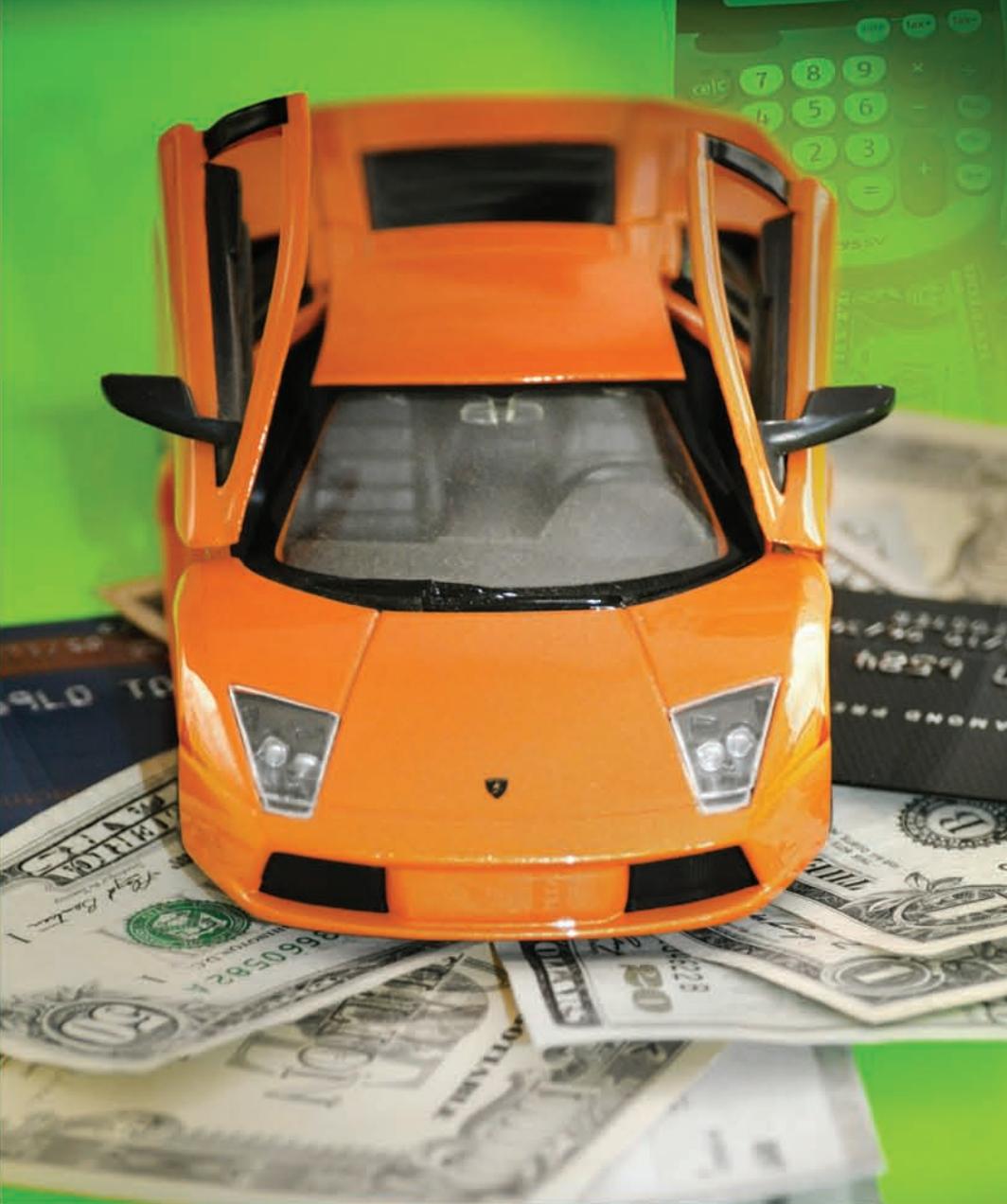


Each year do you decide to improve your finances? Then something happens and you are in the same place you were last year. Thrive In Five: Take Charge of Your Finances in 5 Minutes a Day will help you change that with daily, short tips that will take you five minutes or less to improve your credit score, spend less, and save more money, while getting organized.

Thrive In Five: Take Charge of Your Finances in 5 Minutes a Day

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THRIVE IN FIVE

Take Charge of Your Finances In 5 Minutes a Day

BY JILL RUSSO FOSTER

**Praises for *Thrive In Five*
*Take Charge of Your Finances In Five Minutes a Day***

“In the changing credit market, your advice has been in valuable. I have learned what factors make up a credit score and how I can help my clients to improve and avoid hurting their scores.”

Rick Bangs, CPA, Richard E. Bangs, Jr CPA 203-252-2100

“Jill is always up-to-date on the latest financial trends and has a stellar way of breaking it down so it's easy to understand. Over the past three years I have followed her newsletter, I have learned how to better and easily manage my finances including budgeting and monitoring my credit report.”

ChaChanna Simpson, Owner, Twentify.com

“I have known Jill Russo Foster for several years and her knowledge of personal finances spans many areas such as credit, financing, debt reduction, budgeting and more. She can explain topics in an easy to understand manner so that you know what to do for your situation. Jill has real passion and concern for all she speaks to. She wants people to live better lives by gaining control of their finances.”

Marian Cicoello, WBDC, CTWBDC.org

“I have had the pleasure of working with, listening to, and relying on Jill Russo Foster and her deep knowledge of personal

finance and credit for the past year. Jill's wealth of experience and "easy to follow" advice is as important to young adults as are the basic educational requirements of Math, English, and Science.

I wholeheartedly recommend Jill's books, seminars, and forums to anyone interested in clean credit, low finance charges, and a bright fiscal future.”

**State Representative Fred Camillo, 151st District-CT,
RepFredCamillo.com**

“Jill Russo Foster’s book has had a profound effect on how we view our money situation and how we teach our children about finances. I would recommend her books and services to anyone who is serious about saving and responsibly spending their money.”

