



120 EAST 1000 SOUTH
PO BOX 657
BRIGHAM CITY, UT 84302
PHONE (435)723-5231

Steps to Reduce Your Debt

The Psychology of Spending

The first step in discovering how to reduce your debt is to figure out where all of your money is going. You can do this by tracking and monitoring your spending. This step is also the first step you take in forming a budget. The question for this exercise is to discover why you purchase the things that you do.

- We are all products of our experiences and upbringing.
- We want to keep up with the Joneses of the world.
- We want what our parents have; however we must realize that it took them 20 – 30 years to get there.
- We are in a country where we are marketed to an average of 600 – 1000 times a day.

Avoiding the Issue

The next step is that you must take ownership of your actions. At some point, to stop the roller coaster ride of debt, you must take your head out of the sand and face the music. The point being is that you must finally take accountability for your actions before it is too late.

Learn to Say “NO”

We all hate to tell ourselves “no.” In fact, we rationalize our reasons for buying what we do not really need. “I work hard at my job and deserve to have these things.” While it is okay to reward yourself for working hard, is it okay to over indulge and over extend yourself? Those of you with children know how hard it is to say, “NO.” You want to give everything you can to those who you love dearly. You just have to decide if putting that “Happy Meal” on a credit card is really making your financial situation better.

Try Paying with Cash Instead of Credit

This tip can help you make decisions for the here and now. Have you ever noticed that it is far easier to pay for something with a credit card than it is to pay for something with cash? Mentally you feel the effects immediately of paying for something with cash. When using a credit card you have the mindset of paying it off over an extended period of time. However, you also end up paying much more than the original purchase price. That cup of latte can end up costing you a lot more than \$3.25.

Start Getting Out of Debt Today

Again, this goes back to not avoiding the issue. Make a plan and start attacking that debt right now. Funny how tomorrow never seems to get here.

One Small Step at a Time

Have you ever heard the saying, “Rome was not built in a day?” Take this same approach to reducing your debt. Realize that you did not get into debt overnight, and it will take time, effort, and energy to get out of debt. Pay off your smallest debt first, then use that payment amount and add it to another debt.

Celebrate Your Success

Have fun while you’re paying off your debts and celebrate when you finally pay one off. Treat yourself to something you like, just make sure you pay for it with some saved up cash.