

## Post-Holiday Hangover: helpful tips on how to deal with holiday debt

by Bend Weekly News Sources

Opening gifts during the holidays is fun; opening the resulting bills is no fun at all. Yet every holiday season millions of consumers use their credit cards to finance gifts they don't have the cash to pay for. Around the middle of January, holiday bills start arriving and a strong case of post-holiday remorse sets in. When faced with the post-holiday blues, debt can seem overwhelming and impossible to handle. If you are feeling sick from your holiday hangover, consider the following advice from the experts at Consumer Credit Counseling Services of Oregon, a division of Money Management International (MMI):

- Create a damage sheet. List the names of your creditors, the amount owed to each and the interest rates, then total it all up. Update your damage sheet monthly and put it in a place where you will see it regularly. A damage sheet will help track the progress you have made towards eliminating your holiday debt.
- Create a budget and a 90-day repayment plan. Track your expenses for two weeks so you can be sure that every expense is included. Look out for unnecessary expenses that can be eliminated and apply the extra funds towards your debt.
- Shelve your credit cards. Take them out of your wallet and leave them at home. In fact, store them with your damage sheet to remind you of your balances. If you have to use credit, avoid charging anything that cannot be paid off in 90 days.
- Remember to pay at least the minimum amount on all accounts each month to avoid costly late charges and damage to your credit report. Send any extra funds to the credit cards with the highest interest rates.
- Establish a 2007 holiday savings account so that relying on credit next year won't be necessary. Take the total amount spent during the holidays in 2006 and divide by twelve months. This is the amount you should save each month.
- Take a good look at your spending habits and create a plan so that all your spending can be accomplished with cash. Remember, credit is not an extension of your income!
- If you feel overwhelmed, or don't have the resources to handle your post-holiday debt, consider credit counseling from a reputable source such as Money Management International ([www.moneymanagement.org](http://www.moneymanagement.org)). A credit counselor can help you develop a plan to pay off your current debt and build savings to help cover future expenses.

"Treat this year's holiday charges as a learning experience and resolve to do better next year," said Cate Williams, vice president of financial literacy for MMI. "Make certain that in January 2008, you can focus on starting the New Year debt free." About Consumer Credit Counseling Services

Consumer Credit Counseling Services (CCCS) is a non-profit, full-service credit-counseling agency, providing confidential financial guidance, counseling and debt management assistance to consumers since 1958. CCCS helps consumers trim their expenses, develop a spending plan and repay debts. Counseling is available by appointment in branch offices and 24/7 by telephone and Internet. Services are available in English or Spanish. To learn more, call 800-762-2271 or visit their Web site at [www.moneymanagement.org](http://www.moneymanagement.org).

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