

Don't let debt get the better of you



Debt is a serious problem when it gets out of control. Now is the time to take charge of what you spend every month and start focussing on saving as much as possible.

Tips to avoid debt

Ensure you have a realistic budget with some savings for a rainy day built in. You should also continually relook your budget so that changes in your financial situation are catered for. Cut back on luxuries, especially if they are putting a strain on your financial situation, and avoid unnecessary credit purchases.

It's not always possible to avoid debt, so if you do need to access credit, do your homework. Make sure you shop around for the best value and ensure you fully understand the terms, conditions and costs associated with the credit you are accessing.

Tips for taking control if you're in debt

Here are some practical ways to start reducing your debt:

- Calculate your expenses and compare the sum to your monthly income.
- Prioritise and live within your means – decide what is essential and what's discretionary.
- Assess each debt, its terms of repayment,

interest you are paying monthly and what the debt costs you over its lifetime.

- Consolidate your debt where possible – borrow enough from your bank to pay off smaller, more expensive debts in one go. This way you'll save money and have only one creditor, the bank.
- Close accounts and tear up credit and store cards as you pay them off to prevent you from re-drawing the credit line.
- Pay off high-interest debt first, as the interest is likely to be higher than any returns you will receive on a sound investment.
- Use cash instead of credit. Research shows this will help you save 12-18% whenever you shop.

If you are in over your head and at risk of losing crucial assets like your home or car, help is available in the form of debt counselling. Ask for advice from a professional debt counsellor or call your employee wellbeing programme and ask for assistance.

You are not alone and the sooner you seek assistance and create an action plan, the sooner you can take back control of your finances.