

# **Take control of your personal debt and save for the future in six steps** <sup>[1]</sup>

February 19, 2018 by [Employee Services](#) <sup>[2]</sup>

Americans' indebtedness is legendary. However, did you know that 39 percent of adults carry no consumer debt (excluding mortgages), and for those who do have consumer debt, the average amount owed is in excess of \$25,000, according to [Gallup News](#) <sup>[3]</sup>?

## **Taking Control of Debt**

If you're on the owing end of the spectrum, your debt can interfere with many financial goals, from establishing an emergency fund to saving for the future. It can also lead to financial stress, delayed retirement and even bankruptcy.

However, debt can be managed while you save toward your goals. Even if the cumulative payment of credit cards, student loans, a mortgage and other outstanding loans affect the amount you save, there are steps you can take to reduce your debt while securing your financial future.

## **Six Steps Toward Debt Reduction**

Follow these six steps to begin working down your debt in manageable pieces:

1. **Identify what you owe.** Take a full inventory of what you owe, to whom you owe it and the interest rate you're paying.
2. **Track your spending.** Track helps you see where your money goes and uncover opportunities for spending cuts.
3. **Prioritize debt payments.** Pay as much as you can on the highest interest loans, without sacrificing timely payment to other creditors.
4. **Cut spending.** Review your bills, focusing on monthly recurring charges. You can then decide where you can lessen payments, such as unused gym memberships.
5. **Exercise more discipline.** Don't charge more than what you can afford to pay off immediately. Put away high-rate charge cards. Avoid impulse purchases like frequent online shopping or that specialty pastry along with your cup of coffee.
6. **Get counseling.** Overspending can be a symptom of psychological stress that may require the assistance of a mental health professional.

## **We're Here to Help**

**Quick Tip:** Need help getting started? Employee Services has online, printable worksheets to

help picture your current credit and loans, spending habits and bills:

- [Credit and Loan Inventory](#) <sup>[4]</sup>
- [Make Sense of Your Spending](#) <sup>[5]</sup>
- [Make Sense of Your Bills](#) <sup>[6]</sup>

Once you have a plan for reducing your debt, you can begin contributing small amounts to your retirement. To see how getting started small now is a smart strategy, meet with a [TIAA financial consultant](#) <sup>[7]</sup> on your CU campus, over the phone or in person by appointment at a TIAA office. To schedule your session, call 800-732-8353, 6 a.m. to 6 p.m. (MT), or visit [TIAA.org/schedulenow](#) <sup>[8]</sup>.

[TIAA](#) <sup>[9]</sup>, [financial wellness](#) <sup>[10]</sup>, [debt management](#) <sup>[11]</sup>, [one-on-one](#) <sup>[12]</sup>

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