

Debt is real, but it isn't forever! > Inbox x



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to me ▾



Hello there!

What a bummer, summer is coming to an end! We hope that you found exciting things to do to create memories and that those things DID NOT ADD to your DEBT. We're sure you didn't think we were letting you off the hook so easily. We love to see you living your life and having fun, but we also want to make sure you're being responsible.

Featured Topic: Debt

With credit cards, buy-now-pay-later options such as Afterpay, Affirm, Klarna, and car and home loans, it is easy to get into more debt than we planned, especially when we aren't being mindful. It's common that the more credit we get, the more most of us tend to spend. That way of thinking can lead you down a serious road to overwhelming debt. Remember that even if you find yourself in that spot, you have options for digging out of it. (While we'd love for you to never get to this point, we understand life happens and it takes time to learn.)

What's Good Debt vs Bad Debt?

Debt exists because, the reality is, sometimes people need extra assistance with certain things. Having some debt is normal, but staying in debt is really expensive in the long run and creates added stress and problems. This is what we want to avoid. Surprisingly, there is such a thing as "good" debt. Good debt is considered debts that are future investments and help you build wealth or increase income over time, such as student loans, home loans and small business expenses. In other words, don't be afraid to invest in yourself! Bad debt is considered things such as credit card debt, auto loans, personal loans and payday loans. These are debts that take away from your net worth and are used to pay for things that lose value over time. Sometimes it is necessary to take on this type of debt, but you need to make sure you can afford it. Regardless of which type of debt you have, the most important thing is that you have a plan to pay it off on time (or early!) and you adjust your budget to make sure that you never miss a payment. Good debt is still debt

adjust your budget to make sure that you never miss a payment. Good debt is still debt and you need to be vigilant about paying it off!

How do you pay off debt?

If you find yourself in a situation where your debt is overwhelming, there are options!

It is important to note a few things in regards to the debt you carry:

1. Your total balance (what you owe)
2. Your interest rate (remember interest is being added to the balance you're allowing to rollover which, in turn, increases the balance you owe)
3. Minimum monthly payment
4. Estimated Payoff date

These are two strategies you can consider when looking to pay off debt, the [Snowball Approach](#) or the [Avalanche Approach](#) . Choose which method works best for you. If you need extra help getting started, you can reach out to a nonprofit financial counseling agency that will help create a plan for success, at low or no cost. Check out the [National Foundation for Credit Counseling](#) for referrals and more information. Be wary of debt consolidation loans or anyone who wants to charge you high fees for helping you.

Signs that you may have too much debt

- You live paycheck to paycheck.
- You rely on credit cards to make simple purchases.
- Your debt balance stays the same despite regular payments.
- You don't have an emergency fund and are unable to establish one.
- Your total debts account for more than half your income.
- You're unable to contribute to a retirement plan.

Resource Highlight: Win Brewers tickets for taking MC longitudinal study!

Are you still using the skills taught in Money Coach? Tell us about it! The Money Coach longitudinal study is our way of measuring the program's impact over time. Click [here](#) to complete the survey for your choice of a \$10 gift card from Target, Amazon or Starbucks!

The first 10 people to complete this survey will receive 2 tickets to the Brewers game on September 30th in addition to a \$10 gift card!

Ask the Expert

Do you have finances or career questions? Ask the experts! We have a network of people knowledgeable in various areas able and ready to assist you! [Fill out the survey](#) to let us know what topics/areas you would like to learn more about.

Upcoming Events

If you are a business owner, we would LOVE to shout you out in our next newsletter. Please let us know the name and the contact information for your business. Also, keep an eye out for information about our next panel on entrepreneurship happening mid-October!

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