

# Tips to Help Tackle Personal Debt

Well-Being | 60-Second Focus | Individual

No matter what type of personal debt you have (e.g., credit card balances, student loans, car loans, mortgage) - managing debt can feel overwhelming. Creating a debt management plan can help you regain financial stability and peace of mind. This 60-Second Focus shares practical steps to help you assess your current det, approaches for creating a repayment strategy, and how to set realistic goals to help you on your journey towards financial independence.

- **Create a budget.** Start by assessing your income and expenses. A clear budget helps you identify areas where you might be able to cut back a bit and allocate more money towards debt repayment.
- **Prioritize High Interest Debt.** Focus on paying off high-interest debt first, like credit card balances. This reduces the amount you pay in interest over time and helps you become debt-free faster.
- **Set-Up Automatic Payments.** Avoid late fees and missed payments by setting up automatic payments. This can also help maintain a positive credit score.
- **Consider Debt Consolidation.** This approach allows you to take multiple debts and roll them over into one payment, sometimes with a lower interest rate. This can help you save money on interest.

Taking the time to evaluate your debt and establish a management plan is a crucial step toward achieving long-term financial well-being. Remember that each step, no matter how small it might initially seem to be, is a step towards being out of debt and having a secure financial foundation.