

Get Out and Stay Out (Of Debt)!

Financial problems arise when you spend more than you make. Before you can learn to manage your money, you must first learn to hold on to it.

Keep it positive

Instead of grieving about your financial situation, learn to look at money management in a more positive light. Think of the rewards you'll gain by learning to control your spending. No more late notices. No more overdraft charges at the bank. You can save your money to buy something special, instead of always wondering where your money went. Most of all, you'll enjoy the benefits of being in control of your life.

Know how much you have to spend

Make a list of your regular monthly expenses for housing, car payments, credit cards and any other bills you may have. Include those bills that don't come due every month, things like insurance for your car. Instead of panicking every ninety days, learn to budget and save so you have the funds available when it's time to make the payment. Even if you don't write the check every month, you should still act as if these funds have already been spent.

Know where your money is going

You might be surprised to learn how much you spend on things like coffee, snacks, newspapers that you don't read. Start keeping an expense journal. For one week, carry around a notepad and write down every dime you spend. You'll be surprised how quickly a few dollars here and there can add up.

For example, I had a client who wanted a new car but couldn't afford the payments. After one week of writing down his expenses, Jack realized that he was spending over \$150 a month on coffee. Now, he makes coffee at home and carries it to work in a thermos – and he's careful not to spill any in his new car.

Let someone else do it for you

People with AD/HD are famous for writing out checks to pay their bills but not putting the check in the mail. You can reduce this problem by having automatic payments for things like your house, car, credit cards and other regular expenses. It's more convenient and it saves you money by avoiding late fees, which can run as high as \$25 or more. If you forget to mail four bills, that's \$100. By paying your bills on time, you have essentially given yourself a \$100 a month raise.

Find creative alternatives

Brewing your own coffee is only one of many ways to save money without drastically altering your lifestyle. Spend a few extra minutes in the evening making a lunch you can carry with you to work. You'll not only save money, but there's a good chance that you'll be eating healthier than you would if you went out for lunch. Movie tickets cost much more than video or DVD rentals, and the price of movie popcorn is outrageous! Rent a good movie, pop your own popcorn, and curl up on the couch with a friend.

How much can you save?

Give yourself points for every dollar you save by either not buying something you wanted or by finding a less expensive alternative. Anybody can pay full price. Become a skilled shopper who knows how to find a bargain. As one man said, "Learn to throw nickels around as if they were manhole covers." We often spend money simply because we're in the habit of spending money. Break that habit by taking shopping holidays – entire days when you buy absolutely nothing.

Sandy Maynard is a member of the American Coaching Association and the National Association of Professional Organizers, and has an extensive background and degrees in health, wellness and education. For more information on coaching, visit SandyMaynard.com.

Where to go for help

If you're so deep in debt that your on a first name basis with the people at the collection agency, then you might need to look into credit counseling. Credit counseling agencies can help you budget your money. They can also negotiate with your creditors to reduce the interest on the debt and lower your payments. You will still have to pay, but the amount you're paying will be less. Most of these companies have automatic payment plans so you won't forget to mail the check.

Don't be fooled by companies that claim to be able to clean up your credit report. These are scams. The only way to clean up your credit report is to pay off your bills.

Credit counseling agencies will require you to destroy your credit cards, a good step even if you decide not to go through credit counseling. Credit cards are too tempting and too abstract for many people who have AD/HD. It's simply too easy to spend money that you don't have.

The following are non-profit credit services that can help you get out of debt:

The National Foundation for Credit Counseling (NFCC) has a list of member organizations available on their web site at nfcc.org.

Debtors Anonymous (DA) has a quiz to find out if you have a problem, plus a lot of information on managing debt. debtorsanonymous.org (781)453-2743.

Business Owners Debtors Anonymous (BODA) is a 12-step program especially for business owners who want to recover from debt. boda.org.

The Credit Advisors are the oldest consolidation service in the United States. They have answers to a list of commonly asked questions about credit counseling and debt consolidation. creditadvisors.com (800) 942-9027

Springboard is a non-profit consumer credit management service that has credit counseling available and is a member of the National Foundation for Credit Counseling. credit.org (888) 462-2227

GreenPath Debt Solutions is also a NFCC member and you can order a credit report at their site. debthelpnow.org (800) 550-1961