

## ***Make a Commitment to Paying Down Debt***

### **1. Set a Goal**

The more specific you can be when you set a goal, the more likely you are to reach the goal. What are your goals? Don't forget, you can work on more than one of those at a time! In fact, many financial experts encourage that.

You need to decide how much you can realistically set aside to pay down your debt. If you were to set aside \$10 a day for example, you could pay off an \$8000 credit card debt in about 3 years (depending on the interest rate). You can check out the *Debt Resource* for more information.

- How much debt do you have? \$\_\_\_\_\_
- How much will you set aside each day to pay it off? \$\_\_\_\_\_
- How long will it take you to pay it off? \_\_\_\_\_ years

### **2. Set Your Start Date**

When will you start to pay down your debt? Studies have shown that it helps to:

- Pick a date in the next month.
- Choose a day that you have some control over.
- Select a day that won't be too stressful.
- Mark your date where you will be reminded (in your planner or phone, etc.).

I will start to pay down debt on: \_\_\_\_\_.  
(Insert date)

### **3. Tell Others about Your Commitment**

Public commitments are stronger than private ones. Every time you tell someone about your promise to start paying down your debt you make your commitment stronger.

Start to strengthen your determination by:

- Deciding who you will tell about your commitment, and
- Telling them about your plans.

Who will you tell about your plans?

I will tell:

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How will you tell people? Consider these ideas:

- Update your Facebook or Twitter status to: *I am starting to pay off my debt!*
- Say to your friends, family, and co-workers: *I wanted to let a few people know that I'm planning to pay down my debt. Telling people will help me keep my pledge. I plan to start on \_\_\_\_\_.*
- Send an email, text message, or instant message stating: *I am committing to set aside money to pay off a credit card!*
- Put a note on your refrigerator: *Paying down debt plan starts \_\_\_\_\_!*

So don't wait! Let as many people as possible know that you're going to be paying down your debt.

#### 4. Make a Detailed "Action Plan"

- How exactly will you pay down your debt? Will you begin with the card with the highest interest rate or the card with the lowest balance? Mathematically, it makes sense to pay off the card with the highest interest rate first, but you have to decide what works best for you. For more information, check out the *Reducing Debt Resource Sheet*. Once you decide, write your plan on the next page.
- Where will you make changes to free up money to pay off debt? Will you change your withholding at work, refinance a mortgage or car loan, negotiate a lower interest rate on your credit card(s), raise your insurance deductible, or consolidate your debts somehow? Will you spend less? Reduce your cell phone plan? Cut cable?

***My Action Plan***

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