

Steps for Managing Debt

Bill	Description

- 2. Clearly define your overall financial goal. Remember to make your goal smart and realistic with a specific target for which you can aim.

- 3. Obtain a copy of your credit report. You can do this [free online](#) once each year. Compare your report to the list of liabilities you made to ensure your list is complete.
- 4. Educate yourself about your rights as a consumer. Before speaking to creditors, call the National Consumer Law Center at 617-542-8010, or review the NCLC debt management [brochure online](#).
- 5. As needed, talk directly to creditors to negotiate repayment options and to discuss any missed deadlines and future late-fee penalties. Only agree to plans that are realistic for your situation, or you'll risk further compounding your financial situation.
- 6. Prioritize payment of your bills. Refer to your [Steps for a Weekly Budget](#) worksheet if needed. Your budget should include payments for your highest-priority bills first, followed by your remaining debts. Be sure to categories the most essential payments, such as housing; utilities; food; transportation; and childcare. Refer to the [Organizing Bills](#) resource for tips.

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Bills in Priority Order	Cost	Description	Timeframe
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

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7. Make a comprehensive list of your *wants* and your *needs*, and strive to manage your lifestyle accordingly. Create alternatives to reduce your costs. Unplanned spending to purchase things that you may or may not need is often referred to as “impulse spending.” In some instances it can cause a significant and unmanageable amount of debt. Refer to the Tips for Cautious Consumption resource to learn techniques for strategically managing your spending.

Wants	Needs	Costs	Alternatives

If you feel stuck, keep in mind there are many reputable, free agencies available to help you when you need it: www.consumercredit.com, www.dca.org, and www.familycredit.org. And don't forget: More than 75% of Americans cite that money is the number-one stressor in their lives. You are not alone in this stress and debt burden, so don't be afraid or embarrassed to ask for help. Your health and happiness depend on it!

