

MANAGING DEBT

BEST WAYS TO MANAGE AND MINIMIZE YOUR DEBT

CREATE A BUDGET

There are several budget calendars, templates, and apps available for download right now! Start budgeting by determining all kinds of income you currently have as well as any monthly/yearly expenses. See if there are any areas where you could either increase your income or cut back on certain expenses.

If you have a high utility bill, try talking to your landlord or roommates about cutting back on power, water, AC/heat, etc. The most effective budget is the one that you are most likely to use! Staying consistent with filling out your budget is the best way to save your money.

BUILD AN EMERGENCY FUND

After you create your budget, use any money left over each month to put into a savings account. This account could be used for any unforeseen expenses like medical emergencies or car repairs. Aim for an emergency fund that has about 3-6 months worth of your living expenses.

INCREASING INCOME

- get a part-time job
- ask for a raise at work
- sell any items you don't need

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PRIORITIZE YOUR DEBTS

Creating a debt prioritization schedule will be helpful in identifying what debts are most important for you to pay off. Paying off debt can be overwhelming, especially when you do not know where to start.

The first step in debt prioritization is to look at the interest rates of all of your debts. If you can start to pay off your debts with the highest interest rates, you will end up saving more money in the long run. Start looking into paying off the minimum payments each month so you don't damage your credit score.

Determine what kind of debt you have! Not making payments on secured debts (like mortgages or car loans) could result in a loss of the assets that were put up for collateral. Unsecured debts like credit cards and medical bills are lower priority even if the credit cards are higher interest rates.