

# 7 DAY CHALLENGE TO FINANCIAL ABUNDANCE



# Introduction

Finances are probably the single thing we think most about. Worry is the more appropriate term. Day in and day out, we worry about mounting bills and rising prices. We fret about mounting credit card debt. We wonder what unexpected expenses lurk around the corner and whether we can make ends meet.

These are common fears that everyone experiences across the board regardless of income and individual circumstances. However, saying they're common doesn't make them healthy or okay. Financial anxiety is a negative sign of the times. It's an indicator that more and more people are developing poor financial habits and are struggling to make sound financial decisions.

## ***10 signs of bad financial habits***

Check out these 10 red flags that signal that bad financial habits may be behind your perpetual stress and worry. Reflect on how many of them apply to you, and naturally, the more of these

habits you practice, the higher the negative impact they'll have on your life.

1. You typically live from paycheck to paycheck.
2. You don't have a fixed budget or if you do, you don't stay within it.
3. You put a lot of importance on 'keeping up with the Jones'.
4. You don't have a savings plan because you don't think you can afford one right now.
5. You don't have a system for consistently paying off debts.
6. You own more than 3 credit cards.
7. You make big buying decisions on the spur, for example, a new car or home appliance.
8. You don't plan for special occasions like birthdays, weddings, and holidays.
9. You don't plan for emergencies.
10. You spend extra income like bonuses on special treats or shopping sprees.

### ***The 7-day abundance challenge***

If your finances are a mess and your life is a constant struggle to make ends meet, this 7-day challenge can change your life forever. It consists of 7 practices that will empower you to cultivate great financial habits and make wise monetary decisions. As a result, you'll achieve financial stability and abundance.

A word of warning here: This book doesn't promise to make you wealthy overnight or offer a magic formula for making money. The goal is to help you achieve abundance within your circumstances and income by better managing your finances. Your first thought may be that this isn't possible for anyone. Prepare to be surprised!

### ***Why is good financial management important?***

The short answer consists of one word: security. Financial stability creates a strong sense of emotional security that spills over into every area of your life. Knowing you are on track financially strengthens your purpose and motivation to work harder and find bigger and better opportunities for financial success. You remain hopeful and recognize the abundance you already have in your life.

The 7-day challenge brings you peace of mind by putting you in control of your finances rather than allowing them to control you. But what's truly amazing is that the habits you cultivate will stay with you for the rest of your life. Let's move on to day 1

# DAY 1 - Practice Smart Budgeting

Everyone does it; governments, multinationals, online businesses, and even your local mom-and-pop store has a budget. Budgeting is the fundamental foundation for good finances. It makes sense that creating a budget that works for you is the first essential step.

The key to creating a budget you can stick to is personalization. No two lifestyles are the same and therefore, it's important to be creative and personalize how you categorize your expenditures. So, there are 5 main categories you need to include:

1. Food
2. Utilities
3. Other fixed expenses (debit and credit card payments, lunch money and allowances for kids, subscriptions, and memberships, etc.)
4. Other non-fixed expenses (birthdays, clothing, leisure).
5. Savings

These 5 categories are self-explanatory and naturally, differ from lifestyle to lifestyle. Your challenge for day 1 is to create a smart budget that works for you using the following tips.

- **Personalize.** Make a bulleted list under each category and your monthly expenditure for each item. You can be as general or as specific as you choose. However, taking the time to be specific can pay off by giving you some useful insights into your spending habits that you can use to your advantage.

For example, under the food category, you can list your expenditures for meat, poultry, dairy products, pre-prepared foods, and so on. You could then consider curbing your meat expenditure by buying cheaper cuts or cutting down your weekly intake of meat. The money saved could then go into your savings account or emergency fund.

- **Be flexible.** Of course, you should stick to a fixed budget as much as possible but bear in mind that this isn't carved in stone. During the winter months, you could tweak your budget where you allocate more for utilities – and those exorbitant heating bills – while cutting down on things like ordering in or eating out. Flexibility coupled with personalization is a powerful tool that will keep you on track and help you develop good spending habits.

- **Pay off debts.** Flexibility applies to everything except debt. A fixed sum should be allocated for credit card payments, loans, or any other outstanding debts. These must be paid off diligently like clockwork. It may be rough going for a while but when you're finally debt-free, think of the huge load off your shoulders, plus the more money you'll have to allocate to your budget.

