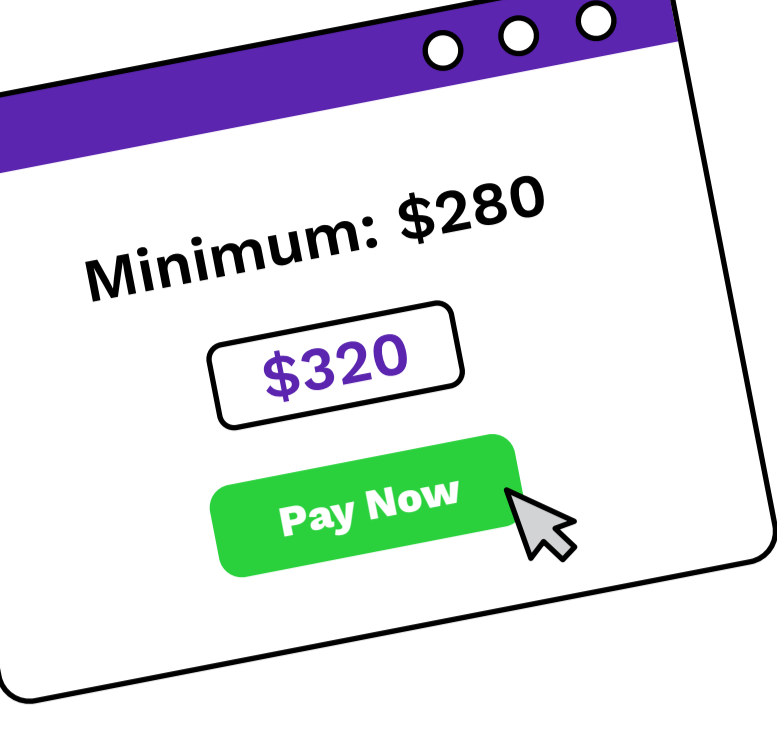


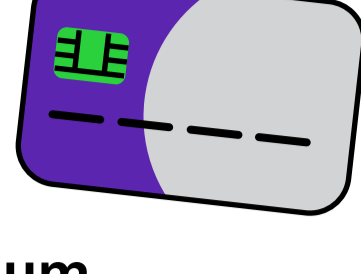
12 Ways to Get Out of Debt



1.

