



Dealing with Debt

Get Out of Debt and Stay Out!

by Michelle Jones

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www.BetterBudgeting.com

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A Website and Free Monthly Ezine Dedicated to Helping Families Live a Better Life, Not by Spending More Money, but Less!

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About the Author

"One of the great secrets to Living a Better Life, is not in being able to spend more money, but learning how to enjoy and manage what you already have, better!"

Michelle Jones

Michelle Jones is the founder and publishing editor of BetterBudgeting.com and author of Dealing with Debt, a Special Report on getting out of debt and Living a Better Life.

Michelle has been married for over twenty years and has four children. After leaving the workforce in 1990 as a word processor and stockbroker's assistant, she devoted ten years to being a stay-at-home mom before starting her online publishing company, Blue Ridge Publishing, Inc.

Since then, she has been busy at work sharing her passion for spending less and enjoying life more through the Better Budgeting web site and monthly publication, Living a Better Life. Now based in metro Atlanta, Michelle and her husband, Wayne, have experienced a wide range of financial challenges during their twenty-plus years of marriage.

From "double-income no-kids," to "one-income and scraping by on every penny," to "out-of-work and eating beans for dinner," and lastly, to "finally having some money to manage." In those early years, they almost lost everything, financially.

During the most difficult years their family grew to include four children, they endured eleven surgeries, several job layoffs, and four out-of-state job transfers. In a six-year period, they were moved from Kentucky to Tennessee, to Alabama, to North Carolina and then to Virginia. It was a roller coaster of one difficult life-changing event after another.

Though at times finances have been hard for this Jones family, they have always tried to focus on the blessings in life and the rainbows after the

storms – never giving up faith that God would provide. And He did just that. (Including all the wonderful people they've met along their journey.)

By necessity, Michelle learned to be more budget conscious and frugal—to get her family through those very tough times. And maybe even more importantly, during this time she developed a deep passion to continue applying the lessons she had learned and to help other families better manage their money and resources.

In November of 2000, Michelle began writing her well-received family budgeting column, "Living a Better Life." Then, in the spring of 2001, she founded the BetterBudgeting.com web site and free updates to provide a wide range of money-saving tips for everyone. And shortly thereafter she wrote "Dealing with Debt," and made it freely available to all subscribers.

As the publishing editor of BetterBudgeting.com, from the spring of 2001 until now, Michelle has put her heart into every issue. She has hand selected each and every contributor, and each and every resource. It has been a true labor of love.

Although the web site and monthly publication are now supported by sponsors and affiliate partners, Michelle worked for the first two years without any income whatsoever. It was the [letters from the readers](#) that kept her going; letters that confirmed BetterBudgeting.com is making a difference in people's lives!

And our Mission Statement remains the same...

To help others achieve their own financial success

And learn the frugal art of living better, on less!

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Chapter 1

The Secret Key to Staying Out of Debt

After many years of financial struggling and heartache, my husband and I finally discovered the “Key” to getting out of debt and staying out! There is one basic requirement that will enable you to stay out of debt, and it’s really quite simple.

Contrary to what many people think, it is not to “live within your means.”

Although that statement is pretty close, the secret key is actually... to live **BELOW** your means!

See, I told you it was simple. Yet this is not an easy concept for most people. In today’s society, where materialism and attaining as much as you can as fast as you can is not only normal but expected, it is not always easy to take a stand and live a “below your means” lifestyle. Especially when there seems to be so many things you need, and want.

In addition, living below your means might even include downsizing into more affordable housing and cutting out all the extras, it might mean emptying out the savings account, 401k and whatever other assets you might have to pay off debts. Some of these options may seem extreme, but they do work.

Where to Start

Start by setting your financial goals. If you are in credit card debt, one of the first things you’ll want to work on is getting out. Make a goal to get rid of those dreadful interest charges and break free from the burden of debt; it will change your life.

And once you’re out of debt, you’ll need to keep a monthly income surplus so that you can stay out. Creating a household budget will help you tremendously, and BetterBudgeting.com is here to help!

