How To Get Out of Debt

Reclaiming your financial future starts by taking positive steps to get out of debt.
Here are the steps to begin reducing or eliminating too much debt.

First, make several copies of the worksheet below (one per creditor). Then, list how much you owe to that creditor and how much you will pay each month. If you make steady payments, you'll see the amount owed go down. It will be reduced even faster if the amount you pay each month is more than the minimum monthly payment due. Put your worksheets in order, starting with the highest interest rate to the smallest. When one debt is eliminated, celebrate your progress (just don't let your celebration land you in debt again). Then, take the amount that was paid monthly on that debt and apply it to the unpaid debt with the highest interest rate.

Debt Recovery Worksheet

Creditor: _____ **Debt is for: _____**

Interest Rate	Amount Owed	Monthly Payment	Payment Due Date	Amount Paid and Date

Source: Adapted from *Taking Charge of Your Finances*, UNH Cooperative Extension, for Project C.A.S.H.
Handout #9

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