- **Seek professional advice.** If you feel overwhelmed and don't know where to start, hiring a financial advisor is the best investment you can ever make. A financial advisor will ask you relevant questions to identify your spending habits, give you helpful tips, and customize a monthly or weekly budget that will meet all your needs.

## DAY 2 - Get Out of Debt

Outstanding debts and accumulating interest on debt are a sinkhole that will kill you financially. Your challenge for day 2 consists of taking action to create a system for getting out of debt and making this a top priority.

Becoming debt-free and staying debt-free is one of the most liberating things you can do for yourself. You're able to take on new pursuits with confidence, invest, save, and most importantly, plan so much better for the future. Consider the following action steps.

- **Address big debts first.** Student loans, bank loans, and other big debts need to be tackled first because they may require some time to pay off and the sooner you get the ball rolling, the better for you in the long run. Calculate the minimum sum you need to pay or put aside monthly and factor it into your budget.

If you have more than one big loan to tackle, it may be possible to get an extension on one of them, as is the case with some types of student loans and even bank loans. Naturally, paying them off



will take longer but it will take some of the pressure off if you have no other option.

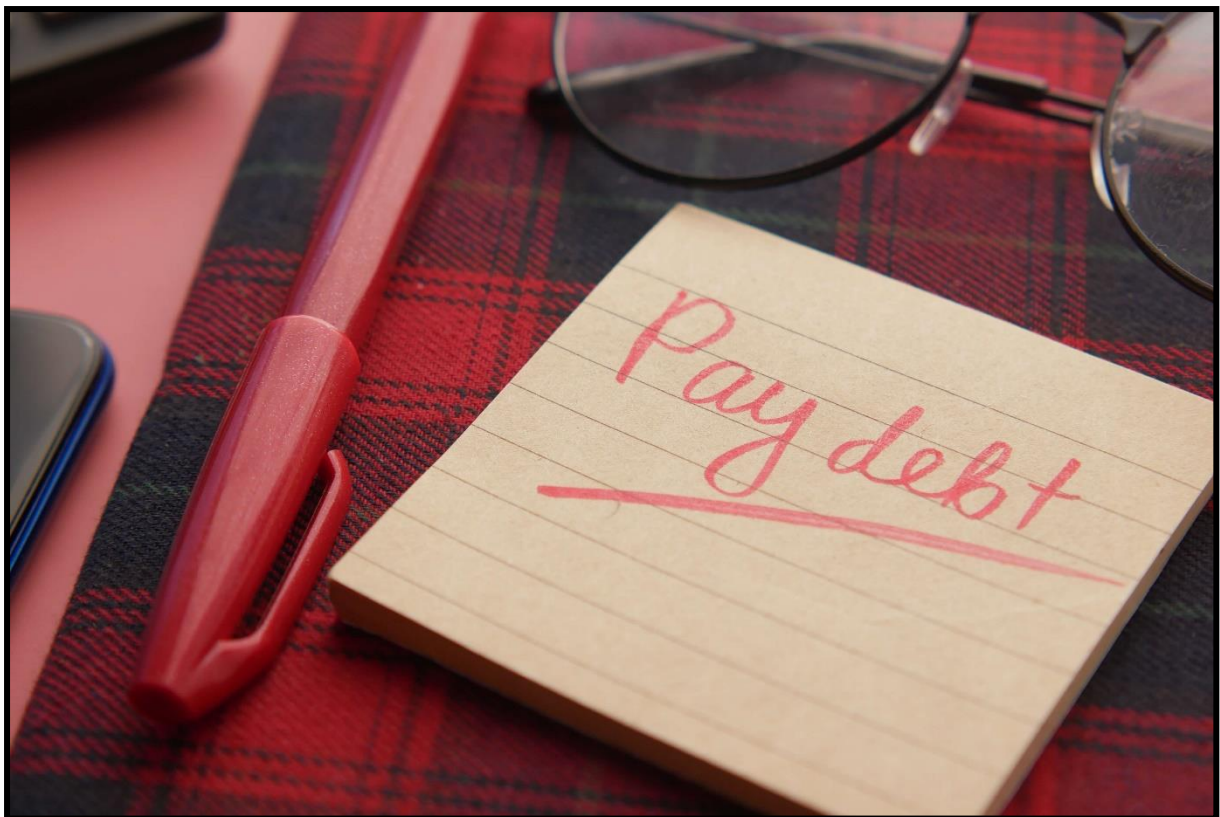
Getting out of big debt needs to take priority in your budget so that you're steadily paying it off without fail. It may be a long haul but seeing your debt getting smaller by the month will give you tremendous peace of mind.

