economies around the globe have been shaken to their core because of debt loads. Europe fears more economic collapses—and many experts worry that the United States itself is on the brink of bankruptcy. (I'm not there yet, but I am concerned—and you should be, too.) What I know for sure is that the debt we have the best chance of controlling is our own. There are dozens of books today about “whose fault it is.” But I'm not interested in playing the blame game. We can debate who's to blame for America's trillion-dollar deficits— or we can focus on our own families' “deficits” and get our personal finances together. This book is about SOLUTIONS— what you can do to fix your situation! It's about you—your finances—your debt! The faster you are debt free, the faster you will be protected from things you can't control, like our national budget deficits.

Third, I am convinced that
MILLIONS ARE READY TO TAKE ACTION.

There is a movement in this country right now to pay down debt and save money. As I write this in the summer of 2010, savings rates are up to 6%, the highest in two decades, and debt levels are falling. Millions of people, including you, are ready to be debt free. We've had enough of the burden and worry that debt creates. You are ready to take action—smart action—that will help you become financially free and secure. Many of you have written to me, sharing that you are tired of working so hard for so long—and winding up with so little. You are ready to get off of the treadmill of going to work, making money, spending money, going to work, making money, spending money. You are ready to be FREE! You are ready for new ideas and new tools that will help you become smarter about your money and your debt. You are ready to be **DEBT FREE FOR LIFE!**

My previous books contained great tools for debt reduction. But in this new, challenging economy, I realized I needed to create a new, updated plan with the latest and greatest systems to help you get out of debt **TODAY**. So welcome! Let's spend a few hours together—and get going on a new plan that will lead you to a debt-free world of true financial security. It may not be as easy to get out of debt as it was to get in, but trust me—the benefits that will come from this journey you're about to begin will be more than worth the effort.

Do you believe as I do? Do these three beliefs of mine make sense to you at a gut level? If they do, then please keep reading. Together, we can turn back this tide of debt and buy back our futures. It is time for a better way of life—one free from debt.

MY GIFT TO YOU

AT WWW.FINISHRICH.COM

I always love to give my readers a free gift. So if you are already feeling inspired to live a debt-free life, I want to encourage you (right now!) to go online to my website at www.finishrich.com and join our FinishRich Community. Register and I will send you my Debt Free For Life Challenge video series for free—and also give you access to an amazing array of tools we've designed to help you stay motivated to get

out of debt.

Through our website, you can access “The David Bach Debt Free Challenge” site, an online community where you can interact with like-minded people committed to becoming debt free. Our goal is to inspire one million people to join us on this challenge. On the website, you’ll find videos, audios, and interviews with me and other experts to help you live debt free for life. You’ll also find contests you can enter to win prizes.

This book also comes with another gift: a free trial of an amazing new debt-reduction system called Debt Wise (www.debtwise.com) that I’ll talk more about later. This revolutionary online tool will help you reduce your debt by creating a FAST-PAY PLAN to pay off your loans years early and save you thousands of dollars in interest charges. It is powered by Equifax, the nation’s leading credit bureau—and as part of the package, you’ll also get access to an Equifax credit score.

THE DEBT FREE FOR LIFE CHALLENGE VIDEO SERIES

SHARE YOUR SUCCESS STORIES— AND YOUR QUESTIONS

As always, I want to hear from you about how this book affected your life. This book includes real success stories from real people who have achieved the results you may be looking for. Most of these stories came directly from people who wrote to me after reading one of my books and applying what they had learned. You can find hundreds more at www.finishrich.com. Read them and ask yourself, “If they can do it, why not me?”

The answer is you can—and I can’t wait to hear about when you do.

So if you have a success story to share, I’d love to know about it—and if you have questions I want to hear those,

too. In either case, you can email me directly at success@finishrich.com.

Now, are you ready to become debt free for life? Are you ready to buy back your freedom? Great—let’s get started on your journey to become DEBT FREE FOR LIFE! Your new plan awaits you in the next chapter.

Live Rich, David Bach

DEBT FREE FOR LIFE SUCCESS STORY

My wife and I read *The Automatic Millionaire* and *Start Late, Finish Rich* on vacation at the beach in 2008. These books inspired us to greatly accelerate paying off our credit cards and other debt. We used your DOLP system and within 20 months, we had paid off our credit cards and three car loans—almost \$65,000 in all—while increasing my wife’s 403(b) retirement plan and continuing to max out my 401(k) plan. With our new-found cash flow from not paying debt, we have also been able to double our charitable giving and we are saving to buy our own beach house, both as an investment and to enjoy for personal use. And the story gets BETTER! Our son Jeremy, who’s in the military and deployed in Afghanistan, told me he read *The*

Automatic Millionaire and it inspired him to quit smoking, allowing him to save \$2,000 annually! From 5,000 miles away—when I was sharing with him the success we’re having thanks to *The Automatic Millionaire*—he shouted, “Dad, that’s the book I was telling you about!” Thank you again for motivating us and turbo-charging our way out of debt!

Joseph G. Detroit, MI

CHAPTER ONE

WHO PUT AMERICA INTO DEBT—AND HOW YOU CAN GET YOURSELF OUT

Once upon a time (in the decades after the Great Depression), Americans desired a life of financial freedom. To our grand- parents and great-grandparents, this meant staying out of debt. Living through the Great Depression, our great-grand- parents learned the hard way that debt was bad, that owing money could destroy your life. So they paid for things in cash, they bought homes with big down payments, and they worked hard to pay their mortgages off as quickly as possible. They even had “mortgage-burning parties” in their backyards, where they celebrated their FREEDOM from the banks after the last payment was made. As a result, many of them were able to retire in their early sixties without financial worry. Retirement wasn’t a dream for our great-grandparents (and often our grandparents, who learned prudent financial behavior from their parents), it was an American Promise! For them, the American Dream was real—you went to work, you worked hard, you saved money, you paid down your debt, and then you retired with a pension and Social Security, and you lived happily ever after.

AMERICANS CARRY \$12 TRILLION IN DEBT— WE DESERVE BETTER

These days, the American Dream of financial freedom— freedom from worry, freedom from living paycheck to pay- check—has become a nightmare. We bought the myth—or, I should say, we bought the lie and turned it into a myth. As I write this, the Federal Reserve reports that Americans are on the hook for nearly \$12 TRILLION in consumer and mort- gage debt. This translates to an average of \$49,000 of debt per family; in California and Nevada, the average tops \$70,000. At the beginning of 2010, roughly 54 million Americans families owed a total of \$866 billion in credit card debt—or an average of just over \$16,000 each. At the same time, home equity has been dropping—by tril- lions of dollars over the last few years—as a result of the real estate declines, while unemployment has stayed stubbornly high. With 70% of us living paycheck to paycheck, nearly seven million Americans have fallen behind on their mort- gage payments, and as the *New York Times* reported, “An astonishing \$1.3 trillion of consumer debt is delinquent, with \$986 billion seriously so—90 days late and counting.” Not surprisingly, the number of personal bankruptcies has been skyrocketing, reaching nearly two million in 2010—a 100% increase in just five years.

Our government is in even worse shape, having gone from a balanced budget in fiscal 2001 to a \$1.4-TRILLION deficit in fiscal 2009 (and a projected \$1.2-trillion deficit for fiscal 2010).

The idea that we should all spend less than we make seems to have been forgotten, as the American Dream

gets stolen, one loan at a time. One has to truly wonder what has happened. How did we get here? And most important, what do we really want and what will we do about it?

HOW IS YOUR DEBT DOING?

So let's be honest. Do you have more debt than you want?

Chances are, you do—or you wouldn't have picked up this book.

Are you paying a huge percentage of your paycheck each month to just cover the interest or make the minimum payments on what you've borrowed for your home, your car, your student loans, your credit cards, etc.? Are you frustrated that no matter how hard you try to pay off your debt, it seems to take forever and you don't see any progress happening fast enough? Are you worried about your ability to retire someday because of your debt?

Or is it even worse than that? Are you unable to even make the minimum payments on your loans and find yourself falling behind, with your debt growing? Did you know that if you are carrying \$10,000 in credit card debt and your card is charging you 25% interest, and you're making minimum payments, it will take you more than 22 years to pay off your debt? Did you know that if you have a \$250,000 mortgage with a low fixed rate of 6%, paying it off over 30 years would cost you just under \$540,000?

MILLIONS OF AMERICANS ARE IN DEBT AND WANT OUT

The reason I am sharing these figures with you is not to be negative or depress you. What I want to do is start this book and your journey to being debt free for life with the truth. And the truth is that MILLIONS of Americans are hugely in debt and want out!

One credit bureau estimates that more than 45 million people (or roughly one out of every five Americans with a credit score) want to improve their financial well-being through debt reduction. Indeed, in the recent rush to take advantage of low mortgage rates by refinancing, about a third of all loan applicants have been putting money into their homes—meaning they are reducing the amount they owe—rather than taking money out. Similarly, a record number of homeowners are switching from 30-year mortgages to 15-year mortgages in order to own their homes debt free faster.

So you see—you're not alone! And like so many others, you can do something quickly to change your situation, reduce your debt, and become **DEBT FREE FOR LIFE!**

THE DEBT FREE FOR LIFE PROMISE:

WHY YOU SHOULD READ THIS BOOK— AND ACT ON IT!

It's easy to get into debt. Getting out is another story. Some so-called debt-settlement companies will tell you, "We can cut your debt in half in minutes and save you thousands of dollars." Sorry, but that's just nonsense!

