

Six Financial Options

Show affect on remaining amount with every change.

1. Increase Income

- Be creative but realistic.
- Work through the numbers on spending plan to show the affect.
- Increase the amount you are already being paid.
- Charge for what you already do for free.
- When considering taking a second job, watch for overextension of time & energy.

2. Decrease Expenses

- Let the client choose what changes to make.
- Redo numbers to show the affect.

3. Debt Repayment

a. Stop creating debt.

- **Create savings strategies for non-monthly expenses.**
- Develop a plan for using your credit cards.
- Remove your credit cards from you purse or wallet.
- Increase income and decrease expenses.

b. Determine how much money you have each month to put towards debt repayment.

- Monthly Net Income
- Monthly Expenses
- Monthly Savings Goals

c. Organize your debt information in this format (see Debt form):

<i>Lender</i>	<i>Amt. Owed</i>	<i>Interest</i>	<i>Minimum Payment</i>
Visa	\$3,200	14.9%	\$80 a month
MasterCard	\$1,200	12.5%	\$65 a month

d. Apply one or more Debt Repayment Strategies

4. Restructure Your Debt

If the problems are not addressed by decreasing debt, you may want to stop strategizing. Only move on to the options 5 or 6 if you need more options and it seems appropriate. Refer to the Pitfalls and Traps of Other Debt Strategies (pg 22) for additional information.

5. Discharge Debt (File Bankruptcy)

Bankruptcy is a specialized branch of the law. It is your responsibility to understand the consequences of filing bankruptcy and the long-term effect it will have on your credit.

6. Do nothing

This is always an option. It is your job to understand the consequences of doing nothing.