



## FACT SHEET

---

### *HOW CAN DEBT BE AVOIDED?*

## MONEY-SAVING TIPS FROM CREDIT COUNSELORS

Saving hundreds – or even thousands – of dollars each year is possible. Credit Counselors provides guidance and education on issues such as getting out of debt and creating an effective budget, to help those who are not sure how to reach their financial goals. The following easy money-saving tips can help consumers take that first step to achieve financial security. For more money-saving tips and advice, visit [www.RepayDebt.org](http://www.RepayDebt.org).

#### EVERYDAY WAYS TO SAVE:

- **Create a Realistic Monthly Budget** – Record and compare monthly income and expenses.
- **Use Cash or Debit Instead of Credit** – Don't carry your credit cards with you. It will force you to purchase only the items you can afford to buy.
- **Dine in!** – Do you spend an average of \$30 a week on fast food? If you spend that same \$30 at the grocery store, you can feed two people for an entire week.
- **Bargain Shop** – See what you can find at garage sales or consignment shops. Use the Internet to check different newspapers for sales.
- **Buy Generic or Store Brands** – You may find the quality is equal, with generic/store brands costing significantly less!
- **Stay Ahead of the Buying Cycle** – Purchase next year's winter clothes at the end of the current winter season. The styles will not change that much and you will pocket a big difference in price.
- **Compare Those Rates** – Shopping around for utility services, mortgage rates, and insurance can result in significant savings. Use the Web for quick comparisons.

#### DID YOU KNOW?

- **Health:** Exercise, eat right and get regular check-ups. Quit smoking, stop drinking and stay away from addictive drugs. Cigarettes and super-size meals are expensive, and they add up! In the long run, you will save a bundle on healthcare costs – and maybe your life!
- **Food:** Soft drinks take the fizz out of your wallet! Save over \$200 a year by avoiding single drink purchases at vending machines, convenience stores and fast-food restaurants.
- **Utilities:** The afternoon sun really heats up utility bills! To keep costs down, equip western exposed windows with solar accents.
- **Clothes:** At a laundry mat, the best deal is always the Triple Loader. This works great for rugs and heavy blankets that would normally cost a fortune to dry-clean.
- **Transportation:** A brand-new car depreciates the minute you drive it off the lot. If you've financed a major portion of it, this can leave you "upside-down," which means you owe more on the car than it is worth. Better idea...buy a used, demo or fleet car.
- **Personal Time:** Spending time with your family - instead of cash - could save more than just money in your pocket.

#### WARNING SIGNS THAT YOUR CREDIT MAY BE OVEREXTENDED:

- Are you consistently late on important payments, such as rent or mortgage? Do your monthly expenses exceed your monthly income? Are you receiving collection calls at home or at work? Are you paying the monthly minimum amount on your credit cards every month? Are you constantly out of cash?