This book is about the truth. It offers an honest plan that will work—if you work it! I know there are some of you who are reading this book because you are really drowning in debt and are looking for a life preserver. If this is your situation, I believe this book can be the life raft that gets you back to dry land. But let me be

clear: You don't need to be in over your head to benefit from this book or the Debt Free For Life Plan I'm about to share. This book is about a totally new approach to building financial freedom that stresses "paying down your debt" so you can buy back your freedom. I've been teaching my readers for years how to pay down their debt. Maybe I have taught you already. But the Debt Free For Life Plan is a revolutionary new system that will make paying off your debt easier than it has ever been.

Most people who apply the Debt Free For Life Plan I will share in the pages that follow will be able to get themselves out of debt an average of 15 years faster and save themselves at least \$30,000 in the process. Some of you will do this even faster than that and be out of debt in as little as seven, five, or even just three years. (I've even seen people get out of debt using these tools in less than a year.) How quickly you can do it will depend on you—on how much debt you have, how much you can cut your expenses, and how fast you want to make it happen.

Some of you have old debt that is so long overdue that you can no longer be required to pay it, and you don't even know it. (You will once you read this book.) Some of you can save six figures by simply applying one idea in this book (you'll find it on page 124 in the chapter about mortgages).

The fact is that the math of debt is not complicated. You simply need to apply the principles I will share and then, like the Nike slogan says, "Just Do It."

Now don't get me wrong—I am not promising you overnight freedom from debt. But what I can promise is that the moment you start on this plan, you will begin to feel better. Just knowing that you have a plan in place to pay down your debt in the right order, the right way—a plan you can carry out yourself that will save you thousands of dollars in interest fees and cut years off your indebtedness—will truly lighten your burden, however light or heavy it may be.

I also promise you that having less debt will feel GREAT.

Debt creates fear. Not having it creates peace of mind. This may sound like a cliché, but it's true. When you have less debt, you will feel more FREE. You will have fewer worries, less stress, less tension, fewer fights at home. In short, your life will have less fear and more serenity. Not only that, but you will also be able to build wealth faster.

A DEBT FREE FOR LIFE SUCCESS STORY

I cannot express my gratitude for what your books *Start Late, Finish Rich* and *Smart Women Finish Rich* have done for me. They've helped me change not only my financial life, but my physical life as well. My "latte factor" (the way I wasted money) was food! I could not believe how much I was wasting on "occasional" snacks. It was atrocious—and so was my waist line! The one major thing you said that stuck in my head and changed my actions was, "Is this purchase really necessary?" I now ask myself that question every time I think about spending money—and doing this has truly changed my life. I have saved over \$6,000 in six months and I have lost 21 pounds. David, you are a lifesaver, in more ways than one! Thank you for everything!

Nicole D. Yuba City, CA

HOW THIS BOOKS WORKS:
THE FINISH RICH PLAN TO ACHIEVE FINANCIAL FREEDOM

We're going to start the process of achieving financial freedom by learning how to change your mindset, cut your expenses, and live within your means. Next, I'll show you how the credit card companies imprison you with tricks and traps in order to keep you in debt for life. Once you understand their games, you'll be able to fight back and win—and achieve real financial freedom.

Then we will look at what I call the DEBT FREE FOR LIFE MINDSET. This will help you get to the root of why you got into debt in the first place—and how you can get out of it once and for all.

Debt is often created because, without thinking about it, we spend money we don't have to buy things we were sub-consciously PROGRAMMED to buy. Re-read that sentence! Companies spend BILLIONS AND BILLIONS of marketing dollars each and every year to bombard you with enticements to spend money. Trust me when I tell you that just about any-one can get out of debt once they become conscious of this. On the other hand, if your mindset on debt is wrong, you'll probably never get out of debt—and if you do, the odds are that you'll get right back in. That's not good enough. We want you DEBT FREE FOR LIFE!

YOUR DO-IT-YOURSELF SYSTEM— THE DEBT FREE FOR LIFE TOOL KIT

Once we've got your DEBT FREE FOR LIFE MINDSET right, we'll look at my do-it-yourself system for getting out of debt. It's called DOLP®, which stands for “Done On Last Payment.” This is a simple system that I have taught for more a decade to prioritize your debt so you can pay it off as fast and cheaply as possible. One of the great things about DOLP is that you can do it from the comfort and safety of your own home with zero technology. All you need is a pen or pencil and a sheet or two of paper.

After we cover DOLP, I will share with you the truly revolutionary new debt-reduction program I mentioned called DebtWise.com. I was so impressed with DebtWise.com when it was launched in 2009 that I reached out to the company behind it, Equifax, and partnered with them to bring it to North America and make it the best online program in the world for debt reduction. As I mentioned in the Introduction, this book includes a free trial offer for DebtWise.com, along with a free credit score from Equifax.

What makes DebtWise.com so revolutionary is that it's powered by one of the three major U.S. credit bureaus. This connection enables it to automatically access all your credit records in seconds—securely. As a result, in less than ten minutes with DebtWise.com, you will be able to create and implement a complete system to pay down your debt automatically! You will also be able to calculate your own “Debt Freedom Day”—the exact date, based on how much you owe and how aggressive a payment plan you choose, that you will truly be debt free.

WHERE TO GO FOR HELP— WHOM CAN YOU TRUST?

Although I believe that most of you who read this book should be able to implement the do-it-yourself systems I will teach you to reduce your debt, I know that some people would prefer to have the help of a professional who can personally help guide them through the process. If you're one of these people, don't worry. Once I've finished explaining the ins and outs of DOLP and DebtWise.com, I will share everything you need to know about how to find a qualified expert who can help you get out of debt.

As part of this process, I will explain in detail how the non-profit consumer credit counseling world works and what they can do for you. We'll also explore the debt settlement industry (the “for profit” debt-reduction business) and what to watch out for, since this is a world filled with pitfalls. This is important for everyone to

know, whether you plan to seek out counseling or not.

We will then cover the secrets to getting out of debt that the credit card companies don't want me to share, including how to get your interest rates lowered, your late fees waived, your annual fees credited back, and more. I will teach you how to negotiate for a better rate, and if you can't get a better deal on your current card, how to find a new one.

Along the way, I will share with you everything you need to know about your all-important credit score and credit reports. You'll learn how to protect and improve your score—which ultimately will make it easier to renegotiate your debt. And I will help you better understand your mortgage and student loans and what you can do to pay them off faster.

I will also cover bankruptcy (although I hope you never need this chapter) and share with you a ten-minute plan to put your entire financial life on Automatic Pilot (called The Automatic Millionaire System). Lastly, I will suggest ways to find some extra money you may not have realized you have—money you could use to help you pay down your debt.

It's a lot to cover, but I have done my best to make it all easy to understand and—most important—to ACT ON.

As in many of my previous books, each chapter ends with a series of action steps—in this case, “Debt Free For Life Action Steps”—a condensed “to-do” list designed to remind you what you need to become debt-free within a year. So we started putting 20% of our family income toward paying off our debt. This limited our available money, but it was not a burden to us since we had decided to simplify our lives. We did this by cutting down on shopping, doing more meaningful activities, and driving our paid-off car longer instead of getting a new one with a consumer loan. Now, after only one year, we paid off all of our debt (\$12,000), plus I was able to establish a four-month financial cushion for security. Before I read your book and worked your plan, I would have spent the “extra money” I was earning from freelancing on all kinds of things, but now I am determined to act differently. This time I have goals. It has not been as hard as I expected. For the first time, our family doesn't have to live paycheck to paycheck. I can't wait to achieve the next goals on my list and to put more of your advice to work. Once again thank you very much!

Brigitte R. Seattle, WA

THANK YOU FOR TRUSTING
THAT I HAVE A PLAN FOR YOU!

Before we get started, let me once again say, THANK YOU! Many of you know me for my New York Times #1 bestsellers *The Automatic Millionaire* and *Start Late, Finish Rich*. Others of you may know me from my bestsellers *Smart Women Finish Rich*, *Smart Couples Finish Rich*, or last year's bestseller *Start Over, Finish Rich*. If you liked those books, I think you will LOVE this one. Many of you have written to me over the past few years and asked me to write a book like this. I hope it meets your expectations.

But whether you've read all my previous books or this is the first book of mine that you have picked up, I am truly grateful that we are getting to spend this time together, and I'm excited to have the chance to really help you deal with your debt. Together, I truly believe we can tackle the debt that is holding us back, and move each and every one of our lives forward powerfully.

DEBT FREE FOR LIFE ACTION STEPS

Reviewing what we discussed in this chapter, here is what you should be doing right now to become Debt Free For Life. Check off each step as you accomplish it.

Recognize that both as a nation and individually we have let debt get out of control—and that as a result, we are in danger of losing once and for all the American dream of financial freedom.

Commit to taking action now to change your situation, reduce your debt, and become DEBT FREE FOR LIFE! Join the "Debt Free Challenge" at www.finishrich.com.

DEBT FREE FOR LIFE: THE FINISH RICH PLAN FOR FINANCIAL FREEDOM BY DAVID BACH PDF

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Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach. In undergoing this life, lots of people consistently attempt to do and also obtain the most effective. New understanding, encounter, session, and also everything that could improve the life will certainly be done. Nevertheless, many individuals in some cases really feel puzzled to get those points. Feeling the limited of experience as well as resources to be better is one of the lacks to possess. Nevertheless, there is a really basic point that could be done. This is just what your teacher always manoeuvres you to do this. Yeah, reading is the response. Checking out a book as this Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach and also other referrals could enrich your life top quality. Exactly how can it be?

As we mentioned in the past, the innovation aids us to always realize that life will be consistently simpler. Reviewing book *Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach* behavior is also among the advantages to get today. Why? Innovation can be made use of to provide guide Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach in only soft documents system that can be opened every time you desire and all over you need without bringing this Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach prints in your hand.

