

NEWSLETTER

10 Ways You Can Recover From Holiday Debt

1 Assess your overall financial situation.

First, examine your current situation – including your monthly budget and your short and long term goals. Then, make a list of all debts, payment due dates, minimum payment amounts, interest rates and the timeframe you want to repay your debt.

2 Find a payment strategy that works for you.

If possible, pay down the highest interest rate debt first. Try to pay more than the minimum payment and most important – always pay on time. If you need help consider reaching out to Alyssa Walford, our Financial Education Specialist at fes@southmet.com or 952-445-0888.

3 Cut down on unnecessary spending.

Cut back on spending for unnecessary items and make easy swaps such as: Carpool to work, make coffee at home, bring your lunch to work, switch to reusable water bottles, and do your own nails instead of going to the salon. Just doing those things could save you more than \$5,000 per year. Also, review your monthly expenditures, like cable and phone bills, to make sure all plans are essential and modify any that you don't use or need.

4 Put tax returns and holiday bonuses to good use.

Put a dent in your debt! Use these lump sums to pay off your credit card or other debt instead of thinking of it as free money to spend.

5 Prepare and save money throughout the year for holiday shopping.

It's never too early! Make a holiday budget and set aside money each month so you can pay for gifts and travel with cash and not worry about paying it back next year.

6 Know what you want to buy and look for the best time to buy it.

Make a list of all of the people you need to buy for then keep an eye out before the holidays start for deals on potential items.

7 Start shopping early.

To keep credit card balances low and make bills easier to pay, spread the cost of gifts throughout the year instead of all at once.

8 Don't buy big ticket items without a plan.

Make sure big ticket items like TVs either fit in your budget or make sure you have a plan to pay it off. Figure out adjustments that need to be made in other parts of your budget, know how long it will take to pay it off, and where the money will come from.

9 Evaluate your credit card's portfolio.

Really look at your credit card and its interest rates, fees, and benefits. Possibly look for a credit card that has rewards so you can use the points towards some of your holiday purchases. Check out our [four great Visa credit card options](#) with low rates, no annual fee, and rewards program.

10 Monitor your credit score before and after the holidays.

It's important to know where you stand and know how your holiday spending impacts your credit score. Also, its important to make sure that everything on your credit report is accurate. Start monitoring your credit score for free with [CreditSense by SavvyMoney](#).

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