- **Put all extra income into debt settlement.** This includes bonuses, profits, and even Christmas money from your grandparents! It's astonishing how even a few dollars here and there can quickly add up. Putting this money toward debt payments will help you pay off bigger chunks. You can consider creating a separate account called 'loan fund' into which you put any extra income. You can also transfer interest from your savings into this account.

- **Find a side hustle.** All you need for this is a computer and the comfort of your own home! A side hustle is an online scheme that can earn you extra income with little effort, which you can put towards debt payments.

There are dozens of ways to make extra money online with little or no experience. Affiliate marketing is one of the most popular but do check out other schemes as well.

- **Consult a financial expert.** This is another case where you may need to seek expert advice, especially if you have more than one big debt or are in arrears.
- **Prepare for a rough ride – but let the result keep you resilient.** Let's be honest and not mince words. The deeper in debt you are, the rougher the ride is going to be. A student loan, for example, could take years to pay off. Being mentally prepared for a period of struggle will strengthen your resilience and keep you on track. Stay motivated by keeping the end goal in mind, – being home-free and debt-free at last!



## DAY 3 - Simplify Your Spending

We often think our budget is as tight as it can get and that there's no room, to cut corners or curb spending short of really depriving ourselves and our families. This challenge could surprise you by proving how wrong you are.

All you need is a notebook, pencil, and some out-of-the-box thinking. List all your monthly expenses in detail and beside each one, jot down one or two ways to simplify them. Here are some suggestions to consider.

- **Reflect on the degree of necessity.** We sometimes see certain things as necessities because we take them for granted. Ask yourself questions like the following to identify whether something is a necessity:

- Do you need a subscription to both Netflix and Amazon Prime?
- Do we need a TV in multiple rooms?
- What cheaper or double-duty brands can you switch to?
- How much can you save by eating out once a month instead of 3-4 times?

- What duplicate gadgets can you get rid of to save time and money on cleaning and maintenance?
- Is that gym membership worth it if you go on and off?
- What subscriptions are you paying out of habit but don't make the most of?

Ask yourself questions like these to simplify your expenses in various areas.

- **Simplify your home and routine.** A minimal-style home free of clutter can skyrocket your emotional and mental well-being but can dramatically curb your spending as well. One TV in the family room, fewer PCs in the house as well, and fewer kitchen gadgets can help you spend less on electricity and maintenance, for example. Limiting the number of hours kids spend in front of the TV or computer can curb electricity and internet bills – and allow for more family time and bonding.

Home cooking rather than eating out or buying pre-prepared meals is a big money-saver and a fun activity to engage the whole family. If possible, walk or cycle whenever you can. These are examples of activities that can simplify your life and bring you more enjoyment while helping you put more money toward savings or debt payments.

# DAY 4 - Savings and Emergency Funds

Setting something aside for the future and rainy days is vital for your security and peace of mind. You should strive to do this regardless of your income because it can be a lifesaver in the long run. Always remember that a good savings plan is the foundation for financial security.

Never make the mistake of equating savings with emergencies. Unfortunately, far too many people do this, dipping into their savings to cover unexpected expenses. Having two separate funds is the essence of wise financial planning, and your challenge for day 4 is to set up these two accounts. Here are some suggestions to guide you.

- **Follow the 10% rule.** Financial experts tell us that ideally, we should put a minimum of 10% of our income into savings. 10% is low enough not to put a strain on your budget but high enough to quickly accumulate.

Of course, the more the better. People with bigger incomes may allocate 20% or more without straining themselves or their budgets.

Your challenge is to decide how much you will allocate and divide it between two separate funds. The first is a savings fund for future security or a big purchase like a new car. This is not to be touched under any circumstances. The second is an emergency fund for unexpected expenses like your boiler breaking down, a medical procedure, and so on.

