



FOUR WAYS DEBT CAN SNEAK UP ON YOU

Submitted by Land of Lincoln Credit Union

If you're not careful, debt can sneak up on you out of nowhere. Prevent mounting debt by being aware of how you spend your money. Here are four common causes of debt sneaking up:

1. **LACK OF A BUDGET.** It can get dangerous fast if you do not know how much money you spend every month. You may be spending more than you think on things you don't need. Journal your spending, create a budget and stick to it.
2. **TAKING TRIPS ON CREDIT.** It's easy to get wrapped up in vacation fun – just make sure you budget ahead of time for it. Plan your trip far enough out that it allows you time to save for transportation, lodging, food and excursions. Putting it on a card and figuring out later how to pay will dig you deeper in debt.
3. **NEVER SAYING “NO” TO YOUR CHILDREN.** It's never easy to say “NO” to your kids when they ask for something. But if you rely on credit for every request, it hurts your family finances in the long run. It also gives them a poor example of money management.
4. **PAYING DEBT WITH CREDIT.** Avoid getting in the habit of paying a credit card balance with another credit card. Or paying utility debt with credit, unless you can pay it off each month. Transferring balances to lower-rate credit cards and debt consolidation loans can be helpful. They roll your debts into one sum at a more affordable rate. However, make sure you can pay it off fast.



- ◆ **Make a budget and stick to it.**
- ◆ **Plan and save for trips, don't charge them.**
- ◆ **Learn to say “NO” to your kiddos.**
- ◆ **DO NOT pay debt with a credit card.**

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