Michael LaMagna, Esq. 914-534-1048

“This year, far more than any other year, my husband Paul (the neat freak) and I (not so much) have both felt the need to “clean house”. In past years we haven’t been so aligned on this issue! Thanks to charitable organizations that will come right to your door and pick up unwanted clothing, home furnishings, and assorted tchotchkes and then put them to very good use, it’s easier than ever. We’ve both been feeling weighted down by the unnecessary clutter, and each time we schedule a pickup, it makes us more aware of the things that are not needed, and more eager to schedule another pickup – and more conscious about buying things that aren’t truly needed. We’ve also cut

back on buying material gifts for the kids and opting for “experience” gifts such as skiing lessons, tickets to a show, and family outings. Truly, they don’t miss the gifts at all – the average toy captures their attention for literally about a week.”

Carolyn Aversano, Publisher / Managing Editor, Natural Awakenings Magazine, Fairfield County, ENaturalAwakenings.com

“Thanks to Jill Russo Foster, I balance my checkbook every day. It may sound time-consuming, but it’s the easiest thing I’ve ever done. My husband and I used to overdraw our account because we both use debit cards. Monthly balancing took forever, because we had a hundred tiny transactions and receipts. Jill recommended daily balancing, and that worked for us. I log into our bank account in the morning, balance our transactions, and it only takes a few minutes a day. Thanks, Jill!”

Valerie Crowley, Virtual Assistant, ValerieCrowley.com

“In today’s hectic world, it’s hard to keep everything in check. Working & raising a family can leave little time for much else. But, our finances are one thing we simply can’t let slide. Using her years of experience in the financial world, Jill has made it simple to take charge of your finances, by creating bite-sized pieces that anyone can follow. With something as critical as your finances, you can’t afford not to carve out 5 minutes each day to get yourself in gear!”

**Kristin Andree, President - Andree Media & Consulting,
Author: Don’t Make Me Pull This Car Over: A Roadmap
for the Working Mom**

"Ready to quit worrying and start taking control of your finances? Get a copy of Jill's book (or book title) and get started today!

Jill steps you through different priorities each month, one task a day. Rather than feeling overwhelmed, you'll be amazed at how easy it is to take the things that you have been putting off and finally getting them done!"

**Vicki Heise, Founder, Live Your Healthy Life,
LiveYourHealthyLife.com**

"Finances are a big part of everyday life and can be costly. My client, Jill Russo Foster, breaks down finances into easy to understand steps that will help you get a grasp of your finances."

**Steve Harrison, Bradley Communications, Corp
www.FreePublicity.com**

Thrive In Five
Take Charge of Your Finances In 5 Minutes a Day

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First Edition

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January – Analyzing Your Bills

It's January, the start of a new year. For most people, it's the time when you start to receive your holiday bills and are amazed at what you spent. You vow to never do this again. But isn't that what you said last year and the year before? This year will be different!

By this time next year you will be in charge of your finances with a new thought process that will lead to good money habits.

Since January is a financial month of bills and the start of getting your finances in order for tax season, I am going to start with your bills. You are going to look at each and every bill to see where you can make changes.

1 Holiday

Since today is a holiday, I am going to give you a one day break. But if you want to get a jump on tomorrow, go ahead.

2 Gathering

Today is a day of gathering. I want you to get out your bills. Gather your utilities (electric, gas, oil, water, telephone, cell phone), mortgage(s), insurance (car, home / renters, umbrella) and any others. You are going to tackle one bill a day over the next several days.

3 Electric Bill

Take a good look at your electric bill and the charges. Can you reduce your monthly electric expense? You know the money saving things you are supposed to be doing – shutting the lights when you're not in the room, changing to CFL light bulbs, unplugging things that are energy hogs (when you're not using them) etc. Hopefully you are doing this already - if not, start to. It will save you money!

If you are in a state that has deregulated electricity, check out what other electric providers companies are offering. I switched last year and I am saving approximately 17% each month. That's a savings of \$204 a year on a current bill of \$100 a month. There is no difference that I can tell with the service. Still one bill to pay each month and one company to call for a power outage. Today, I want you to check with your specific state to see if it offers deregulated electricity. If they do, then look into your options today.

4 Gas Bill

Can you do the same with your gas bill? For me, I have a gas stove and that is all. If you heat by gas, this could be a big expense for you. Do you have a programmable thermostat to keep the heat lower when you are out of the home? Can you lower the temperature a few degrees when you are home? All these things add up.

If you heat your home with natural gas, then depending on the price of gas you may want to talk to your provider about locking in a rate. This can be a dilemma – you love it if you lock and prices go up but get annoyed if you lock and prices go

down. If locking is available, ask questions before you make your choice. What can you do today to lower your bill?

5 Oil Bill

This is a big one for me. I currently live in a home heated by oil. A few years ago, I made the mistake of not locking in and the price of oil went up substantially. I have learned my lesson, but it's not what you are thinking – I haven't locked my oil rate. I phoned several companies to see what they were offering for new customers and I switched companies. I found a company that offered a 40¢ per gallon savings for paying the bill the day the oil was delivered. I have to pay the bill anyway, so it didn't matter to me. By paying the driver if I am going to be there or at the office if I am not it saves me postage too.

Make time to call other oil companies to see what they are offering. If you find a better option, call your current company to see if they will match and or beat that option. It's up to you to do the calling to save the money here.

6 Water Bill

You've heard about all the tips about using less water – low flow faucets, shorter showers, etc. I'm not sure there is much else you can do to lower your water bill except for using less water but there is a big one. Check for leaks, drips and running toilets. I have a friend who couldn't figure out why the bill was so high – until she discovered the running toilet. She spent a few dollars for a plumber and reduced her monthly bill by \$30.

For those of you who are environmentally conscious, what I did this year was invest in a rain barrel. I purchased this big rain

barrel. I am not handy so I didn't install it with my gutters; I just took the lid off the top and put screen material around the opening. I don't want to breed mosquitoes. I use this water for my flowers, the vegetable garden and to water my inside plants. This summer I received my lowest water bill to date since moving in to the home. Summer is usually my highest water bill. Consider buying a rain barrel and make some other changes to lessen your water consumption.