Just briefly, you can start a budget by writing down your monthly and yearly expenses - vs. the money you’re bringing in. Then total both sides. (You’ll

want to work with more details later, but for now this is a good start. Much more information can be found on the website!) If the numbers don't balance out with a surplus of extra money leftover for unexpected expenses each month, such as car repairs, medical and dental bills, and whatever else may come your way... then start thinking about what you can do to change that.

Think SURPLUS!

Make a plan to live below your means and take whatever actions you need to adjust your lifestyle so that you have a regular surplus - if at all possible. If you can create more income, do it! If creating more income is not an option at this time then you've got to decrease your expenses as much as possible. We have thousands of tips to help you save more money and stretch your dollar on the website, just for this purpose!

If you are really deep in debt right now you may be saying to yourself, "there is no way I can cut back any further." You've already cut out the vacations and entertainment, stopped dining out except for an occasional trip to McDonald's for the kids, stopped buying new clothes, expensive gifts and in general, cut back on the monthly expenses as much as you can.

You may even be scraping together every penny just to pay the bills each month. I understand - we've been there too. Most people experience some level of financial difficulty at one time or another, but sometimes our circumstances may be so bad there is simply nothing left to do - but pray. (And let me assure you prayer does work!) Keep the faith and continue doing the best you can.

If you are not in debt then you are truly blessed. You are also a rare commodity in today's society. Whether you have a lot of money or not you must already know the secret of living below your means, congratulations!

How Much is Enough?

Yes, it is true that you need a surplus each month to keep from going into debt, but how much is enough?

I love the profound example many financial experts use (Larry Burkett was the first one I heard it from), and it goes something like this... "If you ask a family who makes \$30,000 a year - and a family who makes \$50,000 a year

- and even a family who makes \$100,000 a year how they're doing, in most cases each one will likely say, "We're just barely making ends meet!"

May we all keep learning how to Live a Better Life, not by spending more money, but less!

* * * * *

Chapter 2

How I Saved \$300 Off My Grocery Bill for One Month

In most cases, in order to get out of debt and live below your means you must cut back wherever you can. And sometimes the only place left to cut is the household grocery budget. It's not easy, it's not pleasant, but it can be done.

If you are already spending the bare minimum on food for your household (let's say \$300 or less), then you are already doing a great job! But bare with me, maybe I will cover an area you have overlooked and help you save a little more on your grocery bill. And for the rest of you, those spending \$500 - \$700 or even more each month, let's get to work!

This may be a big surprise, but I'm not even going to discuss coupons. If you're not using them you already know better, and if you are you're doing better than me right now. I'm usually so busy that I'm doing good just to remember to bring the grocery list.

What I'm presenting to you really goes beyond coupons. For most of the food items that I purchased had no coupons available. And if I had brought the coupons I had, I would have probably spent even more money. Saving money on a high priced item is not the issue right now, we already know how to use coupons, not spending the money in the first place is what we're going to focus on.

Now, this is how I saved \$300 off my food bill last month. For 30 days, I cut out the following items from my food bill completely. Sweets and junk food, other miscellaneous pre-packaged foods, frozen foods (except for a few really nice frozen pizzas that were on sale – they make a complete meal you know), sodas, coffee, fancy salads, steak and other expensive meats, and anything else we didn't absolutely need.

I replaced these items with crackers and popcorn (on sale), beans and rice (on sale), pasta and canned or frozen vegetables (on sale), water (just 69 cents a gallon for the store brand, remember we live out in the country and have well water), plain lettuce and cucumbers (on sale), chicken (on sale), soups, and the kid's favorite macaroni and cheese (some store brands are

better than others, and much cheaper than Kraft). I also purchased fresh fruit each week, but only what was on SALE.

As a family of 6 we drink a lot of milk each week so no savings there. Although several of our readers have shared with us that they use powdered milk to save money, and some mix half a gallon of whole milk with half a gallon of powdered milk, coming up with something that tastes like 2%. But even with buying the regular milk, I still managed to walk out of the store each week at a cost of under \$80. Pretty good for a large family - when our usual bill had increased to an average of \$150 or more.

