
The Total Money Makeover Summary PDF Cheatsheet —

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? 1. Build a Mini Emergency Fund First: Start your financial journey by saving \$1,000, creating an initial safety net

- Save \$1000 starter emergency fund within a month.
- Focus on this first step and don't dilute your financial efforts.
- Cultivate "gazelle intensity", exert your total effort towards getting out of debt.

?? 2. Tackle Debt with the Snowball Method: Begin paying off your debts in order from smallest to largest, to build momentum and motivation

- The Snowball Method involves paying off debts from smallest to largest, excluding your mortgage.
- This approach maintains motivation through quick wins and increasingly challenging milestones.
- The envelope system uses cash-filled paper envelopes for each spending category, helping you effectively track your finances.

?? 3. Complete Your Emergency Fund: Aim to save 3-6 months' worth of expenses, to secure your financial stability

- Save 3-6 months of expenses, depending on the stability of your financial situation.
- Keep it easily accessible for emergencies in a money market fund.
- Take time to cool down before using it.

? 4. Set Aside 15% For Retirement: Dave Ramsey's personal strategy is to invest 15% of income, ensuring a comfortable retirement

- Save 15% of pre-tax income for retirement.
- Invest in growth stock mutual funds with a 10+ year track record of 12% returns.
- Allocate 25% each to: growth and income funds, growth funds, international funds, and aggressive growth funds.

? 5. Start Saving for College Early: Plan for your children's education by setting up college funds, to avoid future student loan burdens

- Avoid student loan debt by saving money any way possible and applying for all scholarships.
- Use Educational Savings Accounts (ESAs) to speed up your savings, tax-free.

? 6. Pay Off Your Mortgage Early: Accelerate your journey to total financial freedom by paying off your mortgage sooner

- Pay off your mortgage early to finally be free of debt payments.
- When buying a home, pay cash by "living like nobody else" for a few years, or stick to a 15-year fixed-rate mortgage.

? 7. Balance Fun, Investing, and Giving: Maintain a healthy financial life by balancing enjoyment, wise investing, and generosity

- We can use wealth to buy fun things, grow our investments, and give back to others.
- To remain psychologically healthy, money must remain a secondary priority to relationships.

This is just a sample!

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