

The 30-day financial cleanse.

The first step to lifelong financial health.



charles
SCHWAB

Own your tomorrow.

Detoxing your finances.

Lately many of us have joined in the “cleanse” movement. From our diets to our closets to our filing cabinets, we’re cleaning up our acts and reaping the benefits. My own positive experience with a 30-day food cleanse turned me into a believer—and turned on a lightbulb as well.

Because I felt better, stronger, and more in control of my physical health, it occurred to me that this same type of focus and discipline could also be the key to supercharging one’s financial health.

It’s not hard—and it can be transformative. In fact, research shows that financial stress can negatively impact your health. Changing your money habits could literally change your life. Are you ready to feel better? Let’s get started!



Carrie Schwab-Pomerantz strives to inspire Americans to take charge of their finances, spend less, and save more for their future well-being.

WEEK 1 Setting the stage.

If this were a food cleanse, you'd start by cleaning out the refrigerator. To start your financial cleanse, temporarily put away your credit cards (don't worry, you'll get them back at the end of the month) and use cash for your day-to-day expenses. You'll also keep a written record of where your money goes.

- ❑ Look at your calendar and think about your day-to-day expenses for the week—things like lunches out, hair appointments, morning coffee, outings with your kids, date nights, and impulse purchases.
- ❑ Put away your credit cards and go to the ATM to get enough cash to cover those expenses. This is your pocket money for the week.
- ❑ Create a tracking system for your cash, whether you use a notebook, an app, or a spreadsheet.
- ❑ Pick one area where you can cut back, and commit to it. For example, you may not need to go out to lunch every day. Can you save \$10–\$20 here or there? It all begins to quickly add up.



Throughout Week 1, stick to your cash diet as much as possible. If you absolutely have to use a credit or debit card or e-pay system, add the amount you spend to your tracking system.

WEEK 2 Tracking your spending.

For the first week of your financial cleanse, you were only focusing on your out-of-pocket spending. Now you need to see where all your money goes. When was the last time you added up all your monthly bills? Well, now's the time!

- Start tracking your essentials as well as your discretionary expenses. If you have a stack of bills, go through them. If you have most of your bills on auto-pay, check recent statements. From mortgage or rent to utilities to insurance premiums to subscriptions and club memberships, add up all your monthly expenses.
- Make a budget, by category, separating out your essentials from your nice-to-haves. This should include your monthly expenses like household items, car maintenance, tuition, pet care, and medical costs. And don't forget to prorate expenses that only come up once or twice a year, such as property taxes or insurance premiums.
- Compare your total monthly spending to your monthly income. Are you in the black or the red?



Throughout Week 2, keep your budget in mind. When you're tempted to go beyond it for a particular purchase, ask yourself if it's worth blowing your budget—and how you'll pay for it.

WEEK 3 Stating your goals.

At this point, you should have a better idea of where your money is going. Now it's time to think about where you'd like it to go. Don't be afraid to dream a little, but also be realistic. You want your goals to be things you can actually attain.

- ❑ Establish one primary short-term goal, something you'd like to achieve within a year. This could be as broad as setting up an emergency cash cushion or as specific as saving for a vacation.
- ❑ Establish one primary medium-term goal that you'd like to realize within three to five years. This could be a down payment on a house, or seed money for a new business.
- ❑ Establish one primary long-term goal, one that's pretty far in the future. Retirement might be right up there, or a child's college education.
- ❑ Assign a dollar amount to each goal.



Throughout Week 3, as you continue to spend mindfully, think about where you might be able to cut back in order to direct more money toward these goals.

WEEK 4

Maintaining your momentum.

Congratulations! You're well on your way to having greater awareness of how you're spending your money. So now it's time for a little soul searching as well as some practical accounting.

- ❑ Review what you've learned about your money habits. Are you happy with the way you spend? Does it reflect your priorities? Are you getting the best value? What changes do you need to make to save more to meet your goals?
- ❑ Take a longer-term view and project your budget and income out for an entire year, making sure you include savings. If you're in the red, cut back in other places.
- ❑ Make a personal commitment to check in with your actual spending at least once a month for the next year.
- ❑ For extra credit, use cash instead of credit whenever possible so you continue to practice mindful spending.



Throughout Week 4, keep up your good habits. Rely on a buddy to help you stay motivated in moments of weakness. And don't forget to share your "ah-ha!" moments with us.

Need extra motivation?



Follow Carrie Schwab-Pomerantz on LinkedIn to get fresh ideas and new insights.



You can also follow [@CarrieSchwab](#) on Twitter for tips and resources to help keep you on track. Use the hashtag [#FinancialCleanse](#) to join the conversation.



To see Carrie's answers to your financial questions and for helpful saving and investing tools, visit [schwabmoneywise.com](#).

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