There were several other factors that helped with this money saving project. Our pantry was stocked up with a few staples that are now gone, but they were inexpensive things such as flour, pasta, soup, peanut butter, etc... it will not cost very much to replace them.

Another thing I did was to stretch out the time in between trips to the grocery store. Instead of going to the store every seven days, I stretched it to every nine or ten days, with the exception of picking up milk and bread as needed. This saved a lot of money because I wasn't buying items until we really needed them.

And that leads to another great tip; when you need milk and bread, just get milk and bread! Don't even look at any of that tempting food in the center aisles. The milk is in one corner of the store, the bread is in the other, and often they are at opposite ends. Hmmm, I wonder why that is?

I have spent years living on a food budget such as this. But it was always out of necessity, whether due to job changes, medical bills, or a new baby in the house. Even several times, all of those were happening at once. And during those times, it always amazed me to hear people talk about spending \$700 or more on groceries a month, when I was spending \$30 a week. Then as we downsized into a smaller home our food budget became a little more flexible. It's been nice not having to be so frugal for a while, but I don't want to forget what I learned in those most difficult times.

This might be a good time to mention some of the reasons one might need to make this drastic budget cut, besides getting out of debt. Extra expenses might include...

- Christmas, birthday and anniversary gifts
- Car repairs
- House repairs
- New baby on the way
- Kids have suddenly outgrown all their clothes and shoes
- School expenses; tuition, supplies, field trips
- Insurance or tax bill, try to arrange monthly payments if needed
- Saving for a vacation
- Saving for a new home
- A special gift to your church, missions or charity

If you have already put some of these items on credit you need to get these bills paid off as quickly as possible. Paying interest on them is money down the drain and it's better to make the crunch now and get it over with. If you allow these expenses to accumulate month after month, they will just build up and create a mountain of debt, accruing interest upon interest.

I know there are so many people who are still trying to find a way to live a better life and not be so pressed for money all the time. They are living paycheck to paycheck, spending every dime they have, not really knowing how to change it. But getting out of debt and staying out of debt will help, as will setting up a budget, and learning to live below your means.

When cutting back on expenses in general the food budget is always my best bet. Even with a family of 6, it can be done!

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Visit our Grocery Tip website at www.GrocerySavingTips.com

Chapter 3

6 Steps to Getting Out of Debt – When You Don't Have Any Money

Of course you don't have any money, or you wouldn't be in debt in the first place! The two go together all too well. I know it may seem impossible to do, but no matter how bad things may seem, it is possible.

There's no need to discuss why you're in debt right now, because there could be a hundred reasons why, some of them may be your fault and some of them may not. But the fact is – if you are in debt, you have got to get out!

It may take you 1 or 2 years to get out of debt, or it may take you 10. But with strong determination (and a lot of prayer) you can free yourself from this dreadful burden and enjoy a better life for you and your family. Here are the steps you must take to get out of debt...

#1 Stop Accruing Debt NOW!

Stop using your credit accounts immediately. You may not think this will make much of a difference in getting your entire debt paid off, but it will. If you have credit cards, consider cutting them all up, with the exception of one for emergencies, or freezing them in a plastic zip bag of ice so they will be harder to access.

If you have credit lines, either cancel them or put the blank checks in a safe deposit box. If you close your accounts while you still owe a balance, this can make your credit rating appear worse. Sometimes the creditor is either not able or unwilling to make a notation that you have personally requested the account to be closed, and instead it will look like they initiated the cancellation.

Some creditors may even increase your interest rate if you close the account before it is paid off, so be sure to ask them about this as well. If any of these negative factors apply, it's better to keep the accounts open... but only if you can be disciplined enough to leave them alone.

If you highly suspect you won't be able to use your credit cards for 'emergencies only' then go ahead and close the accounts. You'll be better

off in the long run. And expenses for clothes, dining out, Christmas and birthday gifts, vacations and entertainment are NOT emergencies... but family illnesses, dental expenses, home and car repairs are.

And yes, by discontinuing the use of credit, this means not only do you have to pay your credit card bills each month, but you will now have to live on what's left.

