

How To Stop Creating More Debt

People stride into each new year with hopes of eliminating debt. However challenging, tackling debt is possible. Here are ways to stop accumulating debt while paying down what you've already amassed.

Budget With Goals Top of Mind

"Establishing goals and a spending plan is the no. 1 way to avoid overspending and stop accumulating debt," said Sean Fox, president of Freedom Debt Relief. "Start by carefully considering and prioritizing goals in your life (with spouse/partner/family as applicable). Then proceed to build your budget around the goals, knowing it will likely mean modifications."

From there, Fox recommends writing down (or entering in a spreadsheet) your budget. The budget should include your total monthly net household income, your ongoing monthly expenses by category, savings and spending money.

"Add those up for a total on your cost of living," Fox said. "See where you stand. If expenses are more than income, or are too high to get you to your goals, you must find ways to cut expenses or increase income."

Employ a Simple Budgeting Method

There are a few budgeting methods you can try, but Imani Francies, a finance expert with Clearurance, recommends following a simple budgeting model, such as the 50/20/30 technique. Allocate 50% of your income towards your needs, 30% to wants, and 20% to savings," Francies said. "Following a simple budgeting model increases the likelihood of sticking to it."

Make it a Daily Routine

"Make Financial Responsibility part of your daily routine to pay all of your monthly bills promptly the day they arrive so there's no risk of forgetting or neglecting them later," said Jonathan Svensson, co-founder of Almvest, a financial education website. "Write down all of the due dates on your calendar so you won't miss any payment deadlines, and do everything possible to adhere to those deadlines without fail every time. I suggest setting up automated payments so you never miss one."

Focus On High-Interest Debt First

"Focus on paying off your high-interest debts first and foremost," said Carter Seuthe, CEO, Credit Summit. "Be sure to always make your minimum payments across the board, but focus on paying off the high-interest debts so that you can decrease the amount of additional money you have to pay off."

Build and Maintain an Emergency Fund

"One of the most impactful ways to stop relying on debt is to build and maintain an emergency fund," said Andrew Pentis, a certified student loan counselor and student debt expert at Student Loan Hero. If saving up three to six months of expenses seems like a tall mountain to climb, Pentis suggests starting small. And when you inevitably have to dip into the account, set a new goal to replenish it when you're able.

Lastly, stashing funds into a high-yield, interest-bearing account such as **WCCU's #Goals Savings Account** will ensure that your funds grow.

Consider a Balance-Transfer Offer

"If you have multiple credit cards or high-rate loans, doing a balance transfer may be a good idea," said Laura Adams, MBA, a personal finance and credit expert for Finder. By cutting your interest expense with low rate balance transfer offers you can pay more toward the principal balance of your debt.

Consider transferring your balances to WCCU's VISA® Credit Card which offers **0% introductory APR¹** on purchases and balance transfers for the first 15 months and only a 2.90% balance transfer fee. After, the variable APR will be 8.15%- 21.00%.²

Track Your Debt Payoff Date

"Many individuals don't hesitate to add more debt because they see the additional debt as just another monthly payment to make, which could land you in a deeper pile of debt," said R.J. Weiss, a certified financial planner and founder of the personal finance site The Ways to Wealth.

"Track how many months until you're debt free. The power of this approach is that it allows you to make better decisions because everything can be framed in terms of, 'Will this increase or decrease my estimated debt payoff date?' Now, that same \$50 a month might extend your debt payoff by months."

WCCU can help you find ways to save with a **Free Credit Report Review. Contact us today or visit [westerlyccu.com/review](https://www.westerlyccu.com/review) to learn more!**

1) An introductory APR of 0% as of 10/1/2021 will apply to purchases and balance transfers made through the first fifteen billing cycles of your account. After, the variable APR will be 8.15% - 21.00%. This APR will vary with the market based on Wall Street Prime & credit worthiness. 2) For more details about rates, fees, and other important cost information, a card application, Disclosure and Agreements, or to apply online, please visit www.westerlyccu.com. Offer may change at any time. Restrictions may apply. Article adapted from 'How To Stop Creating More Debt' December 1, 2021 By Nicole Spector, MSN.com.



What's New at WCCU!

Join us for the 2021 Annual WCCU Holiday Basketball Tournament

Chariho • South Kingstown • Stonington • Westerly

December 27, 28, 29, 30

Masks Required

Visit westerlyccu.com/tournament for details
& follow us for tournament updates,
scores, pictures & fan spirit!



Complimentary Virtual Seminars

WCCU members have unlimited access to complimentary seminars covering a variety of topics to increase financial awareness. Below is a schedule of upcoming topics:

Tuesday, December 7: Guaranteeing Retirement Income

Tuesday, January 5: How to Weather a Bear Market

Register at westerlyccu.com/seminars

#TeamWCCU in the Community

WCCU Cares: WCCU donated 50 Turkeys to the Pawcatuck Neighborhood Center. This donation helped the PNC create holiday baskets that provided families in need with a complete holiday meal.

Visit westerlyccu.com/PNC-21 to learn more.



Photo from Left to Right: Bill Quirk, WCCU Donation Committee Chairperson, Susan Sedensky, PNC Executive Director; Abby Laquerre, PNC Staff; Pete Stefanski, WCCU Board Chairperson.

eBanking Features

We always remember the good times but what about how much you spent? #WCCU's online eBanking tracks your spending for you and shows you, at a glance, how much you have spent by category. Enroll in eBanking today to get started!

Visit www.westerlyccu.com/ebanking to learn more.

White Appointed to CCUA Board

WCCU is proud to announce that Steve White has been elected to the Cooperative Credit Union Association (CCUA)'s Board of Directors as the Rhode Island Representative.

"It is an honor and privilege to be appointed as the Rhode Island Representative on the CCUA's Board of Directors," Steve said. "I am excited to be a part of the CCUA and committed to helping the association, as well as its members, continue to grow."

Congratulations Steve!

Visit westerlyccu.com/CCUA21 to learn more.



Holiday Hours & Dates to Remember

Friday, December 24: Branches Close at Noon

Saturday, December 25: Closed Christmas Day

Monday, December 27: Holiday Tournament Begins

Saturday, January 1: Closed New Year's Day

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