

ELIMINATING DEBTS

Asses your entire financial situation before you delve into a plan to beat your credit card debt.



THERE are many methods when it comes to paying your credit card debt. It depends on various circumstances such as the level of debt you have and your current income. This will determine your ability to meet the monthly minimum payments.

Assessing financial situations

Assessing your entire financial situation before you delve into a debt plan to beat credit card debt is very important for success. Calculate all your monthly income and outgoings and take it from there.

Debt management plan

You have to make a debt reduction plan to eliminate credit card debt. Without a written plan you strictly adhere to, you'll face an uphill battle. Using a professional debt plan can be invaluable to laying out the plan. Make sure you have considered and incorporated all the debt relief options available to you.

Executing the plan

You must stick to your plan. This is not easy, but is essential to beat credit card debts. It may take years to eliminate debts completely but is worthwhile to improve your credit rating.

Remember, your debt not only affects you but also the household you reside in. Having a clean record will ensure you can borrow money if you need it sometime in the future.

After taking stock of your financial situation and making a general plan on how you will go about reversing your debt problems, you need to consider the finer points like exactly where the savings will be made. Below are some considerations.

Earn more, spend less

First, ensure you cut all unnecessary spending. It is very easy to underestimate how much you could save every month by changing a few habits, eg. buying coffee from a regular coffee shop than getting one from Starbucks, eating out at less expensive restaurants (or eating out less often), buying supermarket branded grocery instead of regular brands.

These may seem inconsequential at the time but add up to a substantial amount when tallying at the end of the month.

You may need some help organising your finances daily so you can start chipping away your debts.

This is the first strategy in eliminating debts from your budget by earning more and spending less. This is easier said than done, but the difference will be noticed in a few years. You must be patient because it will take time to eliminate debt completely. But if this is your



main priority, do it.

Cut your expenses

Now you should know where your money is being spent. Chances are you are spending more than you are earning. In this critical situation, the debt will never be eliminated. Try to cut your expenses first.

Try to have a decent life and not live life in a luxury. Don't act as if you are millionaire and you will spend less money. Spending less is the best choice; the easiest and the fastest way to get results.

Better pay

Look for a job that pays substantially better, but make sure you do not leave your current job until you have found a new one because it will only create further stress and hardship.

Second job

Get a second job, a part-time job, to supplement the income from your full-time job. This could provide the extra income to cope with debts and expenditure.

Seek professional help

If you feel you cannot make the minimum payment, your option is to get in touch with a debt reduction firm who may be able to ease your burden by arranging payments to meet your current circumstances.

Get in contact with a firm that specialises in negotiating for better repayment terms for their clients.

Get in touch with non-profit credit counseling and debt consolidation companies that can help you reduce your credit card interest charges, lower your monthly payments and provide you with financial advices to avoid your future credit card debt problems.