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As a financial advisor, I have the privilege of getting to help many different people. But young or old, wealthy or on their way to wealth, one of the most common questions I get is, "How can I become financially independent?"

Whenever people ask me this question, we take a long, hard look at their current financial situation. No two people are the same, but the first step many people have to take in order to be financially independent is often the same:

They have to get out of debt.

When you get right down to it, being "financially independent" means that you can support *yourself* financially. You don't have to rely on others – whether it be your parents, your friends, or even the bank – to make ends meet or pursue your other goals in life. But many people, even those with high-paying jobs, cannot support themselves financially ... at least, not really. That is because they are buried up to their eyeballs in debt. In fact, it is estimated that, "1 in 3 adults are so far behind on some of their debt payments that their account has been put 'in collections.'"¹

For that reason, ridding ourselves of debt is an absolutely crucial step to achieving financial independence. I expect you don't have to worry about this, but in case you do, or if you know someone who does, here are a few tips to help get rid of debt:

1. The best way to get out of debt is to turn bad habits into good habits.

Put aside terms like "debt consolidation," "debt settlement," or even "bankruptcy." Those things have their place, but the most surefire way of getting – and *staying* – out of debt is to change the habits that got you into debt in the first place.

The plain and simple truth is that we live in a society that values obtaining material things. Everyone wants the newest gadget, the fanciest car, the biggest home, you name it. There is nothing wrong with wanting those things ... except when our desires take precedence over our needs, or when our reach exceeds our grasp. Often, people don't just *want* things – they want them *now*. And they are willing to pay for them on credit, which in reality means not actually *paying* at all. It's borrowing.

Here is another truth: it is one thing to get out of debt, but actually *staying* out of debt is something else entirely. That is why I said to forget terms like "debt consolidation." You can consolidate your debt, you can declare bankruptcy, you can even cut up your credit cards, but unless you change your fundamental spending habits, chances are those same habits will eventually get you into debt all over again.

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Changing your habits is not the quickest way to eliminate debt, and it is certainly not the easiest. But it is the most permanent.

2. Create a budget by taking control of your cash flow.

It doesn't matter if you are a college student or a wealthy, successful business owner. Creating a budget is always a good idea. Having a budget essentially means that you have a *plan* for your money. It means you determine exactly how much money to save, how much to spend, and what to spend it on. It means no longer being at the mercy of unexpected events or whims. It gives you *control* of your own finances. If you think about it, that is just another way of being financially independent.

3. Consider the order in which you pay off debts.

Some experts recommend paying off your largest debts first. This makes sense. After all, your largest debts are your biggest problems, right?

While there is nothing inherently wrong with that advice, you might want to consider an alternative: paying off your *smallest* debts first. The reason is that when you focus mainly on your largest debts, the task can seem overwhelming. You can pay and pay and not feel like you are making a dent. Meanwhile, your smaller debts keep piling up.

By concentrating on your smaller debts first, you can effectively remove more of those little monsters sooner. That means less pressure on you. It means less weight on your shoulders. And it will help you build **momentum**. Momentum is important, because the energy it creates, and the *habit* it helps you form, will enable you to better tackle your largest debts.

Whatever you choose to do, just remember that eliminating debt is the first step in being able to support yourself financially. It is the first step to achieving financial independence.

As always, if you would like to discuss becoming debt-free or tackling other steps to becoming financially independent, please do not hesitate to call.

¹ Jeanne Sahadi, "1 in 3 U.S. adults have debt in collections," *CNN Money*, August 7, 2014.
<http://money.cnn.com/2014/07/29/pf/debt-collections/>