Pay More Than the Minimum

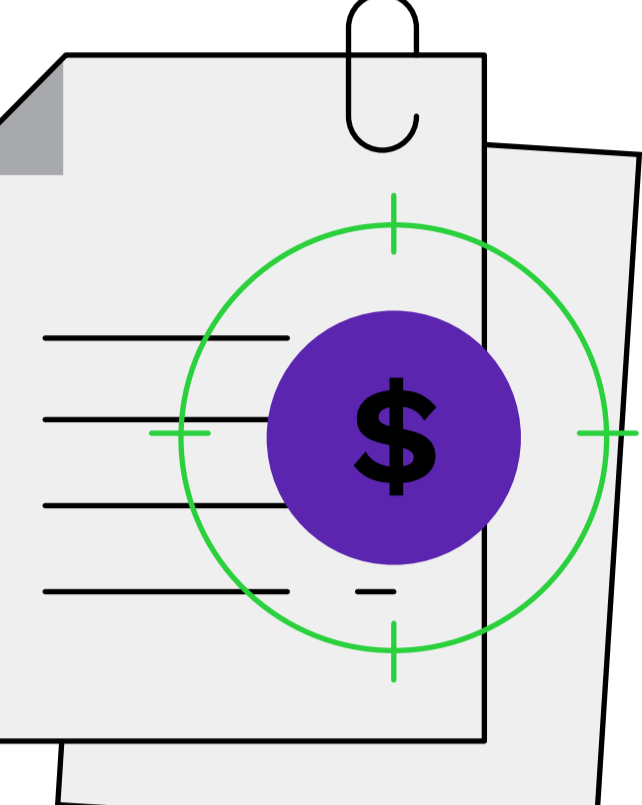
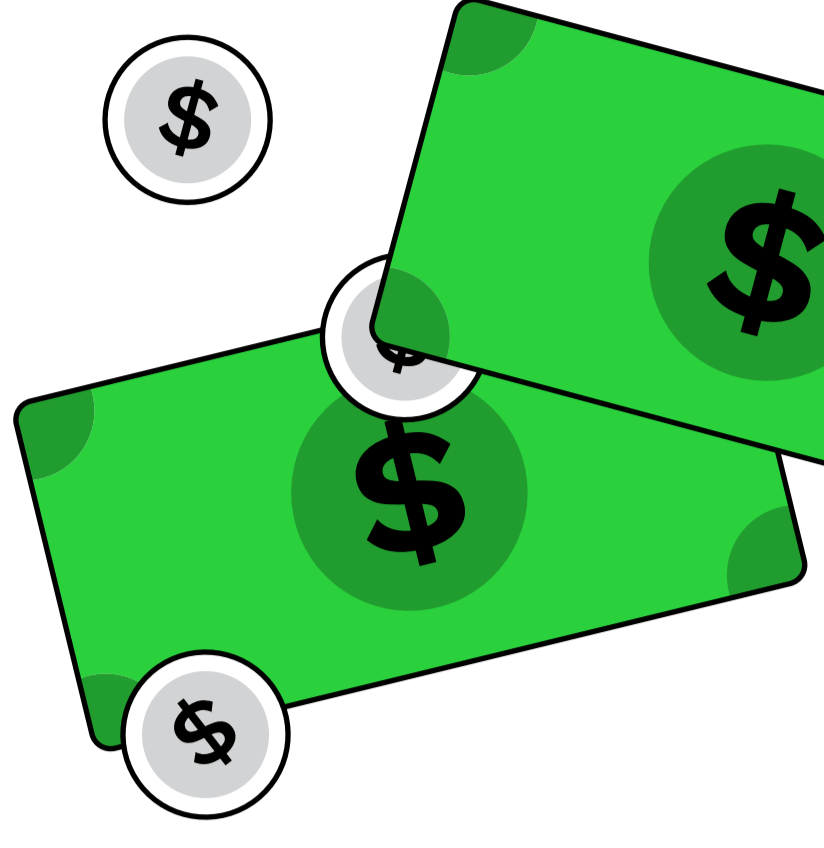
Always pay more than the minimum required payments on credit cards, overdraft, or line of credit. If you only make minimum payments each month, it can literally take forever to get out of debt. Any amount extra each month will help, just try to do it consistently.



2.

Spend Less Than You Plan to Spend

Here's an old saying: "You can have almost anything you want; you just can't afford everything you want." Many people get into and then stay in debt because they tend to buy whatever they want, whenever they want. If you can be satisfied with less, even temporarily, you'll have more money to pay down your debts. Avoiding credit and only using cash also helps you break the temptation to spend.



3.

Pay Off Your Most Expensive Debts First

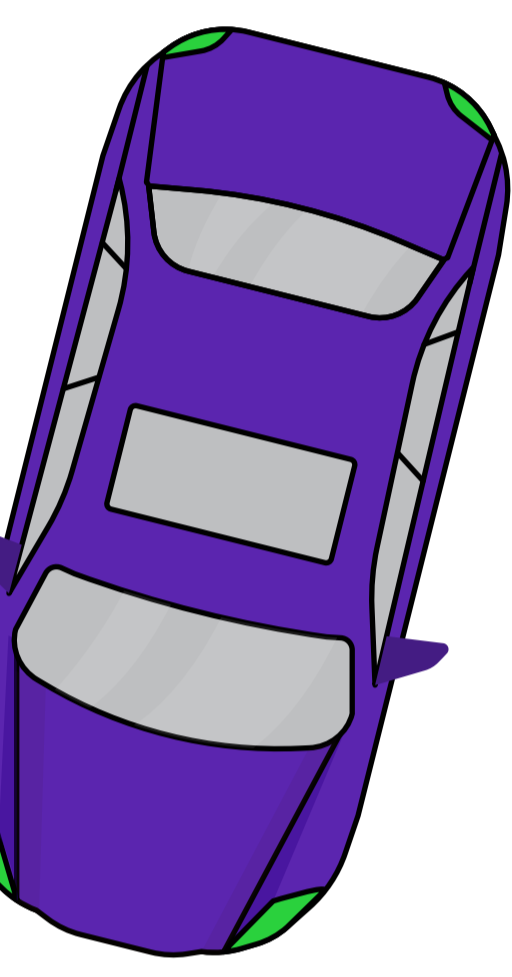
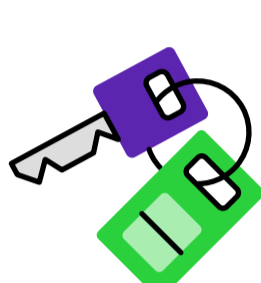
After making the minimum payments on all your debts, make extra payments on the debt that's charging you the most interest. Once that's completely paid off, switch to paying down the next most expensive debt. Repeat until you're debt-free!