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DEBT FREE FOR LIFE: THE FINISH RICH PLAN FOR FINANCIAL FREEDOM BY DAVID BACH PDF

GOODBYE DEBT—HELLO FREEDOM!

Most of us grew up with the idea that there is good debt and there is bad debt. Good debts are generally considered to be debts you incur to buy things that can go up in value—like a home or college education. Bad debts are things like credit card balances, where you borrowed money to buy things that depreciate or go down in value, like most consumer goods.

But as America's favorite financial coach, David Bach, points out, in difficult times there is no such thing as good debt. There is only debt. And all debt is too expensive—if what you desire is FREEDOM! In fact, Bach believes the best investment you can make today is to pay down your debt, faster and smarter than you have ever attempted before—starting today!

In *Debt Free for Life*, #1 New York Times bestselling author David Bach has written his most groundbreaking and important book since *The Automatic Millionaire*, giving us the knowledge, the tools, and the mindset we need to get out of debt and achieve financial freedom— forever! Offering a revolutionary approach to personal finance that teaches you how to pay down your debt and adopt a whole new way of living – debt free. Bach unveils the Debt Wise program that empowers you to pare down your debt automatically. You'll learn how to calculate your Debt Freedom Day – the actual date you will be completely free of debt. And you'll discover that when you are debt free, you need a lot less money to live on. You can retire, even with a smaller nest egg -- perhaps earlier than you expected.

David Bach has coached millions to pay off their debt and now he can guide you. Whether you have home loans, student loans, car loans, credit card debt—paying down your debt is truly a game you can win, if you know the rules. *Debt Free For Life* will teach you the rules and give you the tools to buy back your freedom.

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About the Author

DAVID BACH is one of America's most prolific and bestselling financial authors of our time. He has written ten consecutive national bestsellers, with over seven million books in print, translated in over 15 languages. His runaway bestseller *The Automatic Millionaire*, spent thirty-one weeks on the New York Times bestseller list and was simultaneously #1 on the business bestseller lists of the New York Times, USA Today, BusinessWeek and the Wall Street Journal. He is also the author of the national bestsellers *Start*

Over, Finish Rich; Fight for your Money; Go Green, Live Rich; Smart Women Finish Rich; The Finish Rich Workbook, and the number one bestsellers, Start Late Finish Rich, Smart Couples Finish Rich and The Automatic Millionaire Homeowner. Bach is a regular contributor to NBC's Today and has appeared a half dozen times on The Oprah Winfrey Show to share his strategies for getting out of debt and finishing rich. He lives in New York with his family.

To read excerpts of David Bach's books, and for more information, please visit www.finishrich.com or www.facebook.com/davidbach

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INTRODUCTION

GOODBYE, DEBT—HELLO, FREEDOM!

Early in the winter of 2010, I was sitting in the greenroom preparing to go on the NBC's Today show to do our weekly "Money 911" segment. The segment had been airing for more than two years. Each week we would take questions from viewers about their money. This week, most of the questions seemed to be about debt. Reading over the questions, it hit me—in just two years, we had gone from being asked mainly about investments to being asked almost entirely about personal debt.

As I thought about this, a friend in the greenroom interrupted me with a question of her own. "David," she asked, "what's your take on 'good debt' vs. 'bad debt'?"

Almost automatically, I started giving her the standard answer about how good debts are generally considered to be debts you incur to buy things that can go up in value—like a home or a college education—while bad debts are things like credit card balances, where you've borrowed money to buy things that will depreciate or go down in value, like most consumer goods. But then I stopped in mid-answer and looked at her.

"You know something?" I said. "The truth is that this recession has changed everything. Homes are going down in value and people with college degrees are looking for jobs. Forget what I was just telling you. Forget about the idea of 'good debt' and 'bad debt.' The truth is that when you're in debt, it doesn't matter what you've borrowed the money for. The only thing that matters is whether or not you can afford to pay it back. And if you can't, all debt is bad debt."

My friend smiled sadly. "Tell me about it," she said. "My home is underwater, and my mortgage rate is going up and I can't refinance because my credit score has dropped." She shook her head and sighed.

"So what do I do? What's your advice to people like me?"

THE BEST INVESTMENT YOU CAN MAKE NOW

This time I stopped and thought before answering. "Here's what I think," I finally said, "and this is what I'm going to be telling everyone now. The best investment you can make over the next five years is going to be paying off your debts. So my advice is to pay off what you owe as fast as you can. The faster you pay off your debt, the faster you will achieve financial freedom."

I went on to tell my friend that at Morgan Stanley, where I had worked as a financial advisor for nearly a decade, the clients of ours who focused on paying off their debt were able to retire an average of ten years

earlier than those who didn't. "So does this mean I should stop putting money into my 401(k) plan and instead use it to pay off my mortgage?" she asked.

I shook my head. "Of course not," I replied. "You should never stop 'paying yourself first.' What you need to do is cut down your spending so you can stop going into debt, and pay off your debt faster. Trust me—getting out of debt has never been more important than it is now. Being debt free for life should be your new financial goal."

And with that I headed into the studio with Al Roker to answer America's never-ending questions about managing their money and getting out of debt.

ARE YOU TIRED OF BEING IN DEBT? DO YOU WANT A NEW WAY OUT?

If you're like most people, you're probably familiar with the idea of "good debt" and "bad debt." Millions of Americans believe in this idea. In fact, millions of Americans have based their lives on it. At the heart of this belief is the notion that good debt makes you rich and bad debt keeps you poor. You only borrow to buy assets, and you shouldn't borrow to buy things that drop in value. It makes sense; it seems logical.

I, too, used to believe it. But you know what? I no longer do. And neither should you. Why? Because the idea that there's such a thing as good debt and bad debt is a myth.

The truth is we've been misled.

- We've been misled by billions of dollars' worth of advertising that gets us to buy things we don't really need.
- We've been misled by a multibillion-dollar credit card industry that tells us the good life can be ours for the taking when we use their credit cards.
- We've been misled by the banks that loaned us money for homes they knew millions of us couldn't really afford.
- We've been misled by the subprime lenders who promoted the idea that we were "silly" to keep equity in our homes when we could "cash it out" to pay off our credit cards.
- We've been misled by a tax system that promotes heavy borrowing by offering tax deductions.
- We were sold a bill of goods—or, more accurately, a bill of loans (trillions of dollars of them). And now this bill has come due, and our debt has become our personal financial prison.

Are you tired of being in debt? Are you tired of waking up each morning to face an ever larger pile of bills? Like my friend in the greenroom, do you find yourself working harder than ever to pay for things you no longer care about—or even want to own?

If so, you are not alone. Millions of people feel the same way—and like you, they are ready for a life free from debt. A life where you own your life—rather than lease it.

The good news is that there is a way out of this nightmare. There is a better way to live—starting today—a way that will allow you to be debt free for life!

THE MIRACLE OF COMPOUND INTEREST— IN REVERSE!

Here's the truth: DEBT IS DEBT. Probably the most important lesson of the great recession we've just lived through is that there's no such thing as a good debt if you can't afford to pay it off. When you can't make the payments, the only difference between "good" debts and "bad" debts is that the bad variety can destroy your financial life much more quickly.

Now, don't get me wrong. We need to be able to borrow money. Without a lending industry and the ability to borrow, we could not function as a society. Borrowing to build assets can make sense—if you have a real plan to repay your debt. But if you don't have a plan, look out! Debt is all about basic math. It is the miracle of compound interest in reverse, which is to say that if you don't stay on top of it, it will mushroom faster than you can imagine—and crush you before you know what's happening.

This is one big reason why I wrote this book: to give you the plan you need to pay off your debts faster than you ever would have thought possible.

DEBT FREE FOR LIFE: A NEW APPROACH AND A NEW ATTITUDE

It is time for us to rethink entirely the way we manage our money and our debt. If the great recession has taught us any- thing, it is that the less debt we have, the better off we are. With this in mind, I am now on a mission to inspire America to shed its debt. I believe it is time for us to buy back our freedom, and I know that together we can do it. This is another reason why I have written Debt Free For Life—and why I hope you will read it and act on its advice starting today.

Debt Free For Life is my twelfth book. It is very possible that you have read (or at least heard of) one of my previous titles. As I write this, there are more than 7 million copies of my FinishRich books in print around the world. I am known for my honest, simple, and "take action" advice about finances, and I've been privileged to inspire millions around the world to be smarter with their money and truly live a rich life. Perhaps you have seen me on television on NBC's Today show, "Money 911" segments, or on Oprah's "Debt Diet" series, or on CNBC's "The Millionaire Inside" series. Then again, maybe this is our first visit together—and if it is, welcome! In either case, I want to say, THANK YOU. Thank you for your time and your trust that I may have a plan for you—a plan that will make you DEBT FREE FOR LIFE!

ELIMINATE YOUR DEBT— AND BUY BACK YOUR FREEDOM!

So why did I pick this moment to write a book on getting out of debt—and why should you spend a few hours

reading it? Why is it time to buy back our freedom and focus on our own personal economy?

The answer is simple:

In our new economy, getting out of debt fast is the most important financial move you and your family can make.

There are three reasons for this:

First, I believe that our debt is out of control.

Every day I get tons of questions from my readers—maybe you're one of them—and most of them are related to debt. You email me at www.finishrich.com, you post at my community at www.facebook.com/davidbach, and you call in to the various shows I do. What I hear from you is scary. You've got credit card balances you can't pay off, mortgage loans and home equity lines that are crushing you, student loans, car loans, medical debt—you name it. "David," I hear over and over again, "I'm drowning—what in the world can I do?" Or: "David, I have had enough—I want to retire someday and

not be worried about money—how can I get out of debt once and for all?" The fact is that we've lost control of our debt both individually and as a nation—and this has to change. We have come to a point in history where personally, nationally, and even globally the devastating effect of debt is beginning not only to crush the human spirit, but also our ability to be free and ultimately secure.