For example, if you opt for 10%, you can allocate half of that for savings and the other half for emergencies, or 7% alternatively, and so on. It's up to you to customize this to your needs. The only rule is to make those payments without fail.

- **Factor in special occasions.** Plan for special occasions like birthdays, anniversaries, and baby showers by putting a little more into your emergency fund a few months ahead of time. That way, you are not caught off guard and forced to delve into your savings or pare money from your budget.

- **Consider investing.** Investing in stocks, bonds or property can be a robust addition to your savings by putting the interest from these investments into your account or emergency fund.

- **Be patient!** If your income is small and the 10% you put away seems negligible to you, don't be disheartened. At the very least, you will have instilled a powerful habit that will help you find security and recognize the abundance in your life. Additionally, meagre savings won't stay meagre forever. Be patient and prepared to be amazed after a year or two!

- **Get a savings app.** Spend a fun hour online checking out the wide variety of apps available to suit all tastes and preferences. Some features include real-time updates on deposits and interests, the breakdown of your deposit history, and the ability to schedule automatic deposits. There's even one app that automatically deposits small changes from shopping transactions directly into your savings account. How cool is that!

# DAY 5 - Avoid Overspending Triggers

Overspending...it's the curse of our consumer-driven culture and possibly the worst financial habit of all. It's one of the key causes of debt, the inability to stick to budget, and the inability to save. It's also a huge stressor because naturally when you overspend, you end up feeling guilty and struggle to get back on track.

The challenge for day 5 involves gradually rewiring your brain to gradually replace the habit of overspending with one of prudent and wise buying. The following action steps will help you set the wheels in motion.

- **Get rid of your credit cards.** Have you ever wondered why it's so easy for almost anyone to get a credit card? Gone are the days when you were required to give proof of a good credit history. With very few questions asked, your card is mailed right to your door. Credit card companies make it easier for you to overspend because they make billions off interest payments.

Owning multiple credit cards gives you the illusion that you have more to spend but more dangerously, that you're in control



because you can play the juggling game and use one card to pay off another.

There's only one solution – ditch all your credit cards except one. This is a great way to simplify your life and put you in control of your spending. Stay on top of payments diligently and ideally, avidly make new purchases until old ones have been paid off.

- **Don't fall victim to advertising hype.** Black Friday, special offers, limited-time discounts, spring sales... online and offline, day in and day out, we're bombarded with temptations to buy and buy more. Did you know that advertising companies hire psychologists who know just how to hit the right triggers to make you buy their product even if you don't need it?

Breaking free of the advertising hype snare is as simple as training your mind to ask one question: Do I need it, or do I want it? It may not be so simple if you're in the habit of whipping out your wallet without a second thought!

The next time you're tempted to buy something because the offer seems too good to be true, pause and reflect honestly. If it's something you need, do a quick calculation of how you'll manoeuvre your budget around the purchase. If you merely want it, exercise your willpower, and avoid the temptation. Over time, this great habit will come naturally.

- **Know your weak spots.** For some of us, it's clothes. For others, it's phones, gaming accessories, or beauty products. Whatever your weakness is, recognizing it is the first step to breaking free of its control. If it's something you don't need or is too expensive, consider saving up to buy it later, or exercise your willpower and walk away! You can also avoid temptation by avoiding stores where your 'weaknesses' are sold.

## DAY 6 - Make Smart Buying Decisions

Buying fruit out of season is a bad buying decision. Purchasing fruit in season (perhaps in bulk for freezing and making preserves) is a good buying decision. Buying a cheap, mediocre-brand refrigerator is a bad decision, whereas opting for a top-quality brand guaranteed to last for years is a good buying decision.

You probably make buying decisions every day but the difference between a good one and a bad one can have a negative or positive impact on your finances. Grow the habit of making good buying decisions by considering the following:

- **Make sure the timing's right.** Investing in property is an excellent decision if the timing is right when the market is stable and is not at an abnormal peak. Likewise, end-of-season sales are an opportunity to stock up on clothing for the next winter or summer. These are examples of how the right timing can make a good purchase even better.

