

## Managing and Reducing Debt

Living with debt can be difficult. It takes a family commitment to successfully manage when debt seems overwhelming. Following are tips that are important in managing and reducing debt.

- Make getting out of debt a priority.
- Do not go shopping just for something to do.
- Pay at least the minimum on debt and loans.
- Look for temporary sources of income if possible.
- Look at ways to reduce expenses.
- Re-evaluate deductibles everywhere possible.
- Contact creditors before you miss a payment.
- Involve everyone in the decision making process (including children that are old enough).
- Think about insurance needs (example - unemployment is not the time to let health insurance coverage lapse if it can be avoided).
- Learn about community resources.
- Make having an emergency fund a priority.
- Do not use credit for day-to-day expenses.
- Avoid credit as a way to live beyond your means.
- Make sure you know all of the credit charges and rates of interest.
- Know what it costs to live. Keep records of your expenses.
- Plan for larger expenses by saving each month.
- Challenge the whole family to find ways to save money.
- Look for low cost forms of entertainment.
- Don't carry cash. It has a tendency to disappear.
- Wait at least 24 hours for any large purchase.
- Invest in yourself if education will help you find a better job.
- Try to preserve as much of your equity as possible.

Remember to involve everyone in the decision-making process and challenge the whole family to find ways to save money.

Reference: University of Nebraska-Lincoln, Extension, Building Strong Families Action Team. *Pay Down Debt*. Retrieved December 7, 2008, from <http://paydowndebt.unl.edu/manage.html>

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