#2 Stop Spending, Cut Back and Create a Budget

In order to get out of debt you will have to tighten your money belt as far as it will go, every penny really does count. It may help you to think of this as temporary, for when you do get out of debt your budget will certainly have some breathing room with all those nasty bills gone. But learning how to budget your yearly expenses and live on less will be very beneficial for your future as well.

As your finances get better over time, remember to adjust your budget carefully; planning for those unexpected expenses such as insurance, taxes, medical and dental bills, etc... If you don't, you'll end up right back where you started, in debt again.

Now, keep in mind during this time, if you are at fault (either completely or just in part) for getting yourself into this mess, make ALL the changes necessary so it doesn't happen again. Rule number one... stay away from credit cards unless it's for an emergency, period.

#3 Beg for Mercy

Depending on how bad your situation, you may have to beg your creditors for mercy. If you cannot make the current monthly payments, call your creditors and see if they will lower your interest rates and work out a lower monthly payment, even if it's a 3-6 month temporary plan. (You can call them back in a few months when the payment arrangement is about to expire, and ask for an extension.)

Try doing this at first without telling them you are in dire straights, oddly enough they are sometimes more willing to help you if everything is okay. If this does not work, let them now how bad things really are, and/or ask to speak to a manager. Some creditors will even suspend payments or interest

charges for a few months until you can get caught up, and this includes mortgage companies.

#4 Move that Mountain, One Debt at a Time

If indeed you do not have any money to pay down your debts; such as savings, investments, retirement plans and equity in your home, use this plan instead. Pay it off one bill at a time. Take the lowest bill you have (taking into consideration any prepayment penalties, accounts with extra high interest rates, or balances that are long overdue), and pay everything you can on it until it is paid in full.

Then, pay the minimum amount on all of your other debts (or less for the creditors who've agreed to a smaller payment). With medical bills, they will sometimes accept whatever you can afford to send, but good communication is very important.

When that first debt is paid off take that payment you were making and add it to the next debt, and so on. DO NOT spend that extra money unless it's an emergency, because it's not really extra money if you're still in debt. Continue doing this until all your debts have been paid off, however long it takes.

#5 Downsize

As I wrote in the first chapter, *The Secret Key To Staying Out of Debt*, you must learn to live BELOW your means, not above or within them. If there is absolutely no money to pay the debts off, then you might want to think seriously about sizing down or selling off anything you don't really need.

During our most difficult financial times, we held seven garage sales and sold just about everything people were willing to buy. It helped that we lived in a neighborhood where weekend sales were popular, if you don't, you might be better off selling your items on ebay.

However, that was many years ago and we haven't had a sale since. We usually give our unneeded items away to friends, neighbors and charities instead, and it feels great to be able to help others in this small way. If you can do this too, that's great, but it's going to depend on your own financial situation. There is nothing wrong with selling personal items off and earning some extra money that way. You might even have enough extra stuff to pay

off all of your debt, depending on the size of your debts and how much your unwanted items are worth.

For my husband and I, personally, we have been so blessed by the generosity of others when we were in need, this was (and still is), just our way of giving something back.

#6 Last Resort – Increase Your Income

Increasing your income may be 1st on many people's minds when it comes to getting out of debt. You may even have friends and family suggesting that is the only way you can get out of debt (if so, I hope this report is helping you see there is much more you can do!)

But I say increasing your income is the last resort because many times more money is not the solution, it's only a bandage for bigger issues. Remember the story I shared with you about the families making \$100,000 a year (chapter 1), reporting to only be making ends meet?

Yet, of course, it is an option. If getting a better paying job (or even a second job), fits into your lifestyle and family situation then go for it. That extra money you can earn, even with a part time job, may really help out.

If you are a single parent or a stay-at-home parent who's spouse is already working too many hours for either of you to work another job, consider caring for a few young children during the day or after school. At-home day care can earn you \$50-\$100 per week, per child, depending on your area.

And remember, this major crunch is just temporary. You have a goal to get out of debt and you must take actions to accomplish it.

* * * * *

Chapter 4

Dealing with Debt and Creditors – When You Don't Have Any Money

Looking back, everything seemed great at first. My husband and I both had wonderful, well paying jobs, with big bonuses and raises projected for the coming year. Things were really looking up, so we made an offer on a modest home we thought we could afford. But then we had to get an extra loan to cover the unexpected closing fees that were increased just a week before closing day.