Second, I believe the world is waking up to the problem of debt.

National economies around the globe have been shaken to their core because of debt loads. Europe fears more economic collapses—and many experts worry that the United States itself is on the brink of bankruptcy. (I'm not there yet, but I am concerned—and you should be, too.) What I know for sure is that the debt we have the best chance of controlling is our own. There are dozens of books today about "whose fault it is." But I'm not interested in playing the blame game. We can debate who's to blame for America's trillion-dollar deficits—or we can focus on our own families' "deficits" and get our personal finances together. This book is about SOLUTIONS—what you can do to fix your situation! It's about you—your finances—your debt! The faster you are debt free, the faster you will be protected from things you can't control, like our national budget deficits.

Third, I am convinced that

MILLIONS ARE READY TO TAKE ACTION.

There is a movement in this country right now to pay down debt and save money. As I write this in the summer of 2010, savings rates are up to 6%, the highest in two decades, and debt levels are falling. Millions of people, including you, are ready to be debt free. We've had enough of the burden and worry that debt creates. You are ready to take action—smart action—that will help you become financially free and secure. Many of you have written to me, sharing that you are tired of working so hard for so long—and winding up with so little. You are ready to get off of the treadmill of going to work, making money, spending money, going to work, making money, spending money. You are ready to be FREE! You are ready for new ideas

and new tools that will help you become smarter about your money and your debt. You are ready to be **DEBT FREE FOR LIFE!**

My previous books contained great tools for debt reduction. But in this new, challenging economy, I realized I needed to create a new, updated plan with the latest and greatest systems to help you get out of debt **TODAY**. So welcome! Let's spend a few hours together—and get going on a new plan that will lead you to a debt-free world of true financial security. It may not be as easy to get out of debt as it was to get in, but trust me—the benefits that will come from this journey you're about to begin will be more than worth the effort.

Do you believe as I do? Do these three beliefs of mine make sense to you at a gut level? If they do, then please keep reading. Together, we can turn back this tide of debt and buy back our futures. It is time for a better way of life—one free from debt.

MY GIFT TO YOU

AT WWW.FINISHRICH.COM

I always love to give my readers a free gift. So if you are already feeling inspired to live a debt-free life, I want to encourage you (right now!) to go online to my website at www.finishrich.com and join our FinishRich Community. Register and I will send you my Debt Free For Life Challenge video series for free—and also give you access to an amazing array of tools we've designed to help you stay motivated to get out of debt.

Through our website, you can access “The David Bach Debt Free Challenge” site, an online community where you can interact with like-minded people committed to becoming debt free. Our goal is to inspire one million people to join us on this challenge. On the website, you'll find videos, audios, and interviews with me and other experts to help you live debt free for life. You'll also find contests you can enter to win prizes. This book also comes with another gift: a free trial of an amazing new debt-reduction system called Debt Wise (www.debtwise.com) that I'll talk more about later. This revolutionary online tool will help you reduce your debt by creating a **FAST-PAY PLAN** to pay off your loans years early and save you thousands of dollars in interest charges. It is powered by Equifax, the nation's leading credit bureau—and as part of the package, you'll also get access to an Equifax credit score.

THE DEBT FREE FOR LIFE CHALLENGE VIDEO SERIES

SHARE YOUR SUCCESS STORIES— AND YOUR QUESTIONS

As always, I want to hear from you about how this book affected your life. This book includes real success stories from real people who have achieved the results you may be looking for. Most of these stories came directly from people who wrote to me after reading one of my books and applying what they had learned. You can find hundreds more at www.finishrich.com. Read them and ask yourself, “If they can do it, why not

me?”

The answer is you can—and I can’t wait to hear about when you do.

So if you have a success story to share, I’d love to know about it—and if you have questions I want to hear those,

too. In either case, you can email me directly at success@finishrich.com.

Now, are you ready to become debt free for life? Are you ready to buy back your freedom? Great—let’s get started on your journey to become DEBT FREE FOR LIFE! Your new plan awaits you in the next chapter.

Live Rich, David Bach

DEBT FREE FOR LIFE SUCCESS STORY

My wife and I read *The Automatic Millionaire* and *Start Late, Finish Rich* on vacation at the beach in 2008. These books inspired us to greatly accelerate paying off our credit cards and other debt. We used your DOLP system and within 20 months, we had paid off our credit cards and three car loans—almost \$65,000 in all—while increasing my wife’s 403(b) retirement plan and continuing to max out my 401(k) plan. With our new-found cash flow from not paying debt, we have also been able to double our charitable giving and we are saving to buy our own beach house, both as an investment and to enjoy for personal use. And the story gets BETTER! Our son Jeremy, who’s in the military and deployed in Afghanistan, told me he read *The Automatic Millionaire* and it inspired him to quit smoking, allowing him to save \$2,000 annually! From 5,000 miles away—when I was sharing with him the success we’re having thanks to *The Automatic Millionaire*—he shouted, “Dad, that’s the book I was telling you about!” Thank you again for motivating us and turbo-charging our way out of debt!

Joseph G. Detroit, MI

CHAPTER ONE

WHO PUT AMERICA INTO DEBT—AND HOW YOU CAN GET YOURSELF OUT

Once upon a time (in the decades after the Great Depression), Americans desired a life of financial freedom. To our grand- parents and great-grandparents, this meant staying out of debt. Living through the Great Depression, our great-grand- parents learned the hard way that debt was bad, that owing money could destroy your life. So they paid for things in cash, they bought homes with big down payments, and they worked hard to pay their mortgages off as quickly as possible. They even had “mortgage-burning parties” in their backyards, where they celebrated their FREEDOM from the banks after the last payment was made. As a result, many of them were able to retire in their early sixties without financial worry. Retirement wasn’t a dream for our great-grandparents (and often our grandparents, who learned prudent financial behavior from their parents), it was an American Promise! For them, the American Dream was real—you went to work, you worked hard, you saved money, you paid down your debt, and then you retired with a pension and Social Security, and you lived happily ever after.

AMERICANS CARRY \$12 TRILLION IN DEBT— WE DESERVE BETTER

These days, the American Dream of financial freedom— freedom from worry, freedom from living paycheck to paycheck—has become a nightmare. We bought the myth—or, I should say, we bought the lie and turned it into a myth. As I write this, the Federal Reserve reports that Americans are on the hook for nearly \$12 TRILLION in consumer and mortgage debt. This translates to an average of \$49,000 of debt per family; in California and Nevada, the average tops \$70,000. At the beginning of 2010, roughly 54 million Americans families owed a total of \$866 billion in credit card debt—or an average of just over \$16,000 each. At the same time, home equity has been dropping—by trillions of dollars over the last few years—as a result of the real estate declines, while unemployment has stayed stubbornly high. With 70% of us living paycheck to paycheck, nearly seven million Americans have fallen behind on their mortgage payments, and as the New York Times reported, “An astonishing \$1.3 trillion of consumer debt is delinquent, with \$986 billion seriously so—90 days late and counting.” Not surprisingly, the number of personal bankruptcies has been skyrocketing, reaching nearly two million in 2010—a 100% increase in just five years.

Our government is in even worse shape, having gone from a balanced budget in fiscal 2001 to a \$1.4-TRILLION deficit in fiscal 2009 (and a projected \$1.2-trillion deficit for fiscal 2010).

The idea that we should all spend less than we make seems to have been forgotten, as the American Dream gets stolen, one loan at a time. One has to truly wonder what has happened. How did we get here? And most important, what do we really want and what will we do about it?

HOW IS YOUR DEBT DOING?

So let's be honest. Do you have more debt than you want?

Chances are, you do—or you wouldn't have picked up this book.

Are you paying a huge percentage of your paycheck each month to just cover the interest or make the minimum payments on what you've borrowed for your home, your car, your student loans, your credit cards, etc.? Are you frustrated that no matter how hard you try to pay off your debt, it seems to take forever and you don't see any progress happening fast enough? Are you worried about your ability to retire someday because of your debt?

Or is it even worse than that? Are you unable to even make the minimum payments on your loans and find yourself falling behind, with your debt growing? Did you know that if you are carrying \$10,000 in credit card debt and your card is charging you 25% interest, and you're making minimum payments, it will take you more than 22 years to pay off your debt? Did you know that if you have a \$250,000 mortgage with a low fixed rate of 6%, paying it off over 30 years would cost you just under \$540,000?

MILLIONS OF AMERICANS ARE IN DEBT AND WANT OUT

The reason I am sharing these figures with you is not to be negative or depress you. What I want to do is start this book and your journey to being debt free for life with the truth. And the truth is that MILLIONS of

Americans are hugely in debt and want out!

One credit bureau estimates that more than 45 million people (or roughly one out of every five Americans with a credit score) want to improve their financial well-being through debt reduction. Indeed, in the recent rush to take advantage of low mortgage rates by refinancing, about a third of all loan applicants have been putting money into their homes—meaning they are reducing the amount they owe—rather than taking money out. Similarly, a record number of homeowners are switching from 30-year mortgages to 15-year mortgages in order to own their homes debt free faster.

So you see—you're not alone! And like so many others, you can do something quickly to change your situation, reduce your debt, and become DEBT FREE FOR LIFE!

THE DEBT FREE FOR LIFE PROMISE: WHY YOU SHOULD READ THIS BOOK— AND ACT ON IT!

It's easy to get into debt. Getting out is another story. Some so-called debt-settlement companies will tell you, "We can cut your debt in half in minutes and save you thousands of dollars." Sorry, but that's just nonsense!

