

# Simple Strategies to Get Out of Debt



## MONEY SPROUTS

Americans are drowning in debt. In fact, according to a report released by the New York Federal Reserve in the first quarter of 2021, household debt reached \$14.64 trillion. We've talked about different methods to manage and pay down your debt and now we want to share some other strategies to help you deal with debt:

### Credit Card Debt

- Find better rates -- Go to [NerdWallet](#), [WalletHub](#), or [Bankrate](#) to identify cards with the lowest interest rates. Transferring your balance to a card with a 5%-10% lower rate can save hundreds and make it easier to pay off the outstanding balance.

**Caution:** Many will charge a flat fee and a higher interest rate on balance transfers, so read the fine print.

- Negotiate lower interest -- With a fairly good credit score and a lot of determination, you may be able to negotiate a better interest rate, but you generally have to speak with a manager or supervisor. It's worth a try!



### Auto Loans

Refinance auto loans -- Go to [Bankrate](#) to identify the best rates in your area. Keep in mind that the listed rates are given to those with the best credit scores. Also talk to your local credit union. They can often beat other rates to help you either lower your payments or pay off the loan more quickly.

**Caution:** This strategy will not work if the loan balance is more than the vehicle is worth.

### Budget Bombing

We have seen some people succeed at getting a jump start on paring their credit by declaring a budget bomb for a couple of months. It's hard to think of NEVER spending extra money on anything but declaring two to three months of ONLY required spending can be enough to build up some reserves for those variable expenses. That will allow you to not use credit cards or put a chunk of money on them to get the payoff going faster.



### Sell Stuff

You can declutter AND make money. The HuffPost has a great article on 7 places to sell your stuff online for real money. You may think "\$200 isn't worth much", but if your debt was going to continue for 5 years, it's like making a \$421 payment for stuff you don't really need.

### Part Time Gigs

Taking an extra shift, doing a few weekends stocking shelves, part-time Holiday work, etc., for just a couple of months can bring in enough extra money that can be put towards highest interest rate debt to cut your debt free date in half. Would you take an extra job if it meant you could take a nice vacation or retire a year or two earlier because your debt was gone? Could it reduce your stress rather than add to it? We know some people who have found they can get some part-time jobs that don't pay much but they really like. Is there something you would love to get paid to do?

The key is to make paying down that debt an important goal each month.