We were confident we would be able to repay that loan quickly, and that everything would be all right. After all, our credit rating was perfect. We even bought a few pieces of new furniture with the Visa card, since our future looked so bright... we just 'knew' we'd get them paid off soon.

But just a few weeks after moving into our new home we found out that we were expecting our first baby. We were overjoyed. Until shortly thereafter, when the rug was completely pulled out from under us financially... we lost both of our jobs. Life happens. Our journey in this world is filled with many ups and downs, and if you think it can't happen to you, good luck!

It's been many years since we went through that financial crisis and we've learned quite a bit about dealing with creditors and much more. Although this turned out to be just the first adventure of a long battle with financial disappointments, by the grace of God we learned how to live a better life and be happy even when we were close to losing everything. (A spiritual wake-up-call with something much more valuable than money... a deeper faith.)

But that financial disaster was still a nightmare to live through and we learned a lot because we experienced everything on a personal level. We made all the phone calls and did all the explaining and negotiating, on our own. We also discovered that people who had not been through it didn't understand, even some of our closest friends and family were suddenly not around. (This is when you will learn who your dearest friends really are; they stay with you through the good times AND the bad.)

Now before this difficult time we did have a spotless credit record, and I'm sure that helped. (A good reminder to keep your credit spotless in the good

times!) However, as you may have already discovered, when you can't pay your current bills, some of your creditors couldn't care less what you've been through. But I'm here to tell you... you can get through this!

What do you think is the most important factor in dealing with your debt and creditors? **HONESTY** and **COMMUNICATION**! I mentioned this briefly in the previous chapter, *6 Steps to Getting Out of Debt*, but I'd like to share more about what I have learned, firsthand.

If you are not married, then you will have to communicate with your creditors on your own. But if you are married, the first thing you will need to do is discuss which one of you is going to handle the actual task of dealing with the creditors. Just remember, even though one spouse is doing most of the talking, work as a team and get through this together.

In most situations, it is better for the person who pays the bills to be the main contact for the creditors. They will not appreciate talking to someone who isn't very familiar with the bill, such as knowing what amount was last paid and when it was mailed.

If your name is not on the account you're off the hook. Most creditors will not even speak to you if this is the case. I'm afraid whoever's name is on the account will have to do the talking, and in our case, my name was on all of the accounts. Can you just hear my husband breathing a sigh of relief back then? It's okay, getting through this experience made me stronger. And I probably wouldn't be here helping you today if we hadn't gone through it ourselves.

Next factor, what if you're behind on your payments? Whatever you do, do not avoid your creditors. We never tried this tactic, but knew people who did. Later we found that our open communication with our creditors had made a huge difference in how we were treated. We found most creditors are much more willing to work with you if they know you're sincere.

There's just no reason to hide from your creditors; they are not going to put you in jail, they just want their money back. Yes, there are laws to protect you from harassment on their end, but keep in mind... this money rightfully belongs to them. It is your job, as the debtor, to prove to them that you are willing to pay this money back no matter how long it takes.

Be sure to keep good records of each conversation with the credit card company, including the person's name and what they said. Writing a letter will help too. Letters are usually kept in files and will be used as a reference in the future. Let them know you are DETERMINED to pay the debt off.

Tell them what you can afford to pay each month and never promise something you can't do or you will ruin your credibility (no pun intended). They may not agree to lower your payments either verbally or in writing, but I have yet to hear about one that won't accept a check. I would not be surprised if there are a few of them out there, but in most cases, they will accept your payments and be more willing to work with you in the coming months, (after they have received a few of your payments as you have promised to send).

Unfortunately, there are some creditors that can be really nasty. They do not care about your situation and they will not be willing to help you, even if you do send them regular payments. These creditors may charge you up to \$30 or more for every late payment, they may count a partial payment as a late payment, and if that's not bad enough, they may even raise your interest rate if you're late even once.

