

Take Control of your Financial Situation

Do you find yourself suddenly aware that you have to start managing your finances? Are you overwhelmed by the mere thought of having to figure out your bills?

Don't stress. At DCC, we're here to help.



➤ Start by analyzing your financial situation:

- Organize your financial records, statements and bills
- Review your credit report
- Learn how to balance your checkbook. The key is to record every transaction whether it be an ATM withdrawal, debit purchase, deposit, check or bank fee. Record these right away so you won't forget about them.

➤ Then consider: How much does it cost me to live?

Create a budget. Think of it as a plan of how you are going to spend your money. The idea of a budget is to become more aware of where your money goes now and where you would like to spend it in the future. By doing this you can meet your monthly expenses while planning for new expenses. Some of the expenses to plan for might be schooling, a new car, new housing or even vacations. To fill out a budget, add up your monthly expenses such as food, rent, car payments, entertainment, etc. Subtract the total amount of your monthly expenses from your total monthly net income (your income after taxes). Although it may not be easy at first, stick to it and you will start to see where you can cut back and reduce spending in order to meet your goals. Any money left over can be used to build an emergency fund or towards a savings goal. If you don't seem to have any money left over at the end of the month, try using a spending log to record every purchase you make for at least two weeks. You may find that habits such as buying a cup of coffee or soda can add up to \$20 or \$30 dollars over the course of the month.

➤ Order your credit report:

When was the last time you looked at your credit report? Each person is entitled to a free annual credit report from all three credit bureaus; Equifax, Experian and TransUnion (visit: www.annualcreditreport.com). Lenders use the information in your credit report to determine whether or not you are a good candidate for a loan. They also use this information to determine the interest rate you will pay. The most important factor that influences your credit score is *payment history*. **Always pay your bills on time!**

➤ Take steps to pay down your credit card debt:

- Stop any new spending on your cards and avoid opening up any new ones.
- Always be sure to make monthly payments on time. At the very least, try to make the full minimum monthly payments.
- Make it a goal to start paying more than the minimum on the card with the highest interest rate. The idea is to pay as much above the minimum payment required as you can until your high interest rate card is paid off.
- Continue to make full minimum monthly payments on all other cards, on time.
- As soon as the first card is paid off, take the money that would have gone to pay that card and add it to the payment for the card with the next highest interest rate, until it's paid off.
- Continue to do this until all cards are paid off.
- Call Debt Counseling Corporation to learn how our Debt Management Program may be able to help you reduce your interest rates and help you get rid of your debt faster.



➤ Plan for retirement.

As important as it is to keep your finances in order now, it is just as important to prepare for your future. It's never too soon to start investing in retirement. Don't just rely on social security income when you retire. It won't be enough to sustain your standard of living.

- Does your job offer a 401k plan? If so, now may be a good time to take advantage of it.
- Or, invest in an Individual Retirement Account (IRA) which can be opened without going through your employer.



It can be a challenging to learn new skills or habits, but it's a great feeling to know you can do it!

Want to learn more? Call us for a no-cost consultation about this and other financial topics.

Toll free: 1.888.354.6332

Debt Counseling Corp. is a not-for-profit organization providing education, counseling and advocacy to consumers like you.

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