4.

Buy a Quality Used Car

Save thousands by buying a quality used car instead of a new one. The money you save can help you get out of debt much faster. Aim for a reliable vehicle with good fuel economy that you can keep for 15 years. This stretches your dollars the furthest and gives you plenty of time to save up for your next car.



5.

Consider Becoming a One Car Household

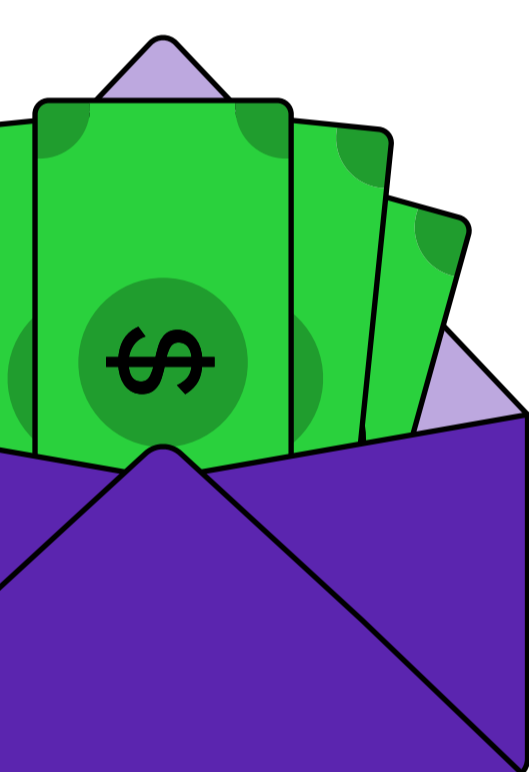
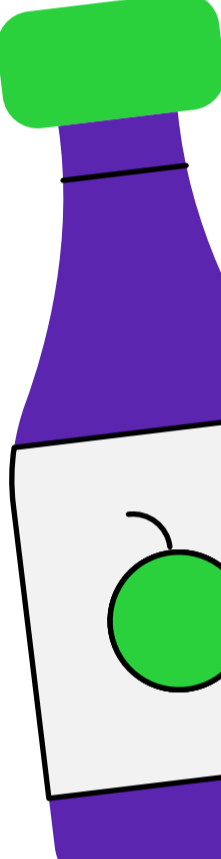
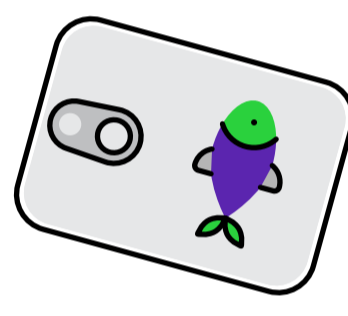
If your family has 2 cars, consider getting rid of one. Can you walk to work, take transit, or carpool instead? Test drive this idea by parking your 2nd car for a while and dropping the insurance down to pleasure use only. If the other options work for you, that could cut your transportation costs by as much as 80%.



6.

Save on Groceries

Stock up on groceries when they're on sale. You can stockpile non-perishable foods like canned goods, cereal, and items you can freeze like bread and meat. Keeping your cupboards filled with discounted groceries and then skipping one shopping trip each month can save up to 25% on your annual grocery bill. A family of 4 could save \$2,300-\$2,900 a year! If you can't skip a shop once a month, try for one every other month.



7.

