

## IO3 – Module 2 Tips Sheet

### Family Financial Management

#### HOW TO MANAGE DEBTS

Managing your debts, even small ones, can be difficult, but this document will help you take your first steps through useful tips.

1

Make a list of monthly debts, including student and car loans, credit cards, and mortgage.

2

Make a monthly budget to determine how much you can afford to pay towards your debt. You'll want to pay as much as you can to bring down your debt.

3

Continue to pay all your debts, because if you miss payments, you may be charged fees and even higher interest rates.

4

Avoid using credit cards for new purchases. Put your credit cards away until you have paid off your debt. If you continue to add new charges to your credit card debt, it is unlikely that you will pay it off.

5

If you get a pay rise, increase your savings instead of increasing your spending.

6

Don't use all of your savings to pay off debt. You'll want to keep a small amount of savings on hand in the event of an unforeseen emergency. Savings will prevent you from having to charge these emergencies to your credit card.

c

## Addressing the Topic

There are lots of additional resources to help you:



Money tips: Managing Debt During a Crisis:

<https://www.youtube.com/watch?v=gizWGC5YvQ4>

Steps for Money Management and Financial Planning:

[https://www.youtube.com/watch?v=CU4I\\_rs50Kk](https://www.youtube.com/watch?v=CU4I_rs50Kk)

What is Debt Management?

<https://psu.instructure.com/courses/1806581/pages/introduction-what-is-debt-management>



How to get out of debt: 7 tips that work:

<https://www.nerdwallet.com/article/finance/tips-for-paying-off-debt-from-people-who-did-it>

How to get out of debt in 5 steps:

<https://www.investopedia.com/how-to-get-out-of-debt-in-five-steps-5113832>

*It is important to remember that when remote working, you are still working for someone. Make sure that you condition your mind to working remotely so that you are never caught off guard, take a look at this video:*

<https://www.youtube.com/watch?v=6J7rr2whIRY>