

5

ways
to start
tackling
your debt



**SOLVE YOUR
DEBTS.COM**

DEBT SOLUTIONS
THAT STICK.



For more than 25 years,

SolveYourDebts.com has helped individuals and families get and stay financially healthy through intensive and specialized credit counselling and budget mentoring services, as well as tailored financial education programs.

Our accredited counsellors stand beside you for your whole journey to financial well-being, helping you learn the skills and habits you need to manage your money over the long term.

It works.

Nearly 20% of the time, quick-fix debt elimination options result in repeat behaviour, and even repeat bankruptcies. For those who go the credit counselling route, less than 1% run into trouble again.

That's what we mean by **debt solutions that stick.**

We are also a not-for-profit, which means we aren't looking to make a buck off your financial challenges. Simply put, we offer low-cost, impartial, professional services that put your needs first. We believe this is an essential ingredient in helping you solve your debts as quickly and painlessly as possible.

Our clients come to us when they're in trouble, and when they leave, they have the skills and habits they need to stay financially stable, and to help their loved ones do the same.

That's **financial wellness for all.**

1

Get organized

It may sound simple, but the first step to getting out of debt is to get organized. Figure out what needs to be paid and when. Make a list of all the debts that require payment, with the most important ones (like your mortgage or income tax payment) at the top.

PS: You never want to default on money owed to the CRA or your bank, as this will result in major repercussions, such as losing your house or having your wages garnished.

2

Track and assess your spending

If you really want to know how to get out of debt, then the first thing you need to know is how you spend each and every penny. Take a week, or better yet a month, and make a list of what you buy and how much you spent. Do not leave anything out – whether it's your morning coffee or after-work drinks.

Once you know *where* your money is going, you need to make an assessment. Go through your list and see where you can cut back or eliminate unnecessary items.



3

Create a budget

Household budgets should follow the 50/30/20 rule – 50% of your income should go towards needs (i.e. housing, food, bills, etc.), 30% to wants and 20% to savings and debt. Be honest and realistic with your budget. If you don't apply any money to clothing or entertainment, you're going to fail. You have to set some money aside for the fun things in life – just don't go overboard. Budgeting starts with an accounting of your income and spending right now, and can be adjusted as you go along.

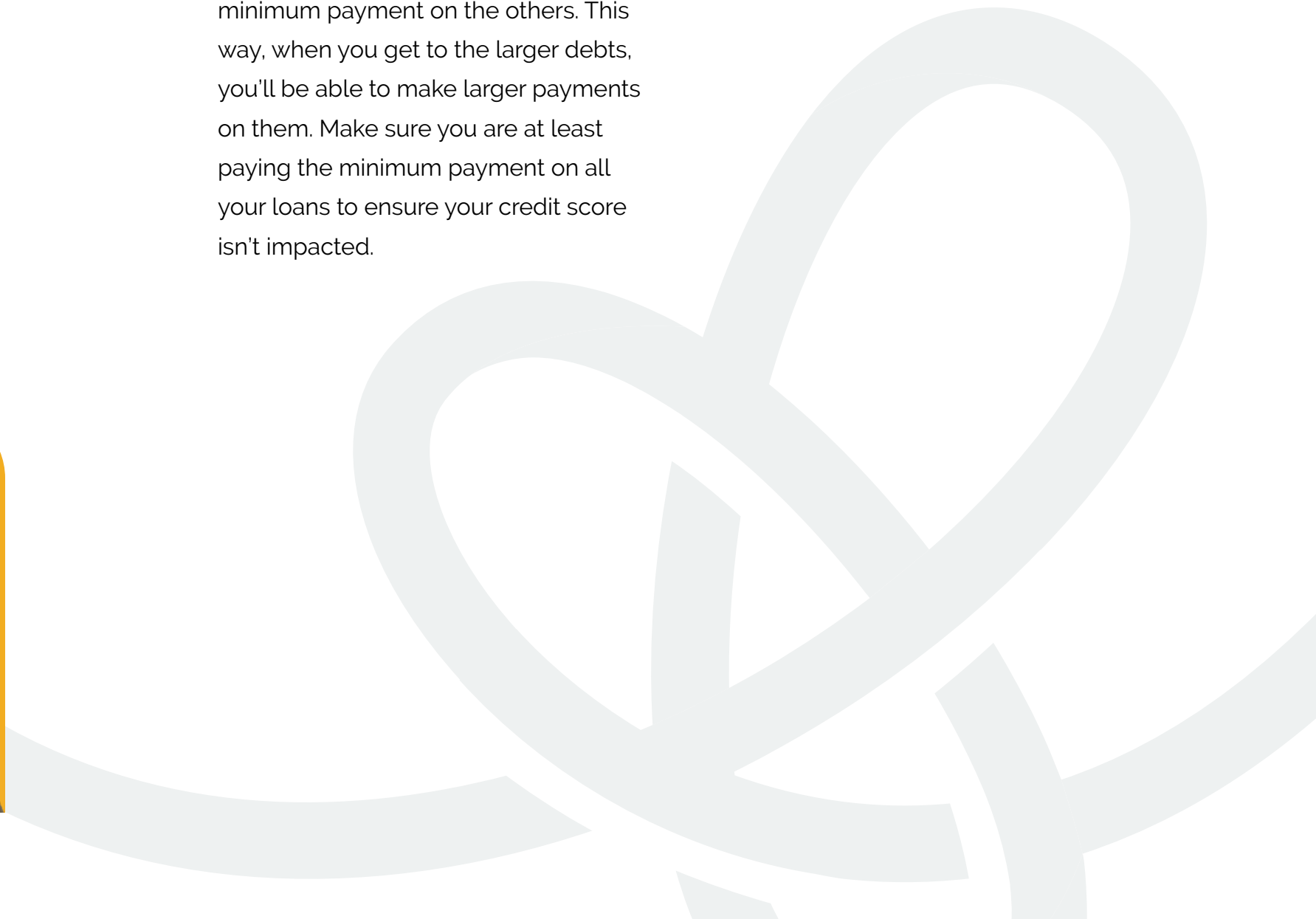
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Prioritize your debt

Put your debts in the order of priority that you want to pay them off. Ideally, you want to tackle higher-interest debt first, because it will cost you less in the long run. Another tactic is to pay off the lower amounts first and pay the minimum payment on the others. This way, when you get to the larger debts, you'll be able to make larger payments on them. Make sure you are at least paying the minimum payment on all your loans to ensure your credit score isn't impacted.

I conquered my debt and I'm proud of how I did it.

Debt solutions that **stick**.





5

Automate what you can

The wonders of modern technology can save you from ever making a late payment again. All you need to do is set up automatic payments for your bills through your online banking. It will take only a few seconds to set up and will have a huge impact in making sure you never pay a bill late again.

An automatic savings account is another option. This kind of account takes money directly from either your direct deposit or your chequing account so that you have a consistent cash flow going into your savings. Even a small amount per week can quickly add up to thousands. By using this method, you are paying yourself first, which means you won't have a chance to spend it elsewhere, because you won't even know it was there to begin with.



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Contact us today!

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