- **Invest in quality.** Never skimp on quality when it comes to important purchases like a washing machine, mattress, or winter coat. Items such as these may cost more initially but will last longer and withstand a lot of wear and tear, so investing in quality will save you more money down the line.

- **Do your due diligence.** It pays off to do some due diligence before making a big purchase. This may include things like a new car, a boiler, or hiring a contractor to repair something in your home. Reflect on the purchase you want to make and list exactly what you want to get out of it. Next, set a price range within which you're able to manoeuvre. Don't rush! Take the time you need to compare prices and offers, make inquiries, and ask pertinent questions. Narrow down your best 2-3 options and make your decision.

**A word of warning.** Be careful not to drown yourself in too many details where you become too overwhelmed. Gather only the basic information you need to cover your requirements, narrow down the options, and move ahead.

## DAY 7 - Plan Ahead

Once you've begun cultivating good financial habits with the 6 practices discussed above, you'll find that you enjoy more financial security and stability. Your challenge for day 7 is the final step that will pull it all together to help you maintain that stability and create more abundance in your life. The alternative to planning for the future is remaining where you are. Granted, you're not doing worse but you're not doing better either. Never adopt that mindset, even if you are doing well and are content with the status quo.

In these fast-paced volatile times, you must plan and be equipped to deal with change. You can do that by taking the following action steps:

- **Do regular self-audits.** The goal of these audits is to review your overall status and make any necessary modifications. These should be done monthly or bi-monthly. Make sure that you're on track with your budget and review your savings and emergency funds. Review your expenditures and whether any could have been avoided.

Next, ask yourself if you're where you want to be right now, where you want to be in X amount of time, and what you need to do to get there. More importantly, make sure you're on track with any debt payments you have.

- **Look for discrepancies.** Recurring discrepancies include things like exceeding your budget for several months in a row. Mounting bills or falling into arrears with credit card payments are warning signs that you're heading for trouble. Quickly plan to address these issues before they get out of hand by pinpointing the cause and planning how to eliminate them and how long it will take. For example, you could forego depositing money into your savings or emergency accounts for several months until outstanding bills are paid.

- **Plan investments.** Investing your savings is a great way to create long-term abundance and even wealth. Whether you choose to invest in stocks, bonds, property, or a personal retirement plan, it's always good to get expert advice beforehand. Additionally, make sure that the timing is right and that you're knowledgeable about the sector you plan to invest in.

Set milestones and long-term goals. Planning to buy a new car or install air conditioning throughout the house? The best way is to set milestones you can gradually work towards so that you don't

overstretch yourself or break the bank. That would defeat the whole purpose of this challenge! Milestones motivate you to stay on track and once achieved, fill you with a tremendous sense of achievement and pride.

Planning also includes your big life goals whatever they may be; early retirement, starting your own business, buying a farm, and living in the countryside, or becoming a millionaire. Think big and believe that your goals are achievable if you're patient and plan wisely. Good financial habits and decisions will ensure your steady progress toward the realization of your dreams.

# Conclusion

Everything discussed in this short book can be summed up in two simple statements. Good financial habits lead to good decision-making, which in turn leads to financial stability, emotional security, and tremendous peace of mind. Bad financial habits lead to poor decision-making, which in turn leads to instability, worry, and stress because you remain stuck in place. Choosing the better of these two categories is a no-brainer.

This 7-day challenge is so powerful because it changes you from the inside out. Rather than address external factors, it changes your mindset and approach so that you're better able to address and control those external factors. Scientists tell us that it takes 3-4 weeks for a new habit to form and become permanent. Be patient and practice the steps in the challenge every day to begin your transformation.

The change won't happen overnight, but you will notice a gradual shift in your thinking as your brain begins to adopt the new habits and release the old ones. You may struggle at first,



especially if you're in debt but as the new habits begin to kick in, you will find the motivation and resolve to keep going.

You've been a victim of bad financial habits for too long. They've been holding you back from achieving your full potential and finding true fulfilment. Never believe that your financial goals are no more than far-fetched dreams or wishful thinking. This 7-day challenge will make them a tangible, achievable reality. So, what are you waiting for? Isn't it high time to start your journey to financial success?

## **Want To Learn The Secrets To Developing Smart Financial Habits?**



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