

Staying Ahead of Your Creditor\$

by Jim Kendall, LCSW

Few stressors in life are more distressing than having creditors calling and feeling out of control because your spending has exceeded your income. It is overwhelming! Trouble with debt cuts across all social strata from doctors, professors, lawyers to clerks and food service employees. Those who make over \$100,000 annually and those who live below the poverty level may owe beyond their ability to pay their bills. Debt is debt.

Some people become great jugglers and magicians in trying to pay their bills when the money coming in is less than the money going out. This can lead to stress, depression and despair.

The solution is not a quick fix. It requires planning, discipline and a desire to get out of debt and stay out once and for all. The first step is to establish a **budget**. This is a plan of spending that designates where every penny of income will be used, prior to actually spending it. A budget is a plan between those in charge of the purse-strings that indicates agreement in priorities and a commitment to task. In order to formulate a budget, the heads of household need to sit down together and realistically estimate the amount of money used weekly, monthly or annually on food, clothing, shelter, utilities (heat, gas, phone and water), insurance, medical expenses, transportation, entertainment, etc. The rules are simple. The expenses cannot exceed the income. Often families are unaware of how they spend money. In this case, have each family member record (write down in a notebook) each purchase they make for a month or two. There are some expenses like car insurance that may be quarterly or semi-annual requiring consideration of that expense through monthly saving. Your first budget is just a draft. Over the next months, you will be able to refine your budget to more accurately reflect your needs. There is no substitute for this step. Budgeting is the key to understanding where your money goes and how to gain control over expenses.

If you need help with getting a handle on your finances, there are community resources that can be of help. Some have a cost associated with them. It can be a great investment for you and for your stress level as well.

- Consumer Debt Counseling: a nonprofit community service
 - 1-877-R-U-N-DEBT (1-877-786-3328)
 - Budgeting and assessment offered at no charge.
 - <http://www.ccsstl.org>
- Consumer Credit Counseling - Gallatin Rd location
 - 615-777-3404
 - Contact Person: Patricia Lampkin
 - Sliding scale
 - <http://www.nfcc.org>
- Debtors Anonymous: A self help organization founded in 1976
 - (615) 269-3628

- Financial Peace: A Christian based money management
 - <http://www.daveramsey.com>

Or talk with your Vanderbilt Work/Life Connections-EAP at (615) 936-1327.