7 Telephone Bill

Do you have a home phone? If you answered no, you get a day off. If you answered yes, are you with the best company with the right plan for your needs? Consider what your needs are and investigate your options. Is there money you are wasting by being on the wrong plan? A few calls a month, maybe you should be on an economy plan. Live on the phone, there are plans for that too. Determine what your needs are and get on that plan. Maybe you can eliminate this cost all together if you don't need that home number.

If you have internet service at home, consider using an alternative telephone service for your long distance calls. These services can cut your phone bill substantially or possibly make it free.

8 Cell Phone Bill

Yesterday, I spoke about home phones, today let's talk about cell phones. Are you on the right plan for your needs? Do you currently have unused minutes that you are paying for? I know that I eliminated some features from my bill and lowered my

monthly minute allowance for a savings of about \$20 a month. Can you do the same?

Talk to your provider about what you can eliminate. Make sure you understand what the potential costs could be before making any changes. Are there penalties for switching mid-contract? Does this start your agreement again? Know the consequences and consider them before you make a move. You may be better off waiting until your agreement comes up for renewal. Investigate the details and make an informed choice.

9 Catch Up Day

This is your day to look at another bill that I didn't mention. Or you might have been too busy to complete one of the suggestions. Today is a catch up day.

10 Mortgage Bill

If you are like most people, your house (and the resulting mortgage) is the biggest purchase you will ever make in your lifetime. Making sure you pay your mortgage on time and avoid the late fee is your biggest savings. If you pay extra principle with your mortgage payment you will be paying your mortgage faster. The faster you pay your mortgage, the less interest you will pay. Aren't you looking forward to the day when your mortgage is paid in full?

Develop a plan to pay extra on your mortgage. You don't have to pay extra each month, even every other month will pay it off faster and save you interest. If you are not sure how you can afford to pay extra right now, don't worry. When you get to

future chapters, I will be suggesting ways to increase your income and find more money.

11 Private Mortgage Insurance

Most people don't know if they have this or not. Did you put a 20% down payment on your home when you purchased it? If you didn't and you have a first mortgage that was more than 80%, of the purchase price, you have private mortgage insurance. Check out your bill carefully to see your payment breakdown. When you believe that you have more than 20% equity in your home (not including your second mortgage / home equity line (or loan), you will need to contact your lender. They will tell you the steps to have this cost removed from your monthly bill. This can save you a substantial amount each and every month. Make a call to your lender today to see if you have private mortgage insurance.

If you have private mortgage insurance but don't have the 20% equity yet, then keep this in mind for the future. Your lender will not tell you when you should request this nor will this drop off automatically. This is up to you to keep track of.

12 Car Insurance Bill

This is a big project, so I am giving you multiple days. First call your company or agent to see if you have the proper coverage for your situation. Discuss what items you might want to eliminate that are unnecessary. You may want to raise your deductible. Only do this to an amount that you know you can come up with if you need to. We will talk about your savings in a later month. Today, make sure you have the proper coverage for your situation.

13 Car Insurance Bill

If you have an independent insurance agent, you may want to ask them to do this for you. Otherwise, do this on your own. Contact other insurance companies to get estimates based on what coverage you need. Remember that you need to be with an insurance company that has a good rating.

A few years back, I made the switch from one company to another company. There were three policies – car, home and umbrella – and the total savings was just less than \$1,000 per year with the same coverage. This was a no brainer to switch. Periodically, I do call and check the competitions rates.

Remember, the more policies you have with one company the lower you rates will be because of multi-policy discounts. Also remember that just because the company you started out with was the best price then, it may not still be the cheapest.

14 Roadside Assistance

I analyzed our car insurance as well as other related bills and added coverage to my insurance. For example, I added roadside assistance for less than \$20 per year for two cars and was able to eliminate the auto club bill that was over \$100 per year. The concession is that I have to pay for towing and then submit a bill for reimbursement. This was a no brainer for me saving 80%. What do you need to change?

15 Insurance Deductibles

What is the deductible on your insurance policies? Do you keep it low to have less out of pocket money if a claim arises? Do

you keep the deductible high and pay less each year on the premium?

My suggestion is to keep it high, especially on your car insurance. With most companies offering a lower deductible with every so many months you have no accident, that high deductible will be lower without the higher premium.

Today, look at your finances and figure out what dollar amount you could afford to come up with in a hurry and then consider raising your deductible.

16 Renter Insurance

If you are a renter, you're probably thinking why do I need insurance? The answer is that your landlords insurance doesn't cover your personal property – TV and electronics, clothing etc. Nor does it cover things that you are personally liable for (your negligence). If you are a renter, I strongly encourage you to get this insurance. This is so inexpensive and will be a big benefit to you if you need it.

I know of many people who have had a loss of their personal stuff through no fault of their own. For a small amount of money, you could be covered versus having a big expense of replacing the damaged items.

17 Umbrella Insurance

Some of you have probably never heard of an umbrella insurance policy. This too is another low cost insurance that can save you money if you need it. Umbrella insurance covers you above your limits of your other policies. It gives you additional

coverage in case you need it. This is something that gives me peace of mind for a minimal cost. Just one accident and you could be sued for thousands of dollars. Check with your insurance agent or company today and discuss this policy and the benefits.

18 Catch Up Day

This is a busy month and I don't want you to fall behind. Use today to catch up on anything that you haven't done or need more time to do. If you have done everything then take the day off or read ahead.

19 Other Bills

Do you have other bills that I haven't mentioned that you want to take the time to go over? Now is the time to look over those bills to see if you can reduce or eliminate them.

20 Bank Accounts

Are your bank accounts insured by the FDIC (Federal Deposit Insurance Company) or by a credit union's NCSIF (National Credit Share Insurance Fund)? Make sure your accounts are protected by contacting your bank / credit union. If your accounts are NOT protected, move them to an institution that is today.

If your accounts are protected, then are you below the deposit limit? Generally, you should not have more than \$250,000 in one bank. This is per bank, not per branch. If you have more

than \$250,000 total in that bank, move some of your money to another bank or credit union.

