

# 10 Tips to manage YOUR DEBT

**NO ONE LIKES HAVING DEBT** looming over their head. It doesn't matter how you racked up your debt, all that matters now is how you're going to pay it off. We've discussed with our staff and industry experts to develop a list of helpful tips to get you out of debt!

1.

## BUILD A BUDGET

If you're serious about paying off your debt then the best way to start is by making a plan. Determining a budget will give you a good overview of how much you can afford to pay each month. Look at areas where you may be overspending (entertainment, food, etc.) and try to reduce some unnecessary spending.

3.

## DON'T ADD MORE DEBT



If you're paying off a credit card or a line-of-credit, make sure you aren't continuing to use it. It's a slippery slope that is bound to put you right back where you started. Instead, cut up the card, remove the account from apps, websites, etc., and keep it out of sight so you aren't tempted!

5.

## 0% BALANCE TRANSFERS

There are a lot of credit cards available that have an introductory 0% interest on balance transfers for anywhere from 6 months to 18 months. If you know you can pay off your debt within the promotional period, this could be very beneficial to you. However, make sure you don't use the card! Activate it and immediately put it somewhere safe or cut it up to avoid temptation.

7.

## INCREASE YOUR INCOME

If you want to speed up your debt repayment, consider getting a part-time job or freelancing on the side. You may be tempted to increase your spending with the extra cash flow, but if you're serious about paying off debt, this could shave months, even years, off your debt repayment!



9.

## LOWER YOUR INTEREST RATE

If you're in good standing with your financial institution, it's likely that they will be able to offer you a lower interest rate on your credit card. It's in their best interest to keep their customers so letting them know that you've been shopping for lower rates lets them know you mean business.

2.

## SAVE FOR A RAINY DAY

It may seem counterproductive to build an emergency fund while trying to pay off debt but if something unexpected happens, you'll be thankful you did! Funding an unexpected expense with the credit card you're trying to pay off will end up becoming a bigger setback to your debt repayment than putting a few bucks into a savings account every pay. To start, try to save up \$1,000 for those rainy days.



4.

## SELL, SELL, SELL

A great way to pull together some extra cash is to sell some items you no longer need. Hold a garage sale, post items online, or sell your gently used clothes and handbags to a consignment store. Not only will this help you pay down your debt, but it's a great way to declutter too!

6.

## SNOWBALL OR AVALANCHE?



There are two recommended methods to paying off multiple debts, the Snowball method and the Avalanche method. The Snowball method suggests paying off the smallest debt first while the Avalanche method suggest prioritizing the debt with the highest interest. Evaluate what you feel would work best for you. Just remember to continue to pay the minimum payment on any additional debts you may have!

8.

## PAY MORE THAN MINIMUM

If you're only making the minimum payment on your debts or loans it could take years to pay off, not to mention the amount of interest you'll end up paying. If you're able to, add anywhere from \$20-\$50 extra onto your minimum payment. The more you're paying on your principle, the less you're paying in interest!

10.

## BE FRUGAL

Living frugally doesn't mean being stingy with your money, it means make smart spending choices that reduce your overall expenses. Make your coffee at home, skip the nail salon, or take the bus instead of a cab. If you start cutting back on those unnecessary purchases, you'll be amazed at how much extra money you have to put towards paying off that debt!