

Rands with Sense



Debt Management

If you find that you cannot repay your debt, or that you do not have any money left after your monthly repayments, you should do the following things.

1. First of all, **stop making any more debt**. It is easy for us to use our credit or store cards to purchase items, but what we are actually doing is spending money that we do not have. If you can't pay off your current debt, how will you pay off any future debt? Put those credit cards away until you have paid your debt.
2. Secondly, **set up a budget and stick to it**. Write down your monthly debt repayments, then extract it from your monthly income. Then list all your monthly expenses and see if you can cover it all.
3. If you can't, it is time to look at step three: **cutting unnecessary expenses**. If you are not sure which expenses are unnecessary, ask yourself: do I want it, or do I need it? If an expense is a want and not a need, it means it's unnecessary and you need to cut it.
4. If you find that your repayments are too much to carry, **contact your creditors and negotiate** a more affordable repayment system. Contacting them shows that you are taking responsibility for your debt and not simply ignoring it.
5. Lastly, if you have done your budget and you find that your expenses exceed your income, it is time to **consider debt counselling**. A debt counsellor can apply for debt counselling on your behalf, and help you to better manage your debt.

