

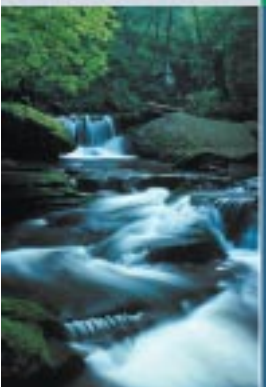
Avoiding Post-Holiday Headaches

All the parties are over and the decorations are put away. There goes another wonderful, fun-filled holiday season.

That musical tie looked great on grandpa. Especially when it kept waking him up from his after-dinner nap. And the remote control, walking-talking-pooing dog was a riot with the kids.

Now comes the hard part — facing the bills for all that stuff you didn't mean to buy but just had to have.

Don't let this year's guilty pleasures still be on your statements when it comes time to pick up next year's gifts. Let Myvesta show you how to supercharge your repayments and get debt-free in record time.



► Myvesta is a nonprofit consumer education organization. We provide a wide range of educational materials to assist those in financial need. Visit us on the Web at Myvesta.org.

If you charge \$1,200 for holiday gifts, it could take more than 22 years to pay off and cost you nearly \$2600 in interest. (Assuming an 18 percent interest rate and a monthly minimum payment of 2 percent.)

How would you like to pay off the whole lot in six months and have enough in the bank next December to pay cash for all your goodies?

All you have to do is find an extra \$225 each month and you're there. Put that \$225 on your credit cards from January to June and your debt will be gone. Then, from July to December, keep putting the same amount into a savings account and you'll have enough to splurge at the end of the year guilt free.

Impossible, you say? Not at all. In fact, you'll be amazed at just how easy it is.

Don't spend what you don't have

First things first. Stop taking on any more debt. Sounds obvious, doesn't it? When your ship is sinking, the first thing you have to do is plug the leak before worrying about pumping the water out.

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Of course, that's easier said than done, especially if you're used to picking up the tab at dinner with your friends, going out for lunch every day or not thinking twice about buying that great-looking sweater you saw in the store window.

Changing your spending habits can be difficult at first, but it's worth it. Make your New Year's resolution not to buy anything unless you can pay cash for it. Won't it be a great feeling to start next year without the fear of those bills piling up in the mailbox?

Track your expenses

Do you know where your money goes every month? We don't mean in general terms, we

mean precisely. Can you tell us where every bit of your salary went last month? If not, you need to create a spending plan.

Start writing down every penny you spend. And we mean *every* penny. If you pay for something by check or debit card, write it down in your checkbook register.

If you use your credit card, keep the receipt. Carry around a little notebook to jot down all the little things you buy, like premium coffees, newspapers, magazines, sodas, snacks, etc.

Once you've got a month's worth of information, break it down into categories, such as groceries, mortgage/rent, gas, etc., and see where the money is going. How much is in the snacks column? Can you believe how much that coffee adds up to every month?

If your income exceeds your total expenses by \$225 (or more), congratulations! Stick the extra onto the credit cards for six months and you're good to go.

If not, then you're going to need to start making some cutbacks. We're not saying you can't go out to lunch at all, we're just suggesting that lunch out would be more satisfying if you did it once a week, instead of every day.

Take a look at the savings we were able to find for our friend John. He wanted to start paying down his credit cards faster but didn't know where the extra money was going to come from.

We had him write down everything he spent his money on for a month, and when he saw the results, he was able to find an extra \$500 that he could use to get out of debt much quicker than he ever imagined.

You see? The spare cash is there. You just have to take a close look at what we call "money gobblers," all those little things that you don't really need that add up to a whole lot every month.

Here's where John's extra cash came from:

Lunches out	(30 x \$4):	\$120
Dinners out:	(2 x \$50):	\$100
Coffee out	(30 x \$3):	\$ 90
Snacks and candy	(30 x \$2):	\$ 60
Cutting back to basic cable:		\$ 20
Internet access:		\$ 20
Lottery tickets:		\$ 20
CD club:		\$ 18
Daily newspaper	(30 x \$0.50):	\$ 15
Book club:		\$ 15
Weekly magazines (4 x \$3.50):		\$ 14
Using grocery coupons:		\$ 10
Total:		\$502

Some of your money gobblers will be the same as John's, some will be different. But you will almost certainly be able to find enough to set you on the road to financial freedom.

In fact, John found another \$200 in money gobblers, like drinks after work, video rentals, new clothes, etc., but he decided that he wanted to keep those because they gave him pleasure. You don't have to cut out all the things you enjoy, you just need to establish which things are worth the money and which ones you would rather trade for a debt-free, stress-free life.

If you really want to get a grip on where your money goes, enroll in Myvesta.org's super-fantastic Ultimate Spending Plan® Program

Have patience — Be determined

Don't expect instant miracles. Trying to undo the spending habits of a lifetime will take considerable effort.

Focus on small targets one at a time, like cutting back on lunches out, and congratulate yourself with a little reward when you achieve each goal.

Stick to your guns. When that new suit is reaching out to you from the store window, remember what you are trying to achieve. What will make you happier — a new suit, or no credit card bills next January?

We understand that sometimes what sounds so simple on paper isn't quite so easy in the real world. Creating a spending plan, budgeting for regular bills and paying off debts in the most efficient manner can be quite difficult.

Make this year the one to break free and rise above the superficial "stuff" that drains our wallets and keeps us in the perpetual charge it-pay it back cycle. We know you can do it. We're rooting for you.

About Myvesta...

Myvestasm is dedicated to helping people create healthy financial lives. The organization provides a wide range of materials to inspire and inform people so they can break down their barriers to financial and personal success. For more information visit Myvesta.org online.

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