This book is about the truth. It offers an honest plan that will work—if you work it! I know there are some of you who are reading this book because you are really drowning in debt and are looking for a life preserver. If this is your situation, I believe this book can be the life raft that gets you back to dry land. But let me be clear: You don't need to be in over

your head to benefit from this book or the Debt Free For Life

Plan I'm about to share. This book is about a totally new approach to building financial freedom that stresses "paying down your debt" so you can buy back your freedom. I've been teaching my readers for years how to pay down their debt. Maybe I have taught you already. But the Debt Free For Life Plan is a revolutionary new system that will make paying off your debt easier than it has ever been.

Most people who apply the Debt Free For Life Plan I will share in the pages that follow will be able to get themselves out of debt an average of 15 years faster and save themselves at least \$30,000 in the process. Some of you will do this even faster than that and be out of debt in as little as seven, five, or even just three years. (I've even seen people get out of debt using these tools in less than a year.) How quickly you can do it will depend on you—on how much debt you have, how much you can cut your expenses, and how fast you want to make it happen.

Some of you have old debt that is so long overdue that you can no longer be required to pay it, and you don't even know it. (You will once you read this book.) Some of you can save six figures by simply applying one idea in this book (you'll find it on page 124 in the chapter about mortgages).

The fact is that the math of debt is not complicated. You simply need to apply the principles I will share and then, like the Nike slogan says, "Just Do It."

Now don't get me wrong—I am not promising you overnight freedom from debt. But what I can promise is that the moment you start on this plan, you will begin to feel better. Just knowing that you have a plan in place to pay down your debt in the right order, the right way—a plan you can carry out yourself that will save you thousands of dollars in interest fees and cut years off your indebtedness—will truly lighten your burden, however light or heavy it may be.

I also promise you that having less debt will feel GREAT.

Debt creates fear. Not having it creates peace of mind. This may sound like a cliché, but it's true. When you have less debt, you will feel more FREE. You will have fewer worries, less stress, less tension, fewer fights at home. In short, your life will have less fear and more serenity. Not only that, but you will also be able to build wealth faster.

A DEBT FREE FOR LIFE SUCCESS STORY

I cannot express my gratitude for what your books *Start Late, Finish Rich* and *Smart Women Finish Rich* have done for me. They've helped me change not only my financial life, but my physical life as well. My "latte factor" (the way I wasted money) was food! I could not believe how much I was wasting on "occasional" snacks. It was atrocious—and so was my waist line! The one major thing you said that stuck in my head and changed my actions was, "Is this purchase really necessary?" I now ask myself that question every time I think about spending money—and doing this has truly changed my life. I have saved over \$6,000 in six months and I have lost 21 pounds. David, you are a lifesaver, in more ways than one! Thank you for everything!

Nicole D. Yuba City, CA

HOW THIS BOOKS WORKS:

THE FINISH RICH PLAN TO ACHIEVE FINANCIAL FREEDOM

We're going to start the process of achieving financial freedom by learning how to change your mindset, cut your expenses, and live within your means. Next, I'll show you how the credit card companies imprison you with tricks and traps in order to keep you in debt for life. Once you understand their games, you'll be able to fight back and win—and achieve real financial freedom.

Then we will look at what I call the DEBT FREE FOR LIFE MINDSET. This will help you get to the root of why you got into debt in the first place—and how you can get out of it once and for all.

Debt is often created because, without thinking about it, we spend money we don't have to buy things we were sub-consciously PROGRAMMED to buy. Re-read that sentence! Companies spend BILLIONS AND BILLIONS of marketing dollars each and every year to bombard you with enticements to spend money. Trust me when I tell you that just about any-one can get out of debt once they become conscious of this. On the other hand, if your mindset on debt is wrong, you'll probably never get out of debt—and if you do, the odds are that you'll get right back in. That's not good enough. We want you DEBT FREE FOR LIFE!

YOUR DO-IT-YOURSELF SYSTEM— THE DEBT FREE FOR LIFE TOOL KIT

Once we've got your DEBT FREE FOR LIFE MINDSET right, we'll look at my do-it-yourself system for getting out of debt. It's called DOLP®, which stands for "Done On Last Payment." This is a simple system that I have taught for more a decade to prioritize your debt so you can pay it off as fast and cheaply as possible. One of the great things about DOLP is that you can do it from the comfort and safety of your own home with zero technology. All you need is a pen or pencil and a sheet or two of paper.

After we cover DOLP, I will share with you the truly revolutionary new debt-reduction program I mentioned called DebtWise.com. I was so impressed with DebtWise.com when it was launched in 2009 that I reached out to the company behind it, Equifax, and partnered with them to bring it to North America and make it the best online program in the world for debt reduction. As I mentioned in the Introduction, this book

includes a free trial offer for DebtWise.com, along with a free credit score from Equifax.

What makes DebtWise.com so revolutionary is that it's powered by one of the three major U.S. credit bureaus. This connection enables it to automatically access all your credit records in seconds—securely. As a result, in less than ten minutes with DebtWise.com, you will be able to create and implement a complete system to pay down your debt automatically! You will also be able to calculate your own “Debt Freedom Day”—the exact date, based on how much you owe and how aggressive a payment plan you choose, that you will truly be debt free.

WHERE TO GO FOR HELP— WHOM CAN YOU TRUST?

Although I believe that most of you who read this book should be able to implement the do-it-yourself systems I will teach you to reduce your debt, I know that some people would prefer to have the help of a professional who can personally help guide them through the process. If you're one of these people, don't worry. Once I've finished explaining the ins and outs of DOLP and DebtWise.com, I will share everything you need to know about how to find a qualified expert who can help you get out of debt.

As part of this process, I will explain in detail how the non- profit consumer credit counseling world works and what they can do for you. We'll also explore the debt settlement industry (the “for profit” debt-reduction business) and what to watch out for, since this is a world filled with pitfalls. This is important for everyone to know, whether you plan to seek out counseling or not.

We will then cover the secrets to getting out of debt that the credit card companies don't want me to share, including how to get your interest rates lowered, your late fees waived, your annual fees credited back, and more. I will teach you how to negotiate for a better rate, and if you can't get a better deal on your current card, how to find a new one.

Along the way, I will share with you everything you need to know about your all-important credit score and credit re- ports. You'll learn how to protect and improve your score— which ultimately will make it easier to renegotiate your debt. And I will help you better understand your mortgage and stu- dent loans and what you can do to pay them off faster.

I will also cover bankruptcy (although I hope you never need this chapter) and share with you a ten-minute plan to put your entire financial life on Automatic Pilot (called The Automatic Millionaire System). Lastly, I will suggest ways to find some extra money you may not have realized you have— money you could use to help you pay down your debt.

It's a lot to cover, but I have done my best to make it all easy to understand and—most important—to ACT ON.

As in many of my previous books, each chapter ends with a series of action steps—in this case, “Debt Free For Life Action Steps”—a condensed “to-do” list designed to remind you what you need to become debt-free within a year. So we started putting 20% of our family income toward paying off our debt. This limited our available money, but it was not a burden to us since we had decided to simplify our lives. We did this by cutting down on shopping, doing more meaningful activities, and driving our paid-off car longer instead of getting a new one with a consumer loan. Now, after only one year, we paid off all of our debt (\$12,000), plus I was able to establish a four-month financial cushion for security. Before I read your book and worked your plan, I would have spent the “extra money” I was earning from freelancing on all kinds of things, but now I am determined to act differently. This time I have goals. It has not been as hard as I expected. For the first time, our family doesn't have to live paycheck to paycheck. I can't wait to achieve the next goals on my list and to put more of your advice to work. Once again thank you very much!

Brigitte R. Seattle, WA

THANK YOU FOR TRUSTING
THAT I HAVE A PLAN FOR YOU!

Before we get started, let me once again say, THANK YOU! Many of you know me for my New York Times #1 bestsellers *The Automatic Millionaire* and *Start Late, Finish Rich*. Others of you may know me from my bestsellers *Smart Women Finish Rich*, *Smart Couples Finish Rich*, or last year's bestseller *Start Over, Finish Rich*. If you liked those books, I think you will LOVE this one. Many of you have written to me over the past few years and asked me to write a book like this. I hope it meets your expectations.

But whether you've read all my previous books or this is the first book of mine that you have picked up, I am truly grateful that we are getting to spend this time together, and I'm excited to have the chance to really help you deal with your debt. Together, I truly believe we can tackle the debt that is holding us back, and move each and every one of our lives forward powerfully.

DEBT FREE FOR LIFE ACTION STEPS

Reviewing what we discussed in this chapter, here is what you should be doing right now to become Debt Free For Life. Check off each step as you accomplish it.

Recognize that both as a nation and individually we have let debt get out of control—and that as a result, we are in danger of losing once and for all the American dream of financial freedom.

Commit to taking action now to change your situation, reduce your debt, and become DEBT FREE FOR LIFE! Join the "Debt Free Challenge" at www.finishrich.com.

Most helpful customer reviews

41 of 42 people found the following review helpful.

Same as the others ...

By Tia

I like David Bach and have purchased several of his other books but this one is not any different from what he has offered in the pages of all of the others. This was a total waste of money to me because I already have read this same advice in his other books repeatedly. This book seems to have been written primarily for the chapter on Debt Wise which is his partnership with Equifax. I wouldn't advise you purchase this book if you have any of his others, there is nothing new.

18 of 19 people found the following review helpful.

Financial expert shows how to get out of debt and live debt free

By Susanna Hutcheson

I had never read anything by this author before and not sure I'd even heard of him. But I read this book and found it quite good. It's a valuable resource and has numerous helpful ideas. Unfortunately, the author spends a lot of precious space promoting some of his money-making ventures that, while no doubt helpful and

useful, can be a bit expensive to already strapped readers. I have no major issue with this. Certainly we can't nor should we expect anyone to provide valuable information for free. Yet when we pay for a book, we sort of expect that to pay for the information. Having said that, the author has made this and at least one other of his books available free online. So I guess he uses it to promote himself and his businesses.