Get a Second Job

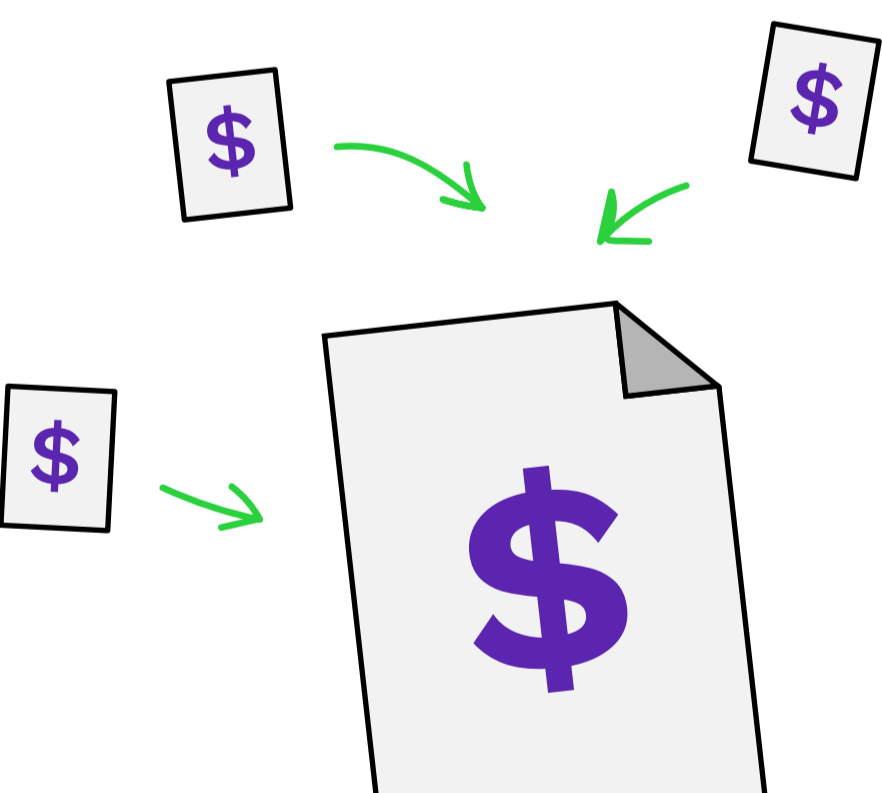
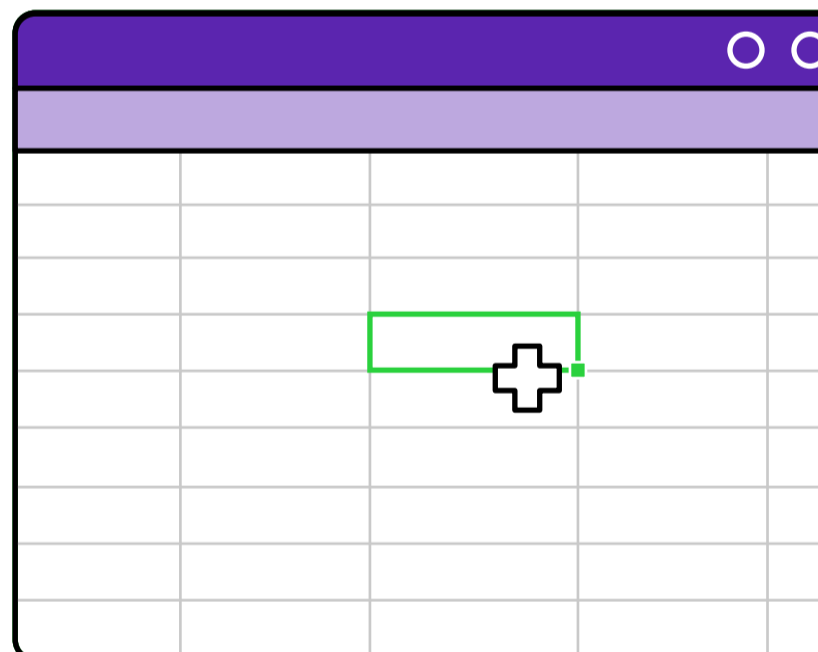
Getting a second job, or consistently picking up an extra shift or two, is a common way for people to aggressively pay down their debt. For this to work, you must use all your extra income for debt repayment. Working the extra shifts or hours also doesn't need to be permanent. Once the debts are paid off, you can look at scaling back again. You could also consider making extra money by capitalizing on a hobby you enjoy, applying a skill set you have, or renting out space in your home.



8.

Track Your Spending

Track what you actually spend—not what you think you should be spending—over the course of a month. Once you know your real spending habits, cut back where you can and use the money you "find" to pay down your debts faster. For some people, doing this can save almost as much as working another part-time job. You won't know how well it works until you give it a try!



9.

