

Slowing Spending - The Key To Your Debt Plan's Success

It's you against the world. The banks, credit card issuers, and advertisers want you to spend, spend, spend. How you respond will make or break your debt plan. Anyone who embarks on a debt reduction program should know the rules for success. There are two. You need to stop adding to your debt. You need to find extra money to pay it off quickly.

You also need to know the deck is stacked against you. The sellers of goods and services have gobs of information at their fingertips. They know where you live. They have a close approximation of your income. They are aware of your interests. They also know your buying habits.

The information to which they have access is endless. They know the age of your car through its registration. The appliances you have because of the warranty cards returned. Where you shop because of the credit and store cards you have used. How old your mortgage is and what you owe from public recording of the deeds.

Because they have this information, you end up on a number of lists. The sorting and use of these lists are an art and science. It is the source of the mail you receive, the offers you are made, and the advertising to which you are exposed.

This makes for very effective advertising. They can target your known wants and desires. Huge amounts of money are spent to convince you to buy this or that product. You have heard how expensive Super Bowl ads are each year. They pay this type of money because it works.

Then to top it all off they make it so easy to buy. If you don't have the cash, they provide you with credit, easy-pay plans, personal loans; anything to make the purchase possible. Many companies make as much from their financing divisions as they do from selling you their products.

So what do you do? How do you fight this financial onslaught and win? It requires effort and advance planning. You need to wring all the value you can from your money. Become adept at making each dollar do the work of two.

You need to budget for purchases. Even if that means that you think about it for just a few minutes before you plunk down your hard earned money. Justify your purchases; do you need it, does it make sense, can you do without? These are questions you need to ask yourself. They may fly in the face of the materialism which surrounds us all, but they need to be answered nonetheless.

You may find using a purchase-checklist helpful. Anytime a purchase exceeds what you have in your pocket tick down this list and see if it really makes sense to buy it.

- How much is it?
- Is this a sale price?
- If so what am I saving over regular price?
- What will happen if I don't buy it now?
- Can I pay cash?
- Where will the money come from?
- If not cash, what will be the credit cost?
- Is it worth it at the price with the credit cost added in?
- Does the purchase fill a need or a want? (think hard)
- Why do I need this item?

- Why do I want this item?
- Can I justify this purchase to another person?
- What would I say?
- Would I accept these reasons from someone else?

This should help in slowing you down. Couple this with not taking your credit cards with you when you shop. It does take work, but a little extra work is better than being a slave to your debt.

Now with the money you save go to work on your debt reduction plans. Work that side of the equation as hard as you do the spending side. Place as much as you can on your bills. Reduce and eliminate them.

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David Wilding has for the last ten years worked with both groups and individuals to rid their lives of debt. Visit his site <http://www.debtattack.com> for more ideas, tools, and strategies to get rid of your debt.