I found that a lot of the information and tools are available free online. His website is a bit of a pain to navigate, with popups and other annoying things.

He didn't answer the question that Suze Orman left in many people's minds about getting an emergency fund prior to paying off debt. But he certainly does help a person gather all he needs to plan a real attack against debt and if nothing else is garnered from the book, this is worth the price.

It is a helpful book and some areas will concern the reader perhaps more than others. But if you're looking for help in getting out of debt, this is a great place to start.

Highly recommended.

-- Susanna K. Hutcheson

27 of 32 people found the following review helpful.

Repeat information

By K. Williams

Very similar from all of his previous books. This book felt like a sales pitch for his previous books and debtwise throughout. Not much new information to offer. I really enjoyed his book, Smart Women Finish Rich. This book didn't add anything new to my basic personal finance knowledge. Definitely not worth your time if you have read any of his previous work.

See all 76 customer reviews...

DEBT FREE FOR LIFE: THE FINISH RICH PLAN FOR FINANCIAL FREEDOM BY DAVID BACH PDF

This is likewise one of the factors by obtaining the soft data of this Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach by online. You may not require more times to spend to check out guide establishment and also search for them. Sometimes, you also do not locate the publication Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach that you are looking for. It will lose the time. But right here, when you see this page, it will certainly be so very easy to obtain as well as download and install guide Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach It will certainly not take sometimes as we state before. You can do it while doing another thing in the house or perhaps in your office. So simple! So, are you question? Merely practice just what we provide here as well as check out **Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach** what you enjoy to check out!

About the Author

DAVID BACH is one of America's most prolific and bestselling financial authors of our time. He has written ten consecutive national bestsellers, with over seven million books in print, translated in over 15 languages. His runaway bestseller *The Automatic Millionaire*, spent thirty-one weeks on the New York Times bestseller list and was simultaneously #1 on the business bestseller lists of the New York Times, USA Today, BusinessWeek and the Wall Street Journal. He is also the author of the national bestsellers *Start Over*, *Finish Rich*; *Fight for your Money*; *Go Green, Live Rich*; *Smart Women Finish Rich*; *The Finish Rich Workbook*, and the number one bestsellers, *Start Late Finish Rich*, *Smart Couples Finish Rich* and *The Automatic Millionaire Homeowner*. Bach is a regular contributor to NBC's Today and has appeared a half dozen times on The Oprah Winfrey Show to share his strategies for getting out of debt and finishing rich. He lives in New York with his family.

To read excerpts of David Bach's books, and for more information, please visit www.finishrich.com or www.facebook.com/davidbach

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INTRODUCTION

GOODBYE, DEBT—HELLO, FREEDOM!

Early in the winter of 2010, I was sitting in the greenroom preparing to go on the NBC's Today show to do our weekly "Money 911" segment. The segment had been airing for more than two years. Each week we would take questions from viewers about their money. This week, most of the questions seemed to be about debt. Reading over the questions, it hit me—in just two years, we had gone from being asked mainly about investments to being asked almost entirely about personal debt.

As I thought about this, a friend in the greenroom interrupted me with a question of her own. "David," she asked, "what's your take on 'good debt' vs. 'bad debt'?"

Almost automatically, I started giving her the standard answer about how good debts are generally considered to be debts you incur to buy things that can go up in value—like a home or a college education—while bad debts are things like credit card balances, where you’ve borrowed money to buy things that will depreciate or go down in value, like most consumer goods. But then I stopped in mid-answer and looked at her.

“You know something?” I said. “The truth is that this recession has changed everything. Homes are going down in value and people with college degrees are looking for jobs. Forget what I was just telling you. Forget about the idea of ‘good debt’ and ‘bad debt.’ The truth is that when you’re in debt, it doesn’t matter what you’ve borrowed the money for. The only thing that matters is whether or not you can afford to pay it back. And if you can’t, all debt is bad debt.”

My friend smiled sadly. “Tell me about it,” she said. “My home is underwater, and my mortgage rate is going up and I can’t refinance because my credit score has dropped.” She shook her head and sighed.

“So what do I do? What’s your advice to people like me?”

THE BEST INVESTMENT YOU CAN MAKE NOW

This time I stopped and thought before answering. “Here’s what I think,” I finally said, “and this is what I’m going to be telling everyone now. The best investment you can make over the next five years is going to be paying off your debts. So my advice is to pay off what you owe as fast as you can. The faster you pay off your debt, the faster you will achieve financial freedom.”

I went on to tell my friend that at Morgan Stanley, where I had worked as a financial advisor for nearly a decade, the clients of ours who focused on paying off their debt were able to retire an average of ten years earlier than those who didn’t. “So does this mean I should stop putting money into my 401(k) plan and instead use it to pay off my mortgage?” she asked.

I shook my head. “Of course not,” I replied. “You should never stop ‘paying yourself first.’ What you need to do is cut down your spending so you can stop going into debt, and pay off your debt faster. Trust me—getting out of debt has never been more important than it is now. Being debt free for life should be your new financial goal.”

And with that I headed into the studio with Al Roker to answer America’s never-ending questions about managing their money and getting out of debt.

ARE YOU TIRED OF BEING IN DEBT? DO YOU WANT A NEW WAY OUT?

If you’re like most people, you’re probably familiar with the idea of “good debt” and “bad debt.” Millions of Americans believe in this idea. In fact, millions of Americans have based their lives on it. At the heart of this belief is the notion that good debt makes you rich and bad debt keeps you poor. You only borrow to buy assets, and you shouldn’t borrow to buy things that drop in value. It makes sense; it seems logical.

I, too, used to believe it. But you know what? I no longer do. And neither should you. Why? Because the idea that there’s such a thing as good debt and bad debt is a myth.

The truth is we’ve been misled.

- We’ve been misled by billions of dollars’ worth of advertising that gets us to buy things we don’t really

need.

- We've been misled by a multibillion-dollar credit card industry that tells us the good life can be ours for the taking when we use their credit cards.
- We've been misled by the banks that loaned us money for homes they knew millions of us couldn't really afford.
- We've been misled by the subprime lenders who promoted the idea that we were "silly" to keep equity in our homes when we could "cash it out" to pay off our credit cards.
- We've been misled by a tax system that promotes heavy borrowing by offering tax deductions.
- We were sold a bill of goods—or, more accurately, a bill of loans (trillions of dollars of them). And now this bill has come due, and our debt has become our personal financial prison.

Are you tired of being in debt? Are you tired of waking up each morning to face an ever larger pile of bills? Like my friend in the greenroom, do you find yourself working harder than ever to pay for things you no longer care about—or even want to own?

If so, you are not alone. Millions of people feel the same way—and like you, they are ready for a life free from debt. A life where you own your life—rather than lease it.

The good news is that there is a way out of this nightmare. There is a better way to live—starting today—a way that will allow you to be debt free for life!

THE MIRACLE OF COMPOUND INTEREST— IN REVERSE!

Here's the truth: DEBT IS DEBT. Probably the most important lesson of the great recession we've just lived through is that there's no such thing as a good debt if you can't afford to pay it off. When you can't make the payments, the only difference between "good" debts and "bad" debts is that the bad variety can destroy your financial life much more quickly.

Now, don't get me wrong. We need to be able to borrow money. Without a lending industry and the ability to borrow, we could not function as a society. Borrowing to build assets can make sense—if you have a real plan to repay your debt. But if you don't have a plan, look out! Debt is all about basic math. It is the miracle of compound interest in reverse, which is to say that if you don't stay on top of it, it will mushroom faster than you can imagine—and crush you before you know what's happening.

This is one big reason why I wrote this book: to give you the plan you need to pay off your debts faster than you ever would have thought possible.

DEBT FREE FOR LIFE:

A NEW APPROACH AND A NEW ATTITUDE

It is time for us to rethink entirely the way we manage our money and our debt. If the great recession has taught us any- thing, it is that the less debt we have, the better off we are. With this in mind, I am now on a mission to inspire America to shed its debt. I believe it is time for us to buy back our freedom, and I know that together we can do it. This is another reason why I have written Debt Free For Life—and why I hope you will read it and act on its advice starting today.

Debt Free For Life is my twelfth book. It is very possible that you have read (or at least heard of) one of my previous titles. As I write this, there are more than 7 million copies of my FinishRich books in print around the world. I am known for my honest, simple, and “take action” advice about finances, and I’ve been privileged to inspire millions around the world to be smarter with their money and truly live a rich life. Perhaps you have seen me on television on NBC’s Today show, “Money 911” segments, or on Oprah’s “Debt Diet” series, or on CNBC’s “The Millionaire Inside” series. Then again, maybe this is our first visit together—and if it is, welcome! In either case, I want to say, THANK YOU. Thank you for your time and your trust that I may have a plan for you—a plan that will make you DEBT FREE FOR LIFE!

ELIMINATE YOUR DEBT— AND BUY BACK YOUR FREEDOM!

So why did I pick this moment to write a book on getting out of debt—and why should you spend a few hours reading it? Why is it time to buy back our freedom and focus on our own personal economy?

The answer is simple:

In our new economy, getting out of debt fast is the most important financial move you and your family can make.

There are three reasons for this:

First, I believe that our debt is out of control.

