

Making trade-offs for the future

Small increases in the amount you pay each month can make a big difference.

This chart shows the difference in how long it will take to pay off \$1,000 owed on a credit card at a 20% interest rate, with a difference of just \$10 each month.³

See what trade-offs you can make to put a little bit more towards your debt repayment each month.

Amount owing	Interest rate	Amount paid each month	Amount of time to pay off debt
\$1,000	20%	\$30	4 years 2 months
\$1,000	20%	\$40	2 years 9 months
\$1,000	20%	\$50	2 years 1 month
\$1,000	20%	\$60	1 year 8 months
\$1,000	20%	\$70	1 year 5 months

If you are going to start paying off your debt, or start increasing the amount of money you are currently paying, you will need to find the money somewhere in your budget right now.

Think about the things you currently spend money on that are less necessary right now. Which would you be willing to “trade off,” to find an extra \$10 – or more – a month for your debt payments?

³ FCAC. Credit Card Payment Calculator. 2018. <http://itools-ioutils.fcac-acfc.gc.ca/ccpc-cpcc/ccpc-cpcc-eng.aspx>

02 What do I owe?



Knowing what you owe is the first step to paying it off.

This worksheet will help you see the full picture of your debt. Although it may be difficult to face, it is an important first step. Then you can think about how to plan your debt repayment.

This worksheet will help you to:

- See the full picture of all of your debt payments
- Remember when all your payments are due
- Compare interest rates and balances owing
- Understand how much money you will be able to put toward paying off debt

This worksheet will help you to look at:

- Credit card statements
- Past due utility accounts
- Credit reports
- Collection letters
- CRA Notice of Assessment

As you fill in the worksheet, start to think about how much you are able to put towards paying off this amount each month. Other worksheets will explore some strategies for debt repayment and making a budget.

Tracking your debt

How much money do I owe?

Use this table to write down all of the debt you currently have. This list should include credit cards, loans, collections, judgements, past due utility accounts, dental bills and taxes. The list should also include any debt you owe to family or friends and debt on your credit report that you are responsible for. Circle any debts that are in collections.

Tip: Keep a copy of all of your credit card bills and loan information in a folder or binder. You can easily access them and keep track of payments if they are all in one place. This could include: credit card statements, line of credit statements, bill payment records, letters sent to creditors.

Who you owe money to	Amount you owe	Monthly payment	Payment due date	Interest rate	Notes- including any fees
Totals					

Do you have enough income right now to comfortably pay the listed debt payments?

What actions could you start to take to help you get out of debt?