I get many credit card offers in the mail each month, as I'm sure most people do. The bold print with initial low rates may be tempting, but you must read the fine print to discover the real facts. Think of that fine print as a lion waiting in the bushes to attack if you lose your footing, because that's what it could feel like if you do.

Make sure you know all the facts before applying for, or using, any credit card. Even then, companies may change the rules whenever and however they see fit. You may sign up for one thing, but a year later they will change your account or sell it to another company who will have even worse terms. If you are in debt to a creditor such as this, beg for mercy every month and work on paying them off first.

If all of your creditors are willing to work with you, then you can start by paying off the smallest bill first, or the one with the highest interest rate. Then when the first debt is paid in full, take that monthly payment and add it to the next smallest account, working your way up. Everyone's situation will vary so take some time to decide what is best for yours. In our case we had

small debts and huge debts, and it really helped to pay the small ones off first.

If you are in debt with medical bills, most of them will accept your payments of even \$5 -\$10 a month, with no interest charges. As long as you are consistent and send something every month. But if you miss one payment or let it drag on too long, they will most likely pass it on to their collection agency. And they can be just as nasty as the credit card companies, if not worse.

Many years ago, we encountered one medical account who threatened to sue us if we didn't pay the bill in full... the balance was less than \$50! At the time, I didn't know any better so I sent them our grocery money to pay the full balance. If I knew then, what I know now, I would have insisted on making a new payment arrangement because we simply did not have the money to send them.

Later, with the birth of our 4th child and for the first time in a long while, I encountered a billing office that was unwilling to work with us. One of our largest hospital bills was over \$1,000 - along with a dozen smaller medical bills waiting to be paid. Yet, the hospital still insisted that we send \$300 a month and would not agree to anything less.

So what did we do? We had thousands of dollars in medical bills and all of them needed to be paid - not just this one single account. For many months I received nasty letters in the mail stating the account was due in full, yet each month I continued to send them what I could, whether it was \$100, or \$10. Finally, the nasty letters stopped. Maybe they realized we were sincere in paying our debt, I don't know for sure, but it bought us the time we needed to get the bills paid in full.

Keep in mind that companies deal with people everyday who run from their debts and have no intention of paying them (making it that much harder for the rest of us who do pay our debts). The creditors have no reason to trust anyone who says, "I promise to pay you." That is, until you prove it to them with your consistent honesty, communication, and regular payments.

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Chapter 5

Avoiding Bankruptcy:

Is Consumer Credit Counseling Services for You?

Many people who file bankruptcy end up in the same financial mess a few years later. So, I will not be covering bankruptcy laws because it should only be thought of as an absolute last resort; if you have no other choice.

For those of you that may have already filed bankruptcy, the fact that you are here reading this report on getting out of debt and staying out of debt means you are earnestly seeking ways to do better, and that's great! For others, who may be headed in that direction, the next question is...

What about CCCS (Consumer Credit Counseling Services)? And it's a good question. For some people this is a good option and definitely worth checking into. Unfortunately, they aren't able to help everyone.

CCCS wasn't able to help us because our circumstances were too severe at the time. After filling out all the papers and making the appointment to see the credit counselor, a very surprising thing (and evidently a rare occurrence with CCCS) happened next. The counselor pulled me aside and said, "I'm not supposed to recommend this, but your situation is so bad, you just need to file bankruptcy."

Although that may seem a little cold to you, she really did us a big favor. We ended up getting out of debt on our own, without their help and without filing bankruptcy.

Over the following month or so, we did look into bankruptcy laws and discovered we did in fact qualify. But deep down inside we knew this was not the way we wanted to go. Although we respect those that feel they have no other choice... the reason why I founded BetterBudgeting.com is to help you find better solutions.

And for those of you facing the worst financial difficulties, I'd like to share with you what I have learned about Consumer Credit Counseling Services over the years, both from personal experience and that of others. I will first

explain what this service is and then I will cover the advantages and disadvantages of using their program.

What is CCCS?

Consumer Credit Counseling Service (CCCS) is a non-profit organization that helps consumers get their debt under control. First, by arranging a more affordable repayment plan based on the consumer's income, and eventually getting them out of debt completely.