Every day I get tons of questions from my readers—maybe you’re one of them—and most of them are related to debt. You email me at www.finishrich.com, you post at my community at www.facebook.com/davidbach, and you call in to the various shows I do. What I hear from you is scary. You’ve got credit card balances you can’t pay off, mortgage loans and home equity lines that are crushing you, student loans, car loans, medical debt—you name it. “David,” I hear over and over again, “I’m drowning—what in the world can I do?” Or: “David, I have had enough—I want to retire someday and

not be worried about money—how can I get out of debt once and for all?” The fact is that we’ve lost control of our debt both individually and as a nation—and this has to change. We have come to a point in history where personally, nationally, and even globally the devastating effect of debt is beginning not only to crush the human spirit, but also our ability to be free and ultimately secure.

Second, I believe the world is waking up to the problem of debt.

National economies around the globe have been shaken to their core because of debt loads. Europe fears more economic collapses—and many experts worry that the United States itself is on the brink of bankruptcy. (I'm not there yet, but I am concerned—and you should be, too.) What I know for sure is that the debt we have the best chance of controlling is our own. There are dozens of books today about “whose fault it is.” But I'm not interested in playing the blame game. We can debate who's to blame for America's trillion-dollar deficits— or we can focus on our own families' “deficits” and get our personal finances together. This book is about SOLUTIONS— what you can do to fix your situation! It's about you—your finances—your debt! The faster you are debt free, the faster you will be protected from things you can't control, like our national budget deficits.

Third, I am convinced that
MILLIONS ARE READY TO TAKE ACTION.

There is a movement in this country right now to pay down debt and save money. As I write this in the summer of 2010, savings rates are up to 6%, the highest in two decades, and debt levels are falling. Millions of people, including you, are ready to be debt free. We've had enough of the burden and worry that debt creates. You are ready to take action—smart action—that will help you become financially free and secure. Many of you have written to me, sharing that you are tired of working so hard for so long—and winding up with so little. You are ready to get off of the treadmill of going to work, making money, spending money, going to work, making money, spending money. You are ready to be FREE! You are ready for new ideas and new tools that will help you become smarter about your money and your debt. You are ready to be DEBT FREE FOR LIFE!

My previous books contained great tools for debt reduction. But in this new, challenging economy, I realized I needed to create a new, updated plan with the latest and greatest systems to help you get out of debt TODAY. So welcome! Let's spend a few hours together—and get going on a new plan that will lead you to a debt-free world of true financial security. It may not be as easy to get out of debt as it was to get in, but trust me—the benefits that will come from this journey you're about to begin will be more than worth the effort.

Do you believe as I do? Do these three beliefs of mine make sense to you at a gut level? If they do, then please keep reading. Together, we can turn back this tide of debt and buy back our futures. It is time for a better way of life—one free from debt.

MY GIFT TO YOU

AT WWW.FINISHRICH.COM

I always love to give my readers a free gift. So if you are already feeling inspired to live a debt-free life, I want to encourage you (right now!) to go online to my website at www.finishrich.com and join our FinishRich Community. Register and I will send you my Debt Free For Life Challenge video series for free—and also give you access to an amazing array of tools we've designed to help you stay motivated to get out of debt.

Through our website, you can access “The David Bach Debt Free Challenge” site, an online community

where you can interact with like-minded people committed to becoming debt free. Our goal is to inspire one million people to join us on this challenge. On the website, you'll find videos, audios, and interviews with me and other experts to help you live debt free for life. You'll also find contests you can enter to win prizes. This book also comes with another gift: a free trial of an amazing new debt-reduction system called Debt Wise (www.debtwise.com) that I'll talk more about later. This revolutionary online tool will help you reduce your debt by creating a FAST-PAY PLAN to pay off your loans years early and save you thousands of dollars in interest charges. It is powered by Equifax, the nation's leading credit bureau—and as part of the package, you'll also get access to an Equifax credit score.

THE DEBT FREE FOR LIFE CHALLENGE VIDEO SERIES

SHARE YOUR SUCCESS STORIES— AND YOUR QUESTIONS

As always, I want to hear from you about how this book affected your life. This book includes real success stories from real people who have achieved the results you may be looking for. Most of these stories came directly from people who wrote to me after reading one of my books and applying what they had learned. You can find hundreds more at www.finishrich.com. Read them and ask yourself, “If they can do it, why not me?”

The answer is you can—and I can't wait to hear about when you do.

So if you have a success story to share, I'd love to know about it—and if you have questions I want to hear those,

too. In either case, you can email me directly at success@finishrich.com.

Now, are you ready to become debt free for life? Are you ready to buy back your freedom? Great—let's get started on your journey to become DEBT FREE FOR LIFE! Your new plan awaits you in the next chapter.

Live Rich, David Bach

DEBT FREE FOR LIFE SUCCESS STORY

My wife and I read *The Automatic Millionaire* and *Start Late, Finish Rich* on vacation at the beach in 2008. These books inspired us to greatly accelerate paying off our credit cards and other debt. We used your DOLP system and within 20 months, we had paid off our credit cards and three car loans—almost \$65,000 in all—while increasing my wife's 403(b) retirement plan and continuing to max out my 401(k) plan. With our new-found cash flow from not paying debt, we have also been able to double our charitable giving and we are saving to buy our own beach house, both as an investment and to enjoy for personal use. And the story gets BETTER! Our son Jeremy, who's in the military and deployed in Afghanistan, told me he read *The Automatic Millionaire* and it inspired him to quit smoking, allowing him to save \$2,000 annually! From 5,000 miles away—when I was sharing with him the success we're having thanks

to *The Automatic Millionaire*—he shouted, “Dad, that’s the book I was telling you about!” Thank you again for motivating us and turbo-charging our way out of debt!

Joseph G. Detroit, MI

CHAPTER ONE

WHO PUT AMERICA INTO DEBT—AND HOW YOU CAN GET YOURSELF OUT

Once upon a time (in the decades after the Great Depression), Americans desired a life of financial freedom. To our grand- parents and great-grandparents, this meant staying out of debt. Living through the Great Depression, our great-grand- parents learned the hard way that debt was bad, that owing money could destroy your life. So they paid for things in cash, they bought homes with big down payments, and they worked hard to pay their mortgages off as quickly as possible. They even had “mortgage-burning parties” in their backyards, where they celebrated their FREEDOM from the banks after the last payment was made. As a result, many of them were able to retire in their early sixties without financial worry. Retirement wasn’t a dream for our great-grandparents (and often our grandparents, who learned prudent financial behavior from their parents), it was an American Promise! For them, the American Dream was real—you went to work, you worked hard, you saved money, you paid down your debt, and then you retired with a pension and Social Security, and you lived happily ever after.

AMERICANS CARRY \$12 TRILLION IN DEBT— WE DESERVE BETTER

These days, the American Dream of financial freedom— freedom from worry, freedom from living paycheck to pay- check—has become a nightmare. We bought the myth—or, I should say, we bought the lie and turned it into a myth. As I write this, the Federal Reserve reports that Americans are on the hook for nearly \$12 TRILLION in consumer and mort- gage debt. This translates to an average of \$49,000 of debt per family; in California and Nevada, the average tops \$70,000. At the beginning of 2010, roughly 54 million Americans families owed a total of \$866 billion in credit card debt—or an average of just over \$16,000 each. At the same time, home equity has been dropping—by tril- lions of dollars over the last few years—as a result of the real estate declines, while unemployment has stayed stubbornly high. With 70% of us living paycheck to paycheck, nearly seven million Americans have fallen behind on their mort- gage payments, and as the *New York Times* reported, “An astonishing \$1.3 trillion of consumer debt is delinquent, with \$986 billion seriously so—90 days late and counting.” Not surprisingly, the number of personal bankruptcies has been skyrocketing, reaching nearly two million in 2010—a 100% increase in just five years.

Our government is in even worse shape, having gone from a balanced budget in fiscal 2001 to a \$1.4-TRILLION deficit in fiscal 2009 (and a projected \$1.2-trillion deficit for fiscal 2010).

The idea that we should all spend less than we make seems to have been forgotten, as the American Dream gets stolen, one loan at a time. One has to truly wonder what has happened. How did we get here? And most important, what do we really

want and what will we do about it?

HOW IS YOUR DEBT DOING?

So let's be honest. Do you have more debt than you want?

Chances are, you do—or you wouldn't have picked up this book.

Are you paying a huge percentage of your paycheck each month to just cover the interest or make the minimum payments on what you've borrowed for your home, your car, your student loans, your credit cards, etc.? Are you frustrated that no matter how hard you try to pay off your debt, it seems to take forever and you don't see any progress happening fast enough? Are you worried about your ability to retire someday because of your debt?

Or is it even worse than that? Are you unable to even make the minimum payments on your loans and find yourself falling behind, with your debt growing? Did you know that if you are carrying \$10,000 in credit card debt and your card is charging you 25% interest, and you're making minimum payments, it will take you more than 22 years to pay off your debt? Did you know that if you have a \$250,000 mortgage with a low fixed rate of 6%, paying it off over 30 years would cost you just under \$540,000?

MILLIONS OF AMERICANS ARE IN DEBT AND WANT OUT

The reason I am sharing these figures with you is not to be negative or depress you. What I want to do is start this book and your journey to being debt free for life with the truth. And the truth is that MILLIONS of Americans are hugely in debt and want out!

One credit bureau estimates that more than 45 million people (or roughly one out of every five Americans with a credit score) want to improve their financial well-being through debt reduction. Indeed, in the recent rush to take advantage of low mortgage rates by refinancing, about a third of all loan applicants have been putting money into their homes—meaning they are reducing the amount they owe—rather than taking money out. Similarly, a record number of homeowners are switching from 30-year mortgages to 15-year mortgages in order to own their homes debt free faster.

So you see—you're not alone! And like so many others, you can do something quickly to change your situation, reduce your debt, and become DEBT FREE FOR LIFE!