21 Bank Accounts

Are you with the right bank for you? The best solution would be to get the highest interest rate on your accounts (this includes your checking) and pay nothing in fees. Does this sound like you account?

If not, take the time to explore what your bank offers. Maybe you are in the wrong type of account. You can either do this with a website search, a phone call or stopping by the branch. Today is the day to research your bank. With bank fees being limited with the new Credit Card Act, banks are changing and adding fees to make up for the lost income.

Local banks and credit unions rather than the big national banks are usually a good place to look for low cost accounts.

22 Banking

Are you all set with your bank and accounts? If not, today is the day to do research on other banks and credit unions and see what they have to offer.

If you are thinking about changing, you need to consider these questions

Will you bank accounts be insured?

Are the locations convenient to your life?

Do they have ATM's that are where your life takes you?

If the answer to any of these questions is “no”, then move on and look somewhere else.

Other questions that you should ask -

What is the interest rate I am receiving?

What fees will I have to pay?

What are the other fees associated with the account?

23 Reconciling Your Account

I can't say this enough, but you do need to balance your accounts at least monthly. Whether you do this the manual way with a bank statement or with software, you need to know how much money you have available at all times.

With the new banking rules about not letting you overdraw your account, this is more important than ever. It's a total waste of money to pay the bank unnecessary fees such as overdraft or uncollected funds. From today on, vow to keep great records so you save this money.

If you haven't done this in a really long time, balance your account today. For those of you who keep good records, I suggest that you monitor your accounts weekly to keep an eye on what going on. You can never monitor too much.

24 Catch Up Day

This is a busy month and I don't want you to fall behind. Use today to catch up on anything that you haven't done or need more time to do. If you've done everything, then take the day off or read ahead.

25 Annual Payments

Some bills give you the option of paying an annual payment or splitting your payment into multiple payments (quarterly, monthly etc). If you take a monthly payment and multiply it by 12, you will find that you are paying more than the annual payment. It's a service charge to not pay your bill in full. Why not be proactive and save your money so that you can make your payment in full annually and save that service charge.

I know for me, I plan these so that they don't all come in one month. They are spread out over the year. The year starts with timeshare maintenance in January, car and umbrella insurance comes in February; April is long term care and December is life insurance. All are paid in one payment to save the additional fees.

26 Add On Fees

Add on fees can be a big money drain. It needs to stop here. This can be a big issue for many. What I am talking about is those fees that you owe because you are not on top of your finances, including the fee for paying a bill late, the fee for a returned check or paying your bill the day it's due and having to pay a fee to expedite the payment. If this sounds like you, then vow to stop that right now.

Today is the day to set up your bill paying system, so that you will be on top of your finances. Think about your habits and then pick a spot to set up everything. This is what I personally do and it works great for me. I have a rack on the kitchen wall that has three sections. The bottom section is for bills that have to be paid. When I open the mail, they are immediately put

there. The middle section is for bank receipts, that includes the actual bank receipts for deposits and ATM transactions and all the debit card charges too. When the bank statement comes, I have everything I need in one place and can balance my checkbook easily. The top section is for credit card receipts. When my credit card statement comes, I can compare the receipts to the statement and check all the transactions.

Find a place and a system that works for you today. Make it work for you, so that you will use it from today forward. If you are on top of your finances, then you will not have to pay any of those add on fees.

27 Payment Reminders

Still need more help? Then set up payment reminders to remind you when a bill is due.

Did you know that it's your responsibility to make a payment even if you didn't receive the bill in the mail? Most online banking websites offer this reminder service for your online bill payments. If you don't use online bill pay, you can set up a reminder in your calendar (paper, computer, cell phone etc). Whatever you use, there is a way to do this. Figure out what will work for you and set it up.

28 Unseen Bills

These are those bills that you don't get in the mail. Those things that you are set up to automatically renew. The service will tell you that they take the hassle out of remembering to pay by setting automatic payments up for you. Yes, they do take the hassle out of it for you. But, the other side is that you might not

remember this bill and therefore don't look at it to cancel it or to shop around for a cheaper service. Examples of this can be subscriptions and memberships. Today, think about what you have in your life that happens automatically. Is it that gym membership that you bought last January that you don't use? Is it the magazine subscription that renews automatically and is billed to your credit card? What's happening automatically in your life?

29 Energy Audits

One of the greatest things I had done to my home this year was an energy audit. There were several great aspects to this. The fee was nominal (less than \$50) and our electric company offered this to its customers as an insert in their bill. The company came and did the energy audit and told me about all the energy leaks. Then, they went through my home and made the small repairs – replaced any light bulbs with CFL's (I had no idea that you could have CFL light bulbs with dimmers), caulked any air leaks, replaced the shower and sink faucets with low flow versions, put door sweeps on the doors to stop drafts, insulated the water pipes and more. All this was included in my nominal fee. I think I got my money's worth. Check with your state or utility providers to see what they are offering you.

30 Catch Up Day

Did you do everything I suggested this month? Is there anything that you want to do with your bills that I didn't mention? Do you need more time to complete anything? Today and tomorrow are the days to do this. If you done everything then take the day(s) off or read ahead.

31 Catch Up Day

This is a catch up day to finish anything you haven't completed.

Notes — use this space for any follow up to schedule, thoughts and ideas for yourself

April - Organization

You may be thinking what does organization and clutter cleaning have to do with a finances book? My answer is a lot. Are you spending money purchasing something you already own? It can be anything from unorganized kitchen cabinets and buying another spice that is lost amidst the clutter to buying a piece of clothing that you know you have but just can't find because it's tucked in the back of your closet.

April is a time for spring cleaning. The weather is getting better and you feel this energy. A good use of that energy is to start with organization. Start to go through your stuff and put order to your household. Tackle a small project a day. You will love the feeling you get from the sense of accomplishment.

This month is a time to go through your kitchen cabinets, your dresser drawers and closets, the junk drawer we all have. Do you really need all the things you have? Now is the time to sort your things into piles – keep (you need to have a place for these things), toss / recycle, donate / give away and sell.

