

## 5 Easy Ways to Slash Your Debt

Your money is more than dollar signs and decimal points. It's your chance to buy a bigger home, take that dream vacation, or have the retirement you want. But with too much debt, your ability to reach those goals can become comprised. Try these five strategies to get to a debt-free life faster.

### **1. Make a List**

First, make a list of what you owe, including auto loans, school loans, personal loans, credit card balances, and other debts. Your list should include the name of the creditor, how much you owe, the minimum monthly payment, and the interest rate. Having this information recorded is the best way to set yourself up for success.

### **2. Build a Budget**

Start with your monthly income after taxes. Then subtract essential monthly expenses like housing, utilities, insurance, groceries, transportation, school and car loans, and clothing. The total after those calculations will tell you how much money you have left for paying off your debts, as well as what you have for optional expenses like entertainment.

### **3. Find the Highest Impact Payment**

A common mistake is to pay all your debts at the same pace. Instead identify where your payment will have the highest impact and pay that off first. Reset your budget to make the minimum payment on all debts. Then identify your biggest debt — the largest amount with the highest interest rate. Direct as much of your leftover monthly income as possible to paying off this account. Once that debt is repaid, use the same strategy with the next highest balance.

### **4. Get a Better Rate**

If your interest rates are high, it's time to make a change. One popular approach is debt consolidation, which means combining all of your debts into one loan. Not only can this provide a better interest rate, but it can help you manage your debt by converting many payments into one. If you transfer your debt to a credit card with promotional rates that expire, try to pay off your loan before the promotion ends and your rates go up again. Another option is to call your creditor and ask for a lower interest rate. Some creditors will reduce rates based on good payment history, helping you pay off your debt faster.

### **5. Make Paying Easy**

Once you've determined the amount you'll pay for each monthly debt, make it easy to stick to your decision with automatic payments. Your bank can help you set up automatic withdrawals from your checking account to each creditor. Using an autopay option will help you avoid costly late fees and can improve your credit rating. Be sure to monitor your monthly payments and make adjustments as needed.

For other ideas on how to reduce debt quickly, talk to your financial professional.

Neither Security Benefit Corporation nor its affiliates are fiduciaries. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

Security Benefit, its affiliates and subsidiaries, and their respective employees, representatives, do not provide tax, accounting, or legal advice. Any statements contained herein concerning taxes were not intended as and should not be construed as tax advice, nor should they be used for the purpose of avoiding federal, state, or local taxes and/or tax penalties. Please seek independent tax, accounting or legal advice.