

Title:

5 Ways To Try And Reduce Your Debts And Outgoings

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579

Summary:

Anyone that has a high level of debt or a number of creditors to pay off each month will know how stressful and difficult financial management can be. However, for those crippling themselves with monthly outgoing as a result of high debt levels there are some steps that could help.

Keywords:

Reduce Your Debts

Article Body:

Anyone that has a high level of debt or a number of creditors to pay off each month will know how stressful and difficult financial management can be. However, for those crippling themselves with monthly outgoing as a result of high debt levels there are some steps that could help to reduce the amount that you have to pay out each month, as well as reducing overall interest paid on your debts.

1. See where you can make cutback's on your outgoing's. Look at cutting back on little luxuries such as eating out at lunch each day rather than taking sandwiches to work with you. Also cut out any unnecessary expenditure, such as subscriptions and memberships that may no longer be of much use to you. It is surprising how much you can claw back through a number of small savings each month, and this can then be applied towards your smaller debts such as credit and store cards in order to clear them more quickly.

2. Make sure that you are aware of exactly what is coming in and going out of your account each month. Trying to manage your finances and prioritize on paying off debt is impossible if you don't keep a proper track of your income and outgoing's. List down every little payment that goes out of your account so you know exactly how much you can afford to spend or put towards clearing your debts a little faster.

3. Consider consolidating your debts. By consolidating smaller debts with one larger loan you can reduce the number of repayments you have to make each month, cut back on the number of creditors to whom you have to pay interest, and

dramatically reduce the amount that you pay out each month. For homeowners, a secured loan could be the ideal solution, as this can be spread over a longer period and this helps to keep monthly repayments down. You should be aware though, that by taking finance over a longer period, this would mean you pay back interest for longer. However, if the interest rate is less than what you currently pay, and lower monthly payments means that you have more disposable income to spend, it would serve to prevent it from being necessary that you need to take on extra borrowing as you will have spare money each month to either build up savings and be able to afford things which you may want to purchase, without borrowing additional money.

4. Try and clear your overdraft. If you have an overdraft with your bank, and you find yourself reaching the limit every month, one small transaction is all it will take to push you over the limit - and of course this means hefty bank charges being added to your account. By ensuring that you keep your overdraft at a sensible level rather than teetering at the brink of exceeding the limit you can avoid these hefty charges.

5. If you do intend to take out another loan this should be by way of consolidation rather than an addition to your existing finance, as consolidating all your existing credit may help to ease the financial strain and reduce outgoing's, whereas another added loan will increase both. It may sound obvious but try avoid taking out a loan as an easy solution, as this will only suffice for the short term and you may soon find yourself struggling to keep up with all of your previous debts plus a new loan.