Figure out what is the easiest and start there. Then work your way up to the big stuff.

I am going to suggest a room or area, but feel free to go out of order. Remember that you will need an area to put things during this process.

1 Stuff Area

You need to decide where you want to have an area for all the stuff you are sorting. Set up an area today for what you want to donate, give away or sell. This area will need space as you are doing your sorting.

2 Start Small

This is not supposed to be a project that overwhelms you. It is supposed to be something quick and easy. Let's start with your kitchen drawers or cabinets. Start with one that is easy and continue from there. Set a timer and start today.

3 Kitchen

Continue with your kitchen today and tomorrow. This is not a detailed organization project. The quick sort is –

Do you need this item?

If yes, keep it. If no, determine the next step

Is it working?

No, toss or recycle. Yes, is it in working order and can someone else can use it?

Then put it in the sorting area that you set up.

Not so hard is it?

4 Kitchen

Make sure to organize your food pantry. Place like items together so you will know what you have when you are planning a meal. It makes it easier when you want to write out

your shopping list. Buying an extra something when you don't need it is a waste of money. Know what you have and keep it together.

5 Living Room

Now go on to the living room to tackle the stuff. Do you have a pile of magazines that you need to go through? Do you have too many movies or CD's? This is the stuff I am talking about. Start this today.

6 Living Room

Continue with your living room and try to wrap this up today.

7 Moving On

Let's tackle the dining room today. Hopefully, this is a fairly organized area that you use just for dining. If you are using it for some other purpose you may need more organization. Start here.

8 Dining Room

Finish up with the dining room today

9 Bathrooms

Bathrooms can be anything from a powder room with minimal places to store items to large full baths that include linen closets. Toss old products that are past the expiration date. Organize what you are keeping so that you will know what you

need to buy and not be duplicating what you have in your home already. Start to tackle yours today.

10 More Time

Continue on with this bath or a second one.

11 Catch Up Day

I know that this is a lot to do in a short period of time. Keep up the good work and try to wrap up these rooms with two catch up days.

12 Catch Up Day

How are you doing with this? Doesn't an orderly area make you feel good when you see it? I like this feel feeling of order when I enter a room or open a cabinet. I can find what I am looking for quickly without wasting time to search.

13 Bedrooms

What is piling up in your bedroom? Notice I didn't say closet (that's another day). Start with the surfaces and get rid of what you don't absolutely need.

14 Bedroom Drawers

Bedrooms can be a big area. I would suggest that you tackle one drawer a day. If you have kids that are old enough, have them tackle their own room while you do yours.

15 More Drawers

Continue on with the dresser. Have your spouse or significant other do theirs as well. Two people work better than one.

16 More Drawers

I know that you cannot finish your bedroom dresser in three days, but you can get a great start. If you have more time one day than another, spend some extra time to complete this.

17 Bedroom Closet

The bedroom closet – this is not where you close the book and put it on the shelf for later. Do a quick sort with three or four piles. Pile one is the items you know you want and are going back in the closet. Pile two is to get rid of. You don't need to decide now what you are going to do with the items. Pile three is for trying on later. The last pile is for to do's such as items to take to the tailor.

18 Closet Time

Continue with your bedroom closet today.

19 More Closet Time

Try to wrap up the initial sorting of the closet today.

20 Piles 2 and 3

Pile 3 is what you need to try on. Do that today. Move clothing you want to keep back into the closet. Add items you want to get rid of into pile 2.

Move your pile 2 to the sorting area. We'll get to this later.

21 Catch Up Day

How is your home looking? You should be seeing big improvements when walking into a room or when opening a drawer or cabinet. Let's try to wrap up this area today.

22 Storage Area

Where do you keep your stuff? Do you have an attic, basement or garage? Maybe you have all three. Every home is different; you get to tackle your storage area. Pick one to start today.

23 Attic

What do you keep in your attic? Take a good look around today and see what you need to do.

24 Basement

This is my storage area. I have it pretty well organized, but from time to time things seem to accumulate here and it needs a going through. What does yours look like? Start to make a plan for your basement.

25 Garage

Yes, I have one of these too and this is my sorting area. I need to keep on top of this area or I won't be able to put the cars in the garage. What do you need to do to organize this area? Make a plan to get started.

26 Unwanted Stuff

Now you are going to tackle your unwanted stuff. Have you been keeping it in the piles like I suggested? Then you are in great shape. If not, try to get those piles together today, because you are going to tackle a pile a day.

27 Give Away

Do you have specific people in mind for specific items that you want to give away? Great! As you contact these people ask them if they want the item. The next time you see them, bring it with you. It's as simple as that.

28 Donate

Do you have stuff that you don't want that is in good shape and working order? Then check into the charities that are in your community and donate your items.

Remember, if you want a tax receipt for your donation you need to have an itemized list of the items. Check with your tax preparer for your specific requirements.

29 Sell

This is an easy day. Leave these items alone, we will tackle this project in the month of June. You can continue to add to this area.

30 Catch Up Day

You know the deal by now. Finish up what you haven't completed this month.

Now that you have gone through your home and have started this project, you will be amazed at all the things you were able to get rid of. Less stuff means less to clean. I know that when I walk into a room that is clutter free, I have a sense of peace that comes over me. I personally need that feeling after a long stressful day. The calming effect makes all the effort you have put forth to get organized all worthwhile.

Before you go out and buy more stuff, think about do you really need it, do you have a place for it, and can you do without it? If you determine that you need to buy it, can you buy it used or on sale? The first time I did this to my house, I got rid of a tremendous amount of stuff. I had items that I knew family and friends could put to good use – I gave them the item. I made numerous donations to charities, items that were in great condition but I no longer had a need for. I held a tag sale and made several hundred dollars in cash. I sold some items on Craig's List for more cash. Think of all the possibilities.