THE DEBT FREE FOR LIFE PROMISE:

WHY YOU SHOULD READ THIS BOOK— AND ACT ON IT!

It's easy to get into debt. Getting out is another story. Some so-called debt-settlement companies will tell you, "We can cut your debt in half in minutes and save you thousands of dollars." Sorry, but that's just nonsense!

This book is about the truth. It offers an honest plan that will work—if you work it! I know there are some of you who are reading this book because you are really drowning in debt and are looking for a life preserver. If this is your situation, I believe this book can be the life raft that gets you back to dry land. But let me be clear: You don't need to be in over your head to benefit from this book or the Debt Free For Life

Plan I'm about to share. This book is about a totally new approach to building financial freedom that stresses "paying down your debt" so you can buy back your freedom. I've been teaching my readers for years how to pay down their debt. Maybe I have taught you already. But the Debt Free For Life Plan is a revolutionary new system that will make paying off your debt easier than it has ever been.

Most people who apply the Debt Free For Life Plan I will share in the pages that follow will be able to get themselves out of debt an average of 15 years faster and save themselves at least \$30,000 in the process. Some of you will do this even faster than that and be out of debt in as little as seven, five, or even just three years. (I've even seen people get out of debt using these tools in less than a year.) How quickly you can do it will depend on you—on how much debt you have, how much you can cut your expenses, and how fast you want to make it happen.

Some of you have old debt that is so long overdue that you can no longer be required to pay it, and you don't even know it. (You will once you read this book.) Some of you can save six figures by simply applying one idea in this book (you'll find it on page 124 in the chapter about mortgages).

The fact is that the math of debt is not complicated. You simply need to apply the principles I will share and then, like the Nike slogan says, "Just Do It."

Now don't get me wrong—I am not promising you over- night freedom from debt. But what I can promise is that the moment you start on this plan, you will begin to feel better. Just knowing that you have a plan in place to pay down your debt in the right order, the right way—a plan you can carry out yourself that will save you thousands of dollars in interest fees and cut years off your indebtedness—will truly lighten your burden, however light or heavy it may be.

I also promise you that having less debt will feel GREAT.

Debt creates fear. Not having it creates peace of mind. This may sound like a cliché, but it's true. When you have less debt, you will feel more FREE. You will have fewer worries, less stress, less tension, fewer fights at home. In short, your life will have less fear and more serenity. Not only that, but you will also be able to build wealth faster.

A DEBT FREE FOR LIFE SUCCESS STORY

I cannot express my gratitude for what your books *Start Late, Finish Rich* and *Smart Women Finish Rich* have done for me. They've helped me change not only my financial life, but my physical life as well. My "latte factor" (the way I wasted money) was food! I could not believe how much I was wasting on "occasional" snacks. It was atrocious—and so was my waist line! The one major thing you said that stuck in my head and changed my actions was, "Is this purchase really necessary?" I now ask myself that question every time I think about spending money—and doing this has truly changed my life. I have saved over \$6,000 in six months and I have lost 21 pounds. David, you are a lifesaver, in more ways than one! Thank you for everything!

Nicole D. Yuba City, CA

HOW THIS BOOKS WORKS:

THE FINISH RICH PLAN TO ACHIEVE FINANCIAL FREEDOM

We're going to start the process of achieving financial freedom by learning how to change your mindset, cut

your expenses, and live within your means. Next, I'll show you how the credit card companies imprison you with tricks and traps in order to keep you in debt for life. Once you understand their games, you'll be able to fight back and win—and achieve real financial freedom.

Then we will look at what I call the DEBT FREE FOR LIFE MINDSET. This will help you get to the root of why you got into debt in the first place—and how you can get out of it once and for all.

Debt is often created because, without thinking about it, we spend money we don't have to buy things we were sub-consciously PROGRAMMED to buy. Re-read that sentence! Companies spend BILLIONS AND BILLIONS of marketing dollars each and every year to bombard you with enticements to spend money. Trust me when I tell you that just about any-one can get out of debt once they become conscious of this. On the other hand, if your mindset on debt is wrong, you'll probably never get out of debt—and if you do, the odds are that you'll get right back in. That's not good enough. We want you DEBT FREE FOR LIFE!

YOUR DO-IT-YOURSELF SYSTEM— THE DEBT FREE FOR LIFE TOOL KIT

Once we've got your DEBT FREE FOR LIFE MINDSET right, we'll look at my do-it-yourself system for getting out of debt. It's called DOLP®, which stands for "Done On Last Payment." This is a simple system that I have taught for more a decade to prioritize your debt so you can pay it off as fast and cheaply as possible. One of the great things about DOLP is that you can do it from the comfort and safety of your own home with zero technology. All you need is a pen or pencil and a sheet or two of paper.

After we cover DOLP, I will share with you the truly revolutionary new debt-reduction program I mentioned called DebtWise.com. I was so impressed with DebtWise.com when it was launched in 2009 that I reached out to the company behind it, Equifax, and partnered with them to bring it to North America and make it the best online program in the world for debt reduction. As I mentioned in the Introduction, this book includes a free trial offer for DebtWise.com, along with a free credit score from Equifax.

What makes DebtWise.com so revolutionary is that it's powered by one of the three major U.S. credit bureaus. This connection enables it to automatically access all your credit records in seconds—securely. As a result, in less than ten minutes with DebtWise.com, you will be able to create and implement a complete system to pay down your debt automatically! You will also be able to calculate your own "Debt Freedom Day"—the exact date, based on how much you owe and how aggressive a payment plan you choose, that you will truly be debt free.

WHERE TO GO FOR HELP— WHOM CAN YOU TRUST?

Although I believe that most of you who read this book should be able to implement the do-it-yourself systems I will teach you to reduce your debt, I know that some people would prefer to have the help of a professional who can personally help guide them through the process. If you're one of these people, don't worry. Once I've finished explaining the ins and outs of DOLP and DebtWise.com, I will share everything you need to know about how to find a qualified expert who can help you get out of debt.

As part of this process, I will explain in detail how the non-profit consumer credit counseling world works and what they can do for you. We'll also explore the debt settlement industry (the "for profit" debt-reduction business) and what to watch out for, since this is a world filled with pitfalls. This is important for everyone to know, whether you plan to seek out counseling or not.

We will then cover the secrets to getting out of debt that the credit card companies don't want me to share,

including how to get your interest rates lowered, your late fees waived, your annual fees credited back, and more. I will teach you how to negotiate for a better rate, and if you can't get a better deal on your current card, how to find a new one.

Along the way, I will share with you everything you need to know about your all-important credit score and credit re-ports. You'll learn how to protect and improve your score—which ultimately will make it easier to renegotiate your debt. And I will help you better understand your mortgage and student loans and what you can do to pay them off faster.

I will also cover bankruptcy (although I hope you never need this chapter) and share with you a ten-minute plan to put your entire financial life on Automatic Pilot (called The Automatic Millionaire System). Lastly, I will suggest ways to find some extra money you may not have realized you have—money you could use to help you pay down your debt.

It's a lot to cover, but I have done my best to make it all easy to understand and—most important—to ACT ON.

As in many of my previous books, each chapter ends with a series of action steps—in this case, “Debt Free For Life Action Steps”—a condensed “to-do” list designed to remind you what you need to become debt-free within a year. So we started putting 20% of our family income toward paying off our debt. This limited our available money, but it was not a burden to us since we had decided to simplify our lives. We did this by cutting down on shopping, doing more meaningful activities, and driving our paid-off car longer instead of getting a new one with a consumer loan. Now, after only one year, we paid off all of our debt (\$12,000), plus I was able to establish a four-month financial cushion for security. Before I read your book and worked your plan, I would have spent the “extra money” I was earning from freelancing on all kinds of things, but now I am determined to act differently. This time I have goals. It has not been as hard as I expected. For the first time, our family doesn't have to live paycheck to paycheck. I can't wait to achieve the next goals on my list and to put more of your advice to work. Once again thank you very much!

Brigitte R. Seattle, WA

THANK YOU FOR TRUSTING
THAT I HAVE A PLAN FOR YOU!

Before we get started, let me once again say, THANK YOU! Many of you know me for my New York Times #1 bestsellers *The Automatic Millionaire* and *Start Late, Finish Rich*. Others of you may know me from my bestsellers *Smart Women Finish Rich*, *Smart Couples Finish Rich*, or last year's bestseller *Start Over, Finish Rich*. If you liked those books, I think you will LOVE this one. Many of you have written to me over the past few years and asked me to write a book like this. I hope it meets your expectations.

But whether you've read all my previous books or this is the first book of mine that you have picked up, I am truly grateful that we are getting to spend this time together, and I'm excited to have the chance to really help you deal with your debt. Together, I truly believe we can tackle the debt that is holding us back, and move each and every one of our lives forward powerfully.

DEBT FREE FOR LIFE ACTION STEPS

Reviewing what we discussed in this chapter, here is what you should be doing right now to become Debt Free For Life. Check off each step as you accomplish it.

Recognize that both as a nation and individually we have let debt get out of control—and that as a result, we are in danger of losing once and for all the American dream of financial freedom.

Commit to taking action now to change your situation, reduce your debt, and become DEBT FREE FOR LIFE! Join the "Debt Free Challenge" at www.finishrich.com.

Get the connect to download this **Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach** as well as start downloading. You could desire the download soft documents of guide Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach by undergoing various other tasks. Which's all done. Currently, your resort to read a publication is not consistently taking and bring guide Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach almost everywhere you go. You could save the soft data in your gizmo that will never ever be far as well as read it as you such as. It is like checking out story tale from your gadget after that. Now, begin to like reading Debt Free For Life: The Finish Rich Plan For Financial Freedom By David Bach as well as get your new life!