They also provide free budget counseling and classes, which can be extremely helpful for anyone struggling with their finances. I believe this service was free when we looked into it years ago, but many offices now charge a \$5.00 monthly fee if you sign up for their service, still pretty reasonable.

They have more than 1,000 offices throughout the country. To find a location in your area, you can call the main number at 1-800-388-2227.

Keep in mind, the credit card companies financially support CCCS. This might be considered as a conflict of interest, but the counselors make every effort to recommend what's best for everyone involved.

The Advantages of Using CCCS

Some immediate payment relief is the first benefit to signing up with CCCS. Another benefit is that they take over dealing with your creditors so you don't have to. That means, for you, no more harassing phone calls or letters. (Even though harassment is against the law, it still happens to consumers everyday. However, you do have the legal right to hold them accountable yourself, and insist that they stop.)

From what I understand, frequently, CCCS can make deals with your creditors that you cannot do easily on your own. Some creditors will not work directly with you at all, but as I wrote in Chapter 4, Dealing With Debt and Creditors, many of them WILL work with you, all you have to do is ask.

CCCS may also have the negotiating power to lower the payoff balances with some of your creditors, as well as the ability to lower or remove interest charges. But, as I've mentioned before, you can also try this on your own, especially for temporary hardships.

As wonderful as CCCS is, this is not a perfect solution for your problems. The decision to sign up for their service (or any other debt relief program) should not be taken lightly. With this and all financial services, remember to read the fine print.

The Disadvantages of Using CCCS

Allowing CCCS, or any other debt relief program, to take over your bills will damage your credit. (Although not paying your bills at all would be worse.)

You may think you don't need good credit since you're never going to use credit cards again when you get out of this mess, but think again. Having good credit is very helpful; it shows whether you can be trusted or not. And those companies looking at your credit report in the future may not care what disastrous events got you into debt; all they may care about is how you dealt with getting out of it.

Good credit is definitely something to protect, whether you are getting new utility deposits waved, getting a new job (many of them check your credit history), or you are qualifying for a new home loan, it will make a huge difference. So, if there is any way you can handle paying these bills yourself it will be well worth your effort.

If you decide to pay your bills on your own, you may be able to at least attend the financial classes CCCS has available – and that certainly won't hurt your credit.

From what I have learned from others who have used a CCCS service, once they make a plan for you the monthly payments are set in stone and you cannot miss a payment.

And, CCCS will not be able to help you with your non-credit card bills, such as your mortgage, car payments, medical bills, and taxes. If you even suspect that you cannot make the monthly payment plan they propose for you... do not sign up for the program until you can.

Summary

If you feel you are in desperate need of a debt relief service the best one I can recommend is, in fact, CCCS. There are many other credit/debt services

available, we even have a list of them on the site under Debt Consolidation. Get all the details from these services you are considering, and if you can, talk to people who have used them.

Although, as I said before, I do NOT recommend bankruptcy, I have heard many people say they would have been better off going that route because the pain would have been over immediately and they would have been able to keep all of their money. But keep in mind, debts are debts and they need to be paid.

Pain is an interesting thing; it can bring healing, growth and wisdom along the way. The best path is not always the easiest or quickest path to take. In fact, it usually isn't. Take time to make these important financial decisions that will affect the rest of your life. And pray for wisdom.

In the 1st chapter of James, there's a great lesson on trials and temptations that I just love, here's just two of the verses I'd like to share with you, but I recommend reading the entire chapter. We often hear this first verse, but it comes with a condition in the following verse...

“If any of you lacks wisdom, he should ask God,
who gives generously to all without finding fault,
and it will be given to him.
But when he asks, he must believe and not doubt,
because he who doubts is like a wave of the sea,
blown and tossed by the wind.”
James 1:5-6 (NIV)

Hold on to your faith, and remember... when the storms clear, the rainbows will come!

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Chapter 6

Simple Abundance: Just Stop the Wheel and Get Off!

I'd like to add just one more important factor for getting out of debt, and staying out of debt for good. It's something that we all must learn in life.... finding joy in our own simple abundance.