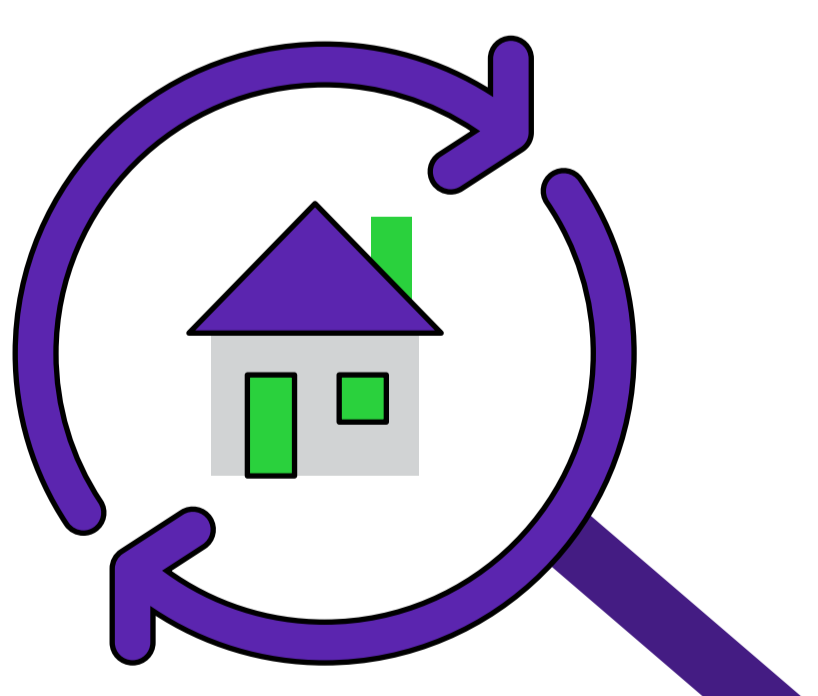
Get a Consolidation Loan

See if your bank or credit union can help you consolidate all your debt into one loan at a lower interest rate. The key to benefiting from a consolidation loan is to use a spending plan with it. Set aside some money each month for emergencies or unplanned expenses. They'll happen sooner or later.

10.

Refinance Your Mortgage

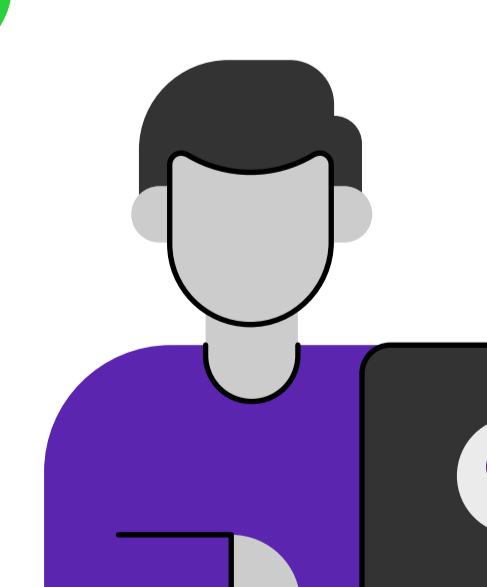
If you own your home, you may have enough equity to consolidate your debts into your mortgage. However, even if you do this, it's still super important to keep your spending under your income and put some money towards your savings each month. If you don't save any money, you'll always be tempted to borrow more when "emergencies" arise. Repeatedly using your home as an ATM can set you up to face retirement with a lot of debt, no assets, and no savings.



11.

Speak with a Credit Counsellor for Free

If you're really struggling to pay down your debt, start by speaking with a non-profit credit counsellor. A professional counsellor will explain all your options and help you choose the solution that makes the most sense for you. Speaking with a non-profit credit counsellor is free, confidential, and non-judgmental. Many people don't realize that they might have options they didn't even know existed and are relieved to find out before it's too late.



12.

Create a Spending Plan

The goal of a spending plan is to make sure you spend less than you earn. It helps you stay on the straight and narrow with all of your expenses, including your debt payments. Following a realistic spending plan can feel uncomfortable to start, but after trying it on for size, most people agree that the alternative—being in debt—is much worse.

The sooner you start dealing with your debt, the sooner you'll have it paid off. If you need some help getting started with a plan or keeping it realistic, contact one of our non-profit credit counsellors for free, confidential help. Typically, the earlier you contact us, the more options you'll have.

