

You may have already read about the different approaches to reducing debt, and what it takes to establish a budget. Once you have these basics down, it's time to focus on the two key elements to getting out of debt:

1) Reducing Expenses

To reduce your total expenses, start with some practical solutions for cutting down on monthly expenses. Then, move on to even bigger ideas that can also help you make a real impact on your debt:

- Don't pay full price for things you need. Pay less by visiting thrift stores or consignment shops, and buying things out of season. Then put the difference toward your credit card payment, student loan, or other debt.
- Hire yourself. Use your skills to your advantage. If you're artistic, create your own home décor. If you're handy with cars, change your oil yourself... and so on. You may find many circumstances where you can easily make minor repairs or find creative, inexpensive solutions to issues you run into around the home.

2) Increasing Available Cash

You may not be able to easily increase your monthly paycheck, but there are plenty of ways to bring in extra cash periodically, which you can then apply toward your debts. For instance:

- **Have a yard sale, or post items for sale online.** Seek out local social media groups, which often generate quick responses. Go through things you have in storage, and consider selling anything that isn't sentimental, or that you haven't used in the past 6 months. This is a great way to free up some space in your home, while also bringing needed funds in—and it works particularly well for kitchen items, as well as kids' clothes and toys.

- **Save your change.** If you've decided to use cash as part of your plan to maintain your budget, designate a specific spot—like a jar in your laundry room or closet—to place your change. Over time, all those quarters and pennies will add up. Take them to your local banking center every few months, deposit the money, then use it as an extra payment on one of your debts.
- **Use cash gifts wisely.** The next time you receive a gift card or check from your favorite aunt or uncle—or better yet, a bonus from work—put at least a portion of that money toward your debt instead of splurging on something you might not really need.
- **Cash in on a talent.** Everyone has natural skills that are usually highly sought by others. Are you great at organizing closets and kitchen cupboards? Do you have a knack for painting walls or building tables? Do you can your own delicious spaghetti sauce? You might be surprised to find that others would be happy to pay for your services or products—allowing you to generate some income in your spare time, doing something you already love to do.

Once you've paid off a debt, congratulate yourself! And remember the hard work you put into it. Then consider how your priorities have changed, and stay focused on saving for the future.

QUESTIONS?

Contact us at 1-855-347-4864 to speak with a Money Management Advisor today.