

debt stress

KICK IT TO THE CURB



Debt plagues 75 percent of all Americans, including us ladies, who hold 58% or about \$929 billion of all student loan debt.

A GoBankingRates survey of 1,000 females found that one in four women currently holds more than \$50,000 in dreaded student loan debt. At the same time, 26% of women earn less than their male peers, even with bachelor's degrees and full-time careers. The American Association of University Women says the result of the situation is a system in which women are taking out more debt to compete in a job market that will not allow them an even playing field to pay it back.

Want more bad news? Women are more likely than men to run out of money before payday (34% v. 25%) and more likely to be refused a loan (45% v. 30%). All of this nagging financial stress impacts our day-to-day lives, causing us to worry more, sleep less, slip into depression, overeat, undereat, and age more quickly. Nobody wants that.

It's time to kick debt stress to the curb.

Time & Discipline

When you've finally had enough "living with debt" in your life, there are several strategies to consider when developing a financial plan to eliminate debt over time and change any bad habits that helped get you there. One of those strategies is education. The more you know about bad debt versus good debt and how to pay down debt while also investing in your future, the sooner you'll feel empowered about your abilities to achieve your money goals and other aspirations.

Understanding Good Debt

Most of us are far more familiar with bad debt - high-interest credit cards and overspending on trendy items that never stand the test of time - than good debt. Good debt carries low interest and is what you accrue when you buy a house, a car, or go back to school. Good debt works in your favor when:

- You're buying something likely to grow in value or improve your earning ability, such as training classes or college courses
- You can handle the monthly payments easily
- You already have an emergency fund in place
- You already save regularly for retirement
- You aren't overpaying for what you are buying
- You can get a competitive interest rate

Credit Card Traps & Habits

If you've never had a Guarded Money Mood role model for teaching you good money management habits, it's easy to fall into a credit card debt trap, especially if you start relying on them to make ends meet. Bad habits to avoid or correct include:

- Having more than four cards at a time
- Not researching for the best option before applying
- Exceeding 25% of your credit line
- Using Rewards Programs as an excuse to buy more stuff
- Making large purchases if you can't pay off the balance quickly

Positive credit cards habits can help you manage your debt wisely:

- Review your statements regularly to keep purchases in check
- Pay your bill on time to avoid late charges
- Pay the entire balance off every month
- Reduce your credit limit if you might be tempted to overspend
- Take advantage of Rewards Programs
- Protect yourself against credit card fraud

Kicking Debt to the Curb

Once you've committed to getting your financial house in order and saying goodbye to debt stress for good, there are two methods to help you pay down debt as part of your master spending and saving plan. The key is to focus on one debt at a time.

The Snowball: Pay off the credit card with the lowest balance first and use that momentum to pay off the next and the next.

The Avalanche: Pay off the credit card with the highest interest rate first, which will help you pay down debt faster and with less interest over time.

Gaining financial knowledge and independence is a journey that ebbs and flows for all of us, primarily as we work to embrace our prism of Money Moods. Staying the course leads us to our ultimate destination: living a debt-free life with emergency savings, retirement strategy, investments, passive income, and opportunities to travel, experience, and dream.

Positive Mood: Life's a lot lighter when you kick debt to the curb.

At Money Moods, we can scale the money mountain together.

1. Take the Money Moods Quiz

www.moneymoods.us/quiz

Find out your dominant Money Mood - Spontaneous, Generous, Dreamy, Guarded, or Passive – and how it relates to your habits.

2. **Join us for Milestoners**

First Tuesday of the Month

5–7 pm • Free

Location changes monthly

Celebrate achieving your money milestones with others.

<https://moneymoods.us/events>

3. **Join us for Women, Wealth & Wine**

Second Tuesday of Every Other Month - Check our Calendar

5–6:30 pm • Free

The Harbour Club

Enjoy casual conversations about money goals, tips, and recommendations.

<https://moneymoods.us/events>

4. **Increase Your Knowledge through our Virtual Workshops**

Third Thursday of the Month

1–1:45 pm • \$30

We cover a new topic every month, from debt and saving to retirement and spending.

<http://moneymoods.us/virtualworkshops>

5. **Increase Your Knowledge through our In-Person Workshops**

Check our website and calendar for dates.