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Notes – use this space for any follow up to schedule, thoughts and ideas for yourself

July – Credit

Most people don't realize how much their credit history will affect them. You probably realize that what you do with your mortgage, loans and credit cards will be on your credit report. Did you know that your credit report is used by most landlords before they decide to rent to you? Insurance companies (car, home, renter, etc) use your credit score in determining your insurance premium in some states. Some employers will check your credit report before offering you that job you wanted. To establish your utility accounts (electric, telephone, cell phone, gas, oil, etc), they will look at your credit report, to see if you need to have a down payment or a co-signer before opening an account. The list goes on and on.

The bad news is what you did to your finances years ago will stay with you. Things stay on your credit for seven to ten years (sometimes longer). Keep this in mind as you go forward. The good news is that the longer the history and the older an item, the less it will affect your credit score. This chapter will give you some great insight into credit and get you to understand the details of what it says about you.

1 Order Your Credit Report

Today, I want you to order your credit report for FREE from Annual Credit Report. You can do this online and print the report right away, call to order your report or download the form and order it by mail.

www.AnnualCreditReport.com

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877-322-8778

P O Box 105281, Atlanta, GA 30348-5281s

Remember this is the only FREE service to get your credit report. Don't be fooled by others offering you free credit reports if you sign up for something that requires you to pay for something else.

If you do this online, be prepared to answer security questions about your credit history. Each credit reporting agency will ask you several questions that you must answer correctly to be able to get the report online. If you think you will not know the details of you credit, then order your report by phone or mail and you will be receiving the report in about two weeks.

You are entitled to one FREE credit report from each of the three credit reporting agencies once every twelve months. I suggest that you only order ONE credit report from one of the credit reporting agencies today. Then in four months, order another credit report from the second credit reporting agency. Then again, in another four months order the third credit reporting agency. This way you are seeing your credit report three times per year at no cost to you. Go to the Appendix for this date and mark your calendars.

2 Your Credit Score

Each person who has credit will have a credit score. If you are establishing credit for the first time, it can take up to a year before you build enough history to have a credit score. Many companies will sell you a credit score, but you want to be careful of what you buy. The lending and credit industries use a FICO score. This score was developed by Fair Isaac and

Company and that is what almost all of the lenders use. So the old saying buyer beware really applies here. Don't waste your money on a credit score that isn't what you need or won't help you.

Your free credit report doesn't come with your credit score. This is something that you will have to purchase from FICO at www.MyFICO.com. FICO credit scores go from the worst in the mid 300's to the best in the mid 800's. If you are planning on making a purchase that will require financing, then it would be a good idea to get your score. If you want to know where you stand or are working on improving your score, then I would order it as well.

3 What It Says About You

Your credit report is a snapshot of your personal finances on that day. This tells potential creditors how you pay your bills, are you responsible with your money, how much you owe, what type of borrower you are and more.

What do you think your report will say about you?

4 How To Read Your Credit Report – TransUnion

Your credit report from TransUnion will start out with your personal information – name, address, previous address, employment information for the last few employers etc.

The next section explains the notations above each payment month. This explains how your payment was made – current

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(ok), x (unknown), N/A (not applicable) or a number for the number of days a payment was late. Obviously, you want to have current and N/A for no payment due.

Then you get to the actual information of the report, your individual accounts and the details of the account. The account will start with a summary, such as name and contact information for the creditor, your current balance, when the information was updated, the highest amount that you have owed, your credit limit and any amount past due. Then it will go on to tell how you pay the account, the type of account, who is responsible and when the account was opened.

The next section in the individual account is a snapshot of the account. It has two main parts: a late payment summary for a specific amount of time, and then a grid for the individual payments. You can see that a person had a late payment of 30 days and see exactly when that payment occurred. Remember that the older negative information is the less it hurts your credit score. This can go on for several pages depending on the length of your credit history.

Next you will see your credit inquiries, representing who is looking at your report. Inquires for potential credit will lower your credit score, but they will be listed for much longer. The other type of inquiry which doesn't affect your credit score are for review purposes. Creditors that you have an account with are checking up on you.

There is nothing specific to do today; you will have time to look over your report later this month.

5 How To Read Your Credit Report - Experian

All credit reports contain the same type of information – your personal information, your credit accounts and the details of the accounts – but each give you the information in a different format. That’s what can make this confusing to read.

With Experian, they start with just your name, a report number and the date you ordered the report. They go right to your credit accounts with all the details. They list your account name, number and status. Then they list the details that include date opened, when the information was reported, type of account and who is responsible, the credit limit and amount owed. Experian credit reports show the balance history by month for open accounts. They continue on to list any notes about the account such as an increase or decrease in your credit limit. This can be many pages long depending on the length of your history.

Then you will see your credit inquires. Similar to TransUnion, there are inquires for potential credit that affect your credit score and the requests from your current creditors who are reviewing your credit history, that do not affect your credit score. Then Experian lists your personal information, followed by your rights.

This is just information for you to understand. If you are following my suggestion to order your credit report three times per year, you will not have this report for four months.

6 How To Read Your Credit Report - EquiFax

And the third credit reporting agency is EquiFax. This report starts off with a summary of your information, giving you the overall look of your credit history. Then it gets to your individual accounts starting with the largest type – mortgages and then going to smaller accounts. The smaller accounts begin with your installment accounts – auto loans and then continue with your revolving account / credit cards. The details of each account are reported in this section.

This is followed by your recent inquires. Next comes your negative information such as collections and public records. Don't panic, it will state that you have no negative information if you don't. Lastly, your personal information will appear and then your rights.

I know that this is a lot of information for you to absorb in five minutes. I am giving you a lot of information that you will benefit from knowing. But you don't need to know it all at once. You have the book, so you can go back to it when you need it.

For this report, you will not need to act on this until eight months from now. Please see the appendix section to mark your calendar appropriately so that you order your credit reports three times per year.

7 What Makes Up Your Credit Score #1

Your FICO (Fair Isaac and Company) credit score is made up of five factors. For today and the following four days I will tell you in detail about one factor.

The first factor is your payment history. This is the largest part of your credit score and represents 35% of your score. This is simple, how you pay your bills reflects on your credit score. Bottom line, pay your bills on time (or early) and don't risk having your credit score lowered by being late.

