Get Out of Debt!

One of the best explanations on how to get out of debt comes from the pamphlet "One For the Money," printed by The Church of Jesus Christ of Latterday Saints. The illustration on the left shows how the Debt Elimination Calendar works. The one on the right is blank, for your own use.

	Credit Card	Furniture	Dentist	Physician	Auto Loar
Mar.	110	70	50	75	235
Apr.	110	70	50	75	235
May	110	70	50	75	235
June	110	70	50	75	235
July		180	50	75	235
Aug.		180	50	75	235
Sept.		180	50	75	235
Oct.			230	75	235
Nov.			230	75	235
Dec.				305	235
Jan.				305	235
Feb.					540

	Debt 1	Debt 2	Debt 3	Debt 4	Debt 5	
Month						

"A debt-elimination calendar can help you reduce or eliminate debt. Mark off several columns on a piece of paper. In the first column on the left, write the names of the months, beginning with the upcoming month. At the top of the next column, write the name of the creditor you want to pay off first. It may be the debt with the highest interest rate, or the earliest pay-off date. List the monthly payment for that creditor until the loan is repaid as shown in the illustration above.

"At the top of the next column, record the name of the second creditor you want to repay, and list payments due each month. After you have repaid the first creditor, add the amount of that monthly payment to your payment to the second creditor. (In the example above, notice that the family finished making monthly payments on their credit card. They then added \$110 to the \$70 furniture payment, creating a new monthly payment of \$180.) Continue the process until all loans are repaid," the pamphlet says.

While you are eliminating debts, live within your means, and pay as you go. Interest never takes a vacation. Cut up your credit cards! Eliminate luxuries for a while - stop smoking, cable TV, eating out, or any activities that aren't needed.

dt www.lds.org. Also see the Tip: "Money Management with a Budget!".

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