**Five Tips for Dealing with Debt**

Does it seem like your bills keep piling up no matter how hard you work to pay them off? If so, that’s not too surprising. Americans’ [total outstanding credit card debt](https://www.federalreserve.gov/releases/g19/current/) recently rose above $1 trillion for the first time since 2007, with [total auto and student loan balances](http://www.zerohedge.com/news/2017-04-07/us-credit-card-debt-rises-above-1-trillion-first-time-decade) also over $1 trillion. If you’re feeling overwhelmed by outstanding debt, follow these practical tips from the \_\_\_\_\_\_\_\_\_\_ Society of CPAs.

**Take Stock**

Begin by answering two important questions: First, what do you currently owe? When you calculate how much you owe in total and what you pay every month it’s easier to [create or update a realistic budget](http://www.feedthepig.org/get-started/budgeting/creating-a-budget) that can give you more control over your spending and your debt management. Second, find out how much interest you pay on each balance and rank your balances based on the interest rate—from highest to lowest. Typically, it’s best to pay off the highest-rate loan first, but consider also getting rid of some smaller debts early on—even if they have a lower rate—to give yourself a sense of accomplishment and motivate you to stick to your plan. If you need help putting together a budget or with any debt management questions, be sure to talk to your local CPA.

**Check Your Credit Score**

Your credit score, which is determined based on [a number of factors](http://www.feedthepig.org/master-credit-debt/credit-cards/credit-scores), is important because lenders use it in deciding whether to give you a loan and how much interest to charge. The lower your score, the more likely it is that you might be denied a loan or that you may have to pay a higher interest rate. You’re eligible to [receive a free credit report once a year](http://www.bankrate.com/finance/debt/5-step-emergency-plan-for-dealing-with-debt-1.aspx) from each of the credit agencies - Equifax, TransUnion and Experian, so get yours and find out where you stand.

**Pay on Time**

Speaking of your credit score, it’s useful to know what elements count most when it’s calculated. You may not be surprised to hear that a [total of 35%](http://www.myfico.com/credit-education/whats-in-your-credit-score/)--the largest single portion--of your score is based on your past payment history. In other words, if you’ve missed payments it will drag down your score. It will also likely subject you to hefty late fees. To keep on track, set reminders about your payment due dates in your calendar and avoid splurges that could leave you short on cash when it’s time to pay your bills.

**Negotiate Payments**

It can be intimidating to contact credit card companies or other lenders if you’re struggling to make payments, but it’s worth letting them know that you’re having some difficulties and are trying to stay current. Many will be willing to lower your monthly payments or make other accommodations if they hear from you and are reassured that you are making an effort.

**Cut Some Costs**

Finding the money to pay on time and eliminate debt can be easier said than done. If your budget is squeezed, it’s time to look for any [unnecessary expenditures](http://www.feedthepig.org/index.php/toolbox/tips/habit-changers) in your budget. For example, shopping for a cheaper cable and Internet plan and cutting out expensive daily coffees or takeout lunches or dinners can reduce your expenditures and make it easier to keep up with payments and lower outstanding balances.

**Your CPA Can Help**

Stressed out about money? Wishing you could minimize your debt? Trying to save for a house or a child’s college education? No matter what your concern, your local CPA can offer the information and advice you need to make the right decision. Turn to him or her with all your financial questions. And don’t forget to visit [360finlit.org](http://www.360financialliteracy.org/) for more information on how to manage your personal finances.