

## BUDGET AND GET OUT OF DEBT

- The first step is to make a chart of your existing debt.
- Determine how much is available for debt repayment and where you can cut expenses.
- Pay the minimum payment on all credit cards. Pay all of the extra money to the card that is charging the highest rate of interest.
- Try to keep the payment level each month as the balances go down. When one card gets paid off, put that money towards the card that now has the highest interest rate.
- If you have the credit available transfer the balances to the cards that have lower annual percentage rates. (APR)
- If you receive an offer in the mail for a card with a lower rate, apply for that card and transfer the balance from the highest APR card. Make sure you consider any fees. Do not transfer to rates that are temporary, unless the permanent rate is reasonable or you are willing to watch carefully and transfer again.
- Call the creditors who are charging high rates and tell them that you have offers with lower rates. Ask them to lower your rate.
- Check your credit report to make sure closed accounts are reported correctly. You should end up with one major credit card with a balance that you can pay off each month. If you find your debt going up you may want to use a debit card instead. If this doesn't work for you, you may need a Debt Management Program where all of your unsecured debt is consolidated into one monthly payment. In most cases, the creditors will waive or reduce their interest rates.

## Financial Literacy for the consumer provided by:

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## Budgeting Tips For Consumers



## A Guide To Start Saving

## UTILITIES

Consider a budget program for electric and gas bills.

- Turn off all lights, turn down the heat/air conditioning, etc.
- Use fluorescent lights because they last longer and are cheaper on electricity use.
- Monitor your long distance calls (try calling on off-peak hours). Decide whether or not you need call waiting or caller ID.



- Think about how much television you watch and try to eliminate those channels that cost money.
- Run your dryer during the middle of the night because it is considered off-peak.
- Use the dishwasher as little as possible, as well as the microwave.

## INSURANCE

- If your policy is over five years old or more you can most likely get a better rate.
- Increase your deductibles to lower your premiums.
- Decide whether or not your life insurance policy is necessary. Do you have dependents?
- Decide whether or not your car is worth full coverage. If you have airbags, anti-theft devices, automatic seat belts, etc, you may be eligible for a discount.

## TRANSPORTATION

- Eliminate frivolous trips.
- Do all of your errands in one day.
- Try to perform simple maintenance (oil changes, tune ups, etc.) yourself.
- Can you refinance your car for a lower monthly payment?



## FOOD AND HOUSEHOLD EXPENSES

- Shop only once per pay period.
- Plan your meals ahead of time and make a list.
- Stop eating out.
- Buy non-food items at a pharmacy or discount store.
- Use unit pricing.
- Buy only things you really need, not things you want.



## MISCELLANEOUS

- Only use your bank's ATM so you are not charged.
- Use a bank with free checking.
- Find newspapers on line for free or read them at the library.
- Avoid check-cashing stores, finance loans, pawnshop loans, and rent-to-own stores.
- Decide whether or not your hobbies are worth the cost.