

1. The Big Picture of Your Financials

Inspect your credit profile and/or account statements and compare each statement with your current cash flow reality. Here's how:

- Gather all your debt details and answer the following:
 - How many debts do I have?
 - Behind on any payments?
 - Most expensive debt?
 - Least expensive debt?
- Download/Print your past three months' bank statements. mark on all:
 - Spending trends
 - Impulsive or irregular purchases
- Ask some more questions:
 - Is debt straining my budget?
 - Which agreements/accounts?
 - Why is my cash flow strained?

2. Identify & Prioritise Your TOP Goal

Remind yourself WHAT you want to accomplish (getting out of debt) and WHY (to achieve financial wellness). Write it down:

Remember: Be mentally engaged to actively participate and open up more cash flow in your budget to start clearing your debt.



by Wikus Olivier

3. Create a Budget That Works for You

Create a simplistic and realistic budget. There are various apps and budget planners available to you. Do some research online and make use of the platform or template that works for you.

App: _____
Budget Planner: _____

Quick Budget Template:

Money in/Net salary		
+ (add) extra income	+	
- (minus) Money out/Expenses	-	
- (minus) Savings	-	
= (total) Surplus/Minus amount	=	

If the calculated total reflects a surplus (+) amount = you can pay off your debt (bit by bit).

If the calculated total reflects a minus (-) = you need to be proactive and deal with the problem.

Remember: With intentional planning and commitment, you are in for the win to get out of debt!

4. Choose a Tackle-My-Debt Strategy

Choose a Tackle-My-Debt Strategy that suits your personality:

A. Avalanche Approach

Are you a competitive person that shoots aggressively towards goals? Then target your high-interest debt first, pay it off and move on to the next highest interest rate.

OR

B. Snowball Method

Do you get your motivation from 'quick wins'? Then settle your lowest debt amount, pay it off and add that amount to the next smallest debt payment.

5. Boost Your Income/Earnings

Reaching your getting-out-of-debt goal often requires one of two options, either increasing your income or consolidating your debt. Here are six ideas to increase your monthly income. Highlight possible options:

- Negotiate a Raise.
- Pursue a Secondary Income.
- Maximise Overtime.
- Monetise Your Passion.
- Sell Unused/Excess Goods.
- Rent Out Assets.

6. Cut Unnecessary Expenses

If increasing your monthly income is not attainable right now, adjust your lifestyle. Highlight a few savvy solutions:

- Say no to restaurants/takeaway meals.
- Plan your meals in advance.
- Use your own shopping bags and have a shopping list at hand.
- Limit your shopping trips to once or twice a month.
- Review your current insurance and medical aid plans.
- Cancel unnecessary subscriptions and/or memberships.
- Owner of a 6-bedroom home? Consider downsizing.

Remember: The sacrifices you make now, are only temporary.

7. Talk to Your Creditors

Phone and discuss your situation with the creditors. It is worth a try. Highlight the pointers you consider:

- Send a message via your banking app and request a chat/meeting.
- Phone your banker.
- Contact the relevant creditor and discuss the following:
 - Current facilities – Lower interest rates and payments.
 - Property – Enquire to have your bond restructured.

8. Automate Your Debt Payments

See to it that your scheduled debit orders are active. In short, avoid late fees or arrears as this can negatively affect your credit score.

9. Keep Learning & Growing

Stay curious about solutions and personal finance. With so many experts out there, you must be the captain of your own ship.

- Read up/Listen to podcasts:
 - Freakonomics Radio
 - MayaOnMoney
 - SAfm Market Update with Moneyweb
 - Personal Finance with Warren Ingram
- Attend a workshop or sign-up for an online webinar.
- Talk to people who've been in your shoes.

Remember: Knowledge is power, especially concerning money.

10. Get Professional Help

If you need professional help to get out of debt,

[Click Here](#)

for a FREE, no-obligation callback & assessment from a Debt Advisor.