

Title:

How to spot clear warning signals that your heading for financial disaster

Word Count:

379

Summary:

How to take control of your personal finances, your the only one who can set things on the right path.

Keywords:

Finance, Money, debt, homes

Article Body:

Most people don't spot the signs that might help them avoid going bankrupt or losing the house. Going bust on a personal level does not happen overnight it takes and time and bad management in the majority of cases.

Over time the walls start closing in and before you know it you've lost the house, the car or the lot. The best plan of attack is to avoid this situation at all cost! You need some foresight when making personal finance decisions, for example the 12 / 24 month interest free deal look great on the surface but the real cost is hidden over the term of the agreement and people get suckered into them time after time. You need to ask you what circumstances are going to change in the future that is going to allow you to pay that debt, why can't you pay it today? If you answer honestly then you most probably will walk away.

They don't teach financial literacy in school sadly. The rule is simple, don't borrow to buy consumable items that lose value it's just not smart. Learn to go over the fine print with a microscope, you will need to do this to find the hidden land mines. think national sub prime disaster, I can't offer up a more valuable example. Consider this also, the cheaper the item the worse the finance package is going to be for the consumer. To make it viable for the seller they are going to try and make big margin on the finance. Small item price = high price for you.

Credit cards are pretty much evil unless you know how to manage them, if you must have one set the limit low and pay it off inside the monthly interest free period to avoid the bank fees. A small financial hole is much easier to get out of than a big one, never take on extra debt unless it's a matter of necessity. A home loan is the top of the tree, car loans are second, think long and hard

about any debt that goes beyond these two items. Cars and homes you need the rest you live without, the don't teach you this in school but it's uncommon sense most people need to learn and seldom will.