

# DEBT MANAGEMENT 101

## WHY you should get out of debt ASAP:

- Less stress knowing you don't owe anything to anyone (and less stress means better health)
- Ability to give more to others
- Fewer fights about money with spouse or partner
- Greater ability to reach financial goals
- More freedom to pursue hobbies and interests, such as travel
- Ability to pursue opportunities that would not be available if you're slave to your debt payments (new job, start a business, etc.)
- Ability to save more for an emergency fund to provide peace of mind
- Shift in focus from current needs to planning for your future needs such as retirement
- Be a good role model to friends, your children and others
- No longer wasting money on interest
- Increase your credit score, which impacts a job search, insurance rates, and more!
- Ability to help children and other family members with their life goals, such as college or starting a business
- More time and energy to focus on other responsibilities
- More peace overall in your life—it'll feel great!



## HOW to get out of debt (top tips and tricks):

- Set a realistic goal for how much you can pay toward your debt and when you can pay it off
- Be realistic about a time period that it will take to get out of debt—it may take as much time as it took you to get this far into debt to get out of debt
- Pay more than the minimum payment—any extra will help a lot!
- Research ways to provide extra income—a part-time side job, online work, etc.
- Stop using credit cards completely and rely on cash or debit cards for everyday expenses
- Try the snowball method if you're lacking in motivation and want to see quick progress
- Create (or update) your budget and go line-by-line to see what you can cut out on to be able to put that money toward your debt
- On your budget, plan for all upcoming expenses to make sure that you have the funds in cash and don't have to add to your debt
- Celebrate certain milestones of debt repayment, such as when one debt is paid off, or when you've reached certain pre-defined intervals of debt repayment
- Sell things that you no longer use and put the money you receive toward debt (or even just 80% and spend the 20%)
- Negotiate your interest rate with your creditors
- Allocate a specific percentage of all bonuses, tax refunds, raises, etc. toward debt payment
- Enlist the support of a trusted friend that you can tell your total debt and progress to
- Be creative about reducing your expenses
- Track every single thing you spend in personal finance software or a spreadsheet
- Make a list of things that you will be able to do when you're debt free
- Follow blogs or read books about getting out of debt