Set up payment reminders. Pay your bills online and set them up in advance. Do whatever it takes to get the payment there timely, so this will not be an issue for you.

8 What Makes Up Your Credit Score #2

This factor of credit utilization represents 30% of your score, but this is playing a significant role in this economy for many.

How much of your credit is being used? Do you know? Add up what you owe on all your credit cards and then add up all your credit card limits. Divide what you owe into your limits and come up with a percentage. The higher this number the more it negatively affects your credit score. Yes, you need to use your credit to keep good credit, but carrying large balances month to month is not seen as good. My suggestion is to keep this number lower than 25% to keep your score high.

I understand that in recent months before the Credit Card Act went into effect creditors were lowering credit limits in many cases. You need to work on getting your balances paid down.

Set up a plan to put extra money towards paying off your debt. This should be a high priority not only for your credit score, but for your financial well being.

9 What Makes Up Your Credit Score #3

Fifteen percent of your credit score comes from your credit history. If you are just starting to establish your credit history there is not much that you can do with this one. For those of you with established credit, you build your history over time with what you do (or don't do). You are considered much riskier with a new credit card that has only been opened for a few months versus one that you have had for many years. Time builds this factor.

10 What Makes Up Your Credit Score #4

Your credit mix is worth 10% of your credit score. Your credit mix is what types of credit you have, such as unsecured credit (credit cards, student loans etc) versus secured credit (mortgages, car loans etc). Secured credit is when you borrow money and the creditor has something of value that insures the loan in case you don't repay. A mortgage is secured by the home; a car loan is secured by the car. The creditor can take steps to take that secured item for repayment if you do not make the payments. Your credit score wants to see a mix of credit types for this factor.

11 What Makes Up Your Credit Score #5

The last factor is the new inquiries and represents 10% of your credit score. If you are opening new accounts, each creditor will

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create a new inquiry on your credit report. In turn, your credit score will be lowered each time, for a short time.

When you are shopping at a store and your sales persons asks you if you have an account with them, don't automatically open a new account for the discount. Think first. If you open accounts with every store you shop at, you will have many accounts and many inquiries and a lower credit score, especially when you do this in a short period of time.

If you are in the market to purchase a car or a home and a few months earlier you went shopping and opened several new credit accounts, this could hurt your chances of being approved for the car or home loan. If nothing else, a lower score can give you a higher interest rate on these big loans. Be aware and think about what you do.

Here is an actual money example to show you what a higher credit score will mean to your wallet –

Car Loan – 4 years for \$20,000

Good Credit: 5.1% interest rate versus Poor Credit: 15.8%.

Payment will be \$103 more per month, \$1,236 more per year or \$4,944 over the life of the loan.

12 Collection Items

If you have collection items on your credit, then you need to consider this before taking action. A collection item on your credit is something from your past. Are you in a better place and want to deal with this once and for all?

READ THIS – take a moment to think about what is happening in your financial life now and what your plans are for the next several months. Are you going to be making a major purchase with financing? If the answer is yes, then you need to read very carefully.

You might think settling a collection account is a good thing to do. Yes, it is – but only handled in a specific way. Let’s say you are going to be purchasing or refinancing your mortgage in a few months. Have a conversation with your mortgage person and attorney and be honest that you have a collection item you need to settle and how best to do this.

When settling your old collection item, you are bringing the item to the current date. As I mentioned earlier, current items hurt your credit score more than older items. If you do this now and then apply for your mortgage your credit score might be too low to get you the best terms. Some mortgage companies will have you pay them at the closing (so that they know the item is settled). This is to your advantage. Your credit score is not affected before the mortgage and your collection is settled.

13 Where Do You Want To Be?

Now that you see how much money you can be saving, what are you going to do today to start to improve your credit?

Write your goal here

What is the first step you are going to take today?

14 Read Your Report

By now, you should have received your credit report from TransUnion in the mail. Take today to read through your report and make a note for questions or information that you need to research yourself. You may want to refer back to July 3 for tips.

15 What Did You Find

It's reported that three quarters of credit report contain wrong information – from errors of incorrect employer to accounts that are not yours. Serious errors in information could result in a decline of your credit application. Be proactive and check your credit report for errors and misinformation.

16 Catch Up Day

Do you need more time to read through your credit report? Take today to finish up going through your report.

17 Correcting What's Inaccurate

Typically there is something that needs to be corrected on everyone's report.

Let's start with information that is incorrect. Are there accounts that are yours but contain specific information that is wrong? Is there a payment that is reported as late, that you believe is

incorrect? Today is the day to get out your information such as proof of payment, bank statement, cancelled check etc. that proves the payment was made timely.

Get out your bill and compare it to the payment. Does it support what the creditor said or is there an error? Keep this information for a future step coming up.

18 Catch Up Day

Do you need additional time to go through your records to find the proof? Take today to do that.

19 Disputing What's Not Yours

Now we'll tackle what's not yours. Do you have accounts listed on your credit report that are not yours? This would assume that you have no idea what the account is – you have never heard of that company, you have never dealt with that bank, etc. First, take a minute to see if the account number matches something that you have with a different name. It's not unusual as banks are bought out for names to change, but your credit card might be slow to catch up. For retail accounts, to have the store you have a credit card with to have it serviced by a bank and the bank name appears on your credit report.

Take today to try to solve the mystery by contacting the individual creditor.

20 Moving On

If you still have unresolved questions on an account that you don't believe is yours, then you need to dispute the information with TransUnion (since that is the report we are working with).

Each credit reporting agency has a procedure for dealing with disputes. Check the back page of your report from TransUnion for the details of how to dispute an item by mail or by phone. You will need to provide your personal information along with your file number. Your file number can be found on the top right of your credit report.

21 Preparing Your Dispute

You need to file your dispute with the appropriate paperwork. This is where your new filing system and organizational skills come into play. Follow TransUnion's instructions and submit your information.

When you submit your dispute to the credit reporting agency, they will forward your claim to the creditor. There are three possible outcomes for your dispute. First choice is that your proof is correct and the creditor will update their records and in turn update your credit report to reflect this newly corrected information. Hurray!

