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Budgeting for Financial Success

Without a plan for financial success, it is difficult to know which decisions are the right ones to make. Creating and sticking to a budget provides you a clearer financial picture and gives you a better sense of control over your money.

To create a budget that works, follow one simple rule: Don’t spend more than7.2 (h)6.9 (t o)1tsimghltTli.

Getting Out of Debt

Getting out of debt can be a long, difficult task. The first step is to get your finances organized.

Make a Plan

Start by developing a budget. This means creating a solid plan that allows you to cover expenses, pay down your debt and save for your future.

To start, evaluate how much money you are earning and how much you are spending. Identify your monthly

Managing Credit Card Debt

Stress and Money Matters

Concern over money sits at or near the top of the list of things that stress most of us out. Whether making the mortgage payment, planning for retirement or just covering the monthly bills, people worry constantly about their financial fitness. Even in families with two incomes, there never seems to be enough money or time.

The stress many of us feel about our finances may not be just in our heads. A wide range of anecdotal evidence

Understanding Debt

Debt is a problem for a large percentage of the U.S. population. With our evolution into a credit-based economy, making large purchases with cash is outdated, if not impossible. Few people are able to buy a home or car or pay for an education without borrowing money. That means taking on debt.

Not all debt is bad. We can accumulate too much to quickly, however, if we do not use credit wisely. Long-term financing and credit cards give us the immediate gratification of a purchase while putting off payment, often without thought to the costs associated with taking on debt. Rates on consumer debt generally range from 8 to 23 percent, while a typical minimum payment is set at 2 or 3 percent of outstanding balances. That means making a minimum payment on this debt results in the balance increasing, not decreasing.

No one wants to be in debt. The problem is that most of us don't know how to avoid it or where to start when we need to get out of it. The hard truth is that certain circumstances and actions can easily put us into debt, but it takes discipline, commitment, sacrifice, smart decisions and hard work to get out of it.

Good Debt vs. Bad Debt

Good debt builds wealth. It is an investment that will grow over time in value or benefit. College educations and mortgages are examples of good debt because the related assets increase in value over time or provide the means to generate higher long-term income. In addition, these debts typically carry lower interest rates and are sometimes tax deductible.

Bad debt is debt that takes away wealth. These are purchases that do not generate long-term income and quickly lose their value. Credit card debt, personal loans, payday loans and cash advances often fall into this category. Consumers should avoid this type of debt as much as possible because of the high interest rates. If such debt is allowed to accumulate, small purchases made now cost significantly more in the long run.

Living with Debt

Living with debt can cause persistent stress, taking a toll on health and relationships. From a financial standpoint, debt destroys monthly cash flow and erodes financial stability. When we struggle with debt, there is less money left over for improving our lives, creating long-term wealth and purchasing the things

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