



Debt Prevention Resources

We live in a world where debt is not only acceptable, it is the norm. Almost everyone you meet has debt of some kind. So, in a society that views debt as a way of life, how can we control our debt instead of allowing it to control us? Here are some things to help you with debt prevention and management.

The first thing to do when considering your debt is to make a budget. It is important to have a plan for your money so that you will know exactly where all of your funds are going. Many people believe that a budget will be constricting and not allow them any freedom. Really the opposite is true. A budget allows you the freedom of having peace of mind knowing that all of your bills are paid and the money has been allocated ahead of time for these expenses.

Knowing where to start when making your budget can be overwhelming. The best place to begin is to make a list of all of your income. Once you have listed your income, make a list of all of your bills. Be sure to include things like cable, internet, cell phone, electricity, water, credit cards, loan payments, and any others that you might have on a monthly basis. Once you have listed all of your bills, consider living expenses. Things like gas, groceries, laundry, personal care, entertainment, and spending money should all be budgeted into your plan.

It is also important to have a savings plan. This is key to help you prevent yourself from getting into debt. Set aside a certain amount each month into a savings account. It can just be for general savings, or you could set a goal to save up for a big purchase. Saving with a goal in mind motivates many people to stick to their savings plan. They know that at the end they will be able to purchase the desired object without going into debt.

If you already have debt, it can be advantageous to take some steps to help manage it. If you have a high amount of credit card debt, it can be wise to consolidate it into one loan. If you are a homeowner, using the equity you have accumulated in your home is often the wisest way to restructure your debt load. You can roll all of your debt into one loan and make one payment that has tax advantages.

There are many practical ways to manage the debt you already have while preventing yourself from getting in any deeper. Make a logical, practical budget and consolidate your existing debt in order. It is wise to talk to one of our Credit Counsellors or one of our Mortgage Specialists to see what options you may have.

Sincerely,

Family Tree Financial Ltd.
Providing solutions that work, so you can live again.