

## *Getting Out of Debt and Staying Out of Debt*



- Change your spending! Determine your needs versus your wants.
- Seek financial and debt consolidation counseling.
- Move balances on cards with high interest rates to cards with low interest rates. When moving balances to cards with low or no interest rates, read the fine print. Interest rates on 0% offers skyrocket once the introductory rate is over or if payments are missed.
- Pay off credit cards as fast as you can. Paying the minimum payment on a \$2,000 balance until it is paid off can result in spending up to as much as \$7,000. Charging a large item because it is on sale will not save you money if you pay it off slowly.
- Use what you can from your savings to pay off debt. Paying 12-18% interest on your debt while gaining only 2-3% on your savings loses money in the long run.
- Write down a plan for paying off your debt systematically and stick to it. You'll be glad you did.
- Set financial goals and write them down. Having a savings plan for long term and short term goals will keep you on track. Include retirement needs, housing needs and educational needs.
- Have a family meeting about budgeting and entertainment expenses.
- Brainstorm ways to save money on clothing and entertainment. Include the kids. They may have some very interesting ideas on how to save money and still have fun.
- Go green and recycle. Join [www.freecycle.com](http://www.freecycle.com) or Craig's List. It's a great way to save money and still have the things you want and need.
- Shop at consignment stores for luxury items.
- Make staying within the budget a family affair. Talk about saving, spending and enjoying life. Develop a clear sense of what you value in life and healthy ways to achieve financial goals.
- Don't be lured into buying items you had no intention of buying because they were on sale.
- Shop less and participate in other healthier activities such as hiking, biking or swimming.