

Getting control of your credit and finances

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In the United States, millions of people are finding themselves in debt. People are now suffering with more debt than they can handle and its causing many to attempt a drastic action; bankruptcy. Many see bankruptcy as a win-win solution for them. They wipe all their debt clean and, in only seven years, they are able to get perfect credit again when the bankruptcy is taken off their record; however, what many people do not realize is that it can stay on your credit score for as much as twelve years.

Getting control of your credit and your finances comes down to one thing; budgeting. Having a budget is one of the most important things you can do for yourself, and your family, because it will give you the ability to look at what you spend and how much you can save. The first task in putting together your budget is to look at your expenses in fine detail. This is an important first step because it will really open your eyes to how much you spend. Many people think nothing of buying a \$4.50 latte every single day because they do not see the complete sum of that purchase. It may only be \$4.50 a day, but multiplied through the month it comes to \$135. That \$135 could easily be used for credit card payments, bill payments or to put in savings, instead of buying a latte a day.

The second step in creating your budget and getting control of your finances and credit comes in setting limits for yourself. If you do not set realistic limits, you will be doomed to fail on your budget. Set limits that are attainable and realistic and do not be overly generous with yourself. When you are putting the budget together, you may be tempted to put aside \$140 for your lattes, but is it really necessary? Of course, you should make sure you put some money aside if you can for fun items like a movie or going out for dinner once or twice a month.

The third step is to continually review your budget. During the winter you may be paying \$100 per month in heating which you will need to budget for, but you wont be paying that in the summer, so why budget for it then? Adjust your budget to reflect the changing circumstances, otherwise it will get out of date and you will have trouble sticking to it.

Lastly, stick to your budget. Your budget is highly important and it is the best bet you have to turning your finances around and improving your credit score. If you do not stick to it, then there is no reason to even do up a budget. By making sure the budget is something you think about at all times, you will find success in controlling your finances. At this point, you will wonder how you ever lived without a budget and why more people do not use this great financial tool to help, or keep, themselves out of debt.

Dr.Jennifer Baxt, works with people who are having trouble with their credit and want to improve their score. We offer solutions to credit problems by removing negative items from credit reports. You can visit our website www.jeb.helpformycredit.com for more information.

Finance

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