The second option is that the creditor disagrees with you and the information on your credit report stands. Not too much you can do about this.

The third and last option is that there is no response at all. This happens more often than you think. It's my understanding that

the credit reporting agency gets to determine what (if anything) will be corrected. Since this is a third party, your information and documentation are crucial for a determination.

Now you can understand why being on top of your finances and having your documentation in order can play a huge role in your finances both now and in the years to come.

Note: You only have 30 days from the date of your credit report to file a dispute. Do this today and tomorrow if needed.

22 Catch Up Day

This chapter was not meant to overwhelm you but to inform you. Catch your breath and take time to recover today, you deserve a day off.

23 Theft

You are probably asking what this has to do with your finances and especially credit. My answer is a lot! I am going to spend the rest of this month talking about things you can do to protect your finances from theft.

Let's start with where you keep your information. By your information, I mean where are your credit cards, extra checks, bank statements, investment account paperwork, social security and medical insurance cards etc. If you say in your home, I want a more specific answer. Most people I speak with say in a drawer. Wrong answer!

Think about all the people that come into your home – the family, friends, housekeeper, babysitter, repairmen – the list

goes on. Do you have the time to watch them every second they are in your home? Probably not. If they wanted to, could one of these people snoop around and find your personal information? Are you getting the picture?

Look around your home today to find a secure place to keep your financial records. Do you have a safe? How about a locking file cabinet? Figure out where to keep your valuable information so that it is safe, secure and easily accessible only to you.

24 Trash

What are you tossing out? Shred your information so that others can't retrieve it. Dumpster Divers are people that will look through trash to see what they can find of value. Don't let this be you. Purchase a shredder today.

25 Passwords

How secure are your passwords? Can they be easily guessed? When is the last time you changed them?

Passwords should be something that is not public record, like your mother's maiden name (this is on your birth certificate), not your telephone number, date of birth, etc. Never keep a list of passwords where someone can find them. If you must keep a list, write down a hint and not the actual password.

The most common passwords are numbers in numerical order (123456 or 987654), the actual word "password", abc123, welcome, welcome123 etc. A strong password should contain

numbers, both upper and lower case letters and symbols (if allowed) and should mean something to you and only you.

Today change your passwords to more secure ones that are not easy to guess.

26 Computers

Staying along the lines of your password, what computer are you using? I don't recommend that you use a public computer (or anyone else's) for your secured transactions. Never use the computer at your hotel, library etc to check your bank accounts, or view your credit card statements, etc.

These are public computers and you don't know what is installed on that particular computer. There are programs that will allow people to keep track of each and every key stroke you make. Someone could get your passwords without you knowing it.

Think ahead of time for your needs before you leave the house and find you have a need to use another computer besides your own – this includes the office one.

27 Virus Software

New viruses are being developed every day. To hopefully stay one step ahead, make sure you have the latest virus protection software on your computer AND run updates weekly. Virus software is only good if it's current.

If you haven't done this in a while, run an update today. If you don't have updated software, buy the software and install it today.

28 Monitor Your Accounts

Something that I personally do weekly is to monitor my accounts. I go online (from my home computer) and check my accounts, both bank and credit cards. I actually look at the individual transactions to see what is posted. Is there anything that I don't recognize? Get in the habit of this and check even if you haven't used the account. You never know who has.

29 Your Phone

Do you get calls asking for your personal information? NEVER give out your information unless you have initiated the call. You don't know who is calling.

A while back I opened a new bank account and the bank called to ask for my driver's license number. I politely answered that I would be happy to give them this information the next time I stopped by the bank.

They will understand if the call is legitimate. There are products on the market that you can purchase that you control the numbers that appear on someone's caller ID, changes the sound of your voice and more for a really low cost. So don't trust the caller on the line if you don't make the call.

30 Mail

Sounds simple enough, we use the mail all the time for legitimate purposes. But others don't and you have to be aware and take precautions.

- Don't put your outgoing mail (especially bills) in your mailbox for someone to steal. Take it to an actual postal mailbox to mail.
- Don't bring your mail to work to be mailed. Many companies have the mail sitting on the counter for anyone to take. Again, take it to an actual postal mailbox to mail.
- Don't leave your incoming mail in the mail box all day for others to be able to grab. Talk to your Post Office about what you can do (locked mailbox, slot in your door etc). Maybe have your mail sent to a P O Box.
- Look at your mail promptly. Did you get a declined credit offer when you haven't applied for credit? It could be a sign that someone may be attempting to open a credit card in your name.

There are many ways to steal someone's identity, don't make it easy on them.

31 Credit Freeze

A credit freeze is something that you can do so that your credit report cannot be seen by potential creditors. This will prevent anyone (including you) from opening a new account. Therefore, this will limit the amount of exposure in cases of identity theft.

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First, you need to determine what you are planning on happening financially in the next year of your life. If you say that you might be buying a car and need financing, purchasing or refinancing your home or anything else that requires you to have a creditor see your credit report, then this is not the time to freeze your credit report. If you are not expecting anything, then you may want to freeze your credit.

A credit freeze is something that you can do with each of the three credit reporting agencies for a fee. No one will be able to give you credit since your credit report cannot be accessed. There is a fee to each of the three credit reporting agencies to do this, and the fees vary by the state you live in.

In addition, there is a fee to unfreeze your credit report to each of the three credit reporting agencies. This is why you don't want a freeze if you are in search of credit. It could be costly to freeze and unfreeze your credit.

Determine if a credit freeze is right for you. Today, get the details and costs for your state.

Notes — use this space for any follow up to schedule thoughts and ideas for yourself

Take Charge of Your Finances in 5 Minutes a Day

Each year do you decide to improve your finances? Then something happens and you are in the same place you were last year. Thrive In Five: Take Charge of Your Finances in 5 Minutes a Day will help you change that with daily, short tips that will take you five minutes or less to improve your credit score, spend less, and save more money, while getting organized.

Thrive In Five: Take Charge of Your Finances in 5 Minutes a Day

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