

GET OUT OF DEBT

By: Mandi-Delight Greenidge, Author, Broke On Payday™ and In School & In Debt (Graduating Student Loan Free)
www.brokeonpayday.com

Canadian households today have an average of seven (7) credit cards and two (2) lines of credit with amounts owing of approximately \$ 45,000.

Average household income in Canada today is \$72,000 (based on two incomes). Clearly, if Stats Canada information is precise, we are spending 62 percent more than we make. There is no doubt we are a nation of tremendous debt.

It is impossible to keep up with such debt based on current income. Anyone in this situation will NEVER get out of debt, manage finances or maintain good credit ratings. There are few options but those that will help most are two fundamental basics for getting off the debt rollercoaster.

- A. Increase income (whatever it takes for your individual situation)
- B. Stop spending and reduce debt. (S T O P)

Whatever you have been told or anything you may have read, unless it emphasized one or both of the above will not work. Think about it!

More and more people are discovering the reality of debt, getting in is a lot easier than getting out. To beat the debt trap you first have to fight the spending habits that got you into trouble in the first place. Then you have to figure out how to repay what you already owe, using what you have.

And here comes the kicker. You must do this all the while the interest meter is running! Here are five (5) quick tips to start you on the road to financial recovery.

1. Cut up your credit cards and write a letter to the financial institution asking that the account be closed.
2. Use a debit card or cash only for the next year.
3. Track your spending. A latte per day can cost you over \$1200 a year.
4. Drop some of your “pleasures”
5. Sell something you have to pay for something you owe.

Follow through with whatever you decide for your family is crucial. Don't get caught up in the yo-yo debt diet and end up “fatter” or more indebted than you are today. It is just as easy as actually dieting with food and failing by cheating the system. The difference here is that you can have a financial disaster that may lead to bankruptcy. This is absolutely something you do not want as it is a financial death. Some creditors make it seem as though it is no problem and you can rebuild from bankruptcy quickly. The old saying of things are not always as easy as they seem definitely applies to bankruptcy. It is a very difficult process with many restrictions.

Your best solution is to pay down the debt you owe with the money you have. A credit manager can put a plan in place for you to achieve this. Contact one today!