Early in our marriage (almost two decades ago), we had lots of goals. Among those goals were the basic material things that most young couples want to achieve still today... a home of our own, two nice cars, a few pieces of nice furniture and the basic home appliances.

It all seemed like a great plan, and we even achieved them, temporarily. At the time, we were bringing in a double income, had very little debt, and no children. We were young and in good health, we felt if we worked hard we could achieve the 'American Dream.' We scraped together every dime we earned, like many families do, and bought our first home.

Shortly after that, I remember my husband and I driving around our city looking at bigger homes, planning for when (maybe five years down the road), it would be time to 'move up,' again. After all, we both had good jobs with a nice combined income between us, a bright future. But we were not living simply or abundantly. Cliché as it may sound; even the Joneses were trying to keep up with the Joneses.

We were focused on moving up, and up... and in reality it was not a dream, but a trap. That first summer we even spent \$200 watering our lawn one month, just so the new grass would stay green. Now, you couldn't even pay us to waste water like that. We've come a long way; we've learned to appreciate everything. Healthy green grass is lovely, but honestly, when I drive by houses that spend a lot of money on lawn-care, I am very sad for the owners. This is not abundant living; it's just abundant maintenance and a waste of resources, water and money.

Unfortunately, my husband and I can both be pretty stubborn. We didn't break free from the old 'American Dream' without help. In fact, it took several job losses, several surgeries and health problems (with tons of

medical bills), several sold homes, and several children later, for us to finally get it.

You see, Living a Better Life is not really about having more money and things, it's about simple abundance. We can call it the NEW American Dream. And the joy in our life here on this earth comes from being content with all of our blessings, not just our financial status.

Trying to achieve the OLD 'American Dream' is still putting more people into debt and bankruptcy court than ever before. Today, a car cost more than most houses did thirty years ago. Inflation surely does not help matters, but especially when it seems the Joneses next door are somehow pulling it off.

But I've got great news for you, though bad for the Joneses next door... they aren't pulling it off. They're just as deep in debt as you are, if not more.

Again, this is not abundant living; it's simply called financial bondage.

For some of us to break free, we actually have to remove ourselves from the excessive spending that surrounds us. We downsize into homes we can better afford, we drive used cars for as long as they will run, we shop the discount stores and rarely go to the bigger malls (more stores usually equal more spending), and we learn to budget our money so we are no longer living paycheck to paycheck. In short, saving money becomes a new way of life, which makes room for REAL living!

I'm on my soapbox again, I know. But if it took us ten years to figure it out, maybe some of you out there haven't figured it out either. And if I can help make a difference with even just one person, all of my hard work on this website will have been worth it.

If you are struggling to make ends meet, living paycheck to paycheck, which we've all heard most people are doing... just STOP the wheel and get OFF!

Start thinking about selling your home and anything else you don't need, move into a place you can afford, and get down to some real abundant living while you still have time to enjoy it!

Enjoy the every day blessings in your life - look around you, they are everywhere! Forget the rat race and the insanity of trying to keep up with the rest of the world. And maybe, if we'd all stop buying these overpriced

houses and cars that we can't really afford, the prices might start coming down instead of going up and up.

Okay, so call me an optimist - but I truly believe it could happen!

* * * * *

For more money-saving tips please visit us at the website!
www.BetterBudgeting.com

Don't forget to subscribe to our FREE Ezine...

And tell all your friends about us, they'll be so glad you did!

Other great books we recommend on dealing with debt...

[Debt-Free Living: How to Get Out of Debt and Stay Out - Larry Burkett](#)

[Become Totally Debt-Free in Five Years or Less – by Gwendolyn D. Gabriel](#)

[Debt-Proof Living - Mary Hunt](#)

[Credit Card & Debt Management: A Step-By-Step How-To Guide for Organizing Debt & Saving Money on Interest Payments – Scott Bilker](#)

For a complete list of our budgeting programs and money-saving recommendations, please visit... <http://www.betterbudgeting.com/books.htm>

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Thank you for taking the time to read my free Ebook,

I hope it will be a blessing to you and your family

For many years to come!!!

Blessings always,

Michelle

Founder and Publishing Editor

www.betterbudgeting.com

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