How to Overcome Bad Financial Habits that Lead to Excessive Debt

Nonprofit credit counseling agency Take Charge America offers practical tips to achieve financial security, save more for the future.

PHOENIX – (March 7, 2018) – America’s culture is on-demand everything. While there are benefits to 24-hour news coverage, Netflix and one-click purchases, the culture has weakened consumers’ ability to delay gratification, especially when it comes to spending money.

“The desire for instant gratification and to keep up with the Joneses can wreak havoc on your finances,” said Michael Sullivan, personal finance consultant with Take Charge America, a national nonprofit credit counseling and debt management agency. “As a result, many of us developed daily habits that may seem minor on the surface, but are actually hindering our long-term life goals.”

Sullivan spotlights the most common bad habits that lead to excessive debt – and how to break them:

- **Bad Habit: Spending in a Vacuum** – Consumers who don’t follow a budget tend to underestimate how much they truly spend, especially when it comes to entertainment, clothes, gadgets and other “wants.”
  - **Break It: Create a Budget** – For a reality check, create a budget using a traditional spreadsheet or one of the many mobile apps available today. Insert your monthly bills and other known expenses. Then, take 30 days to track every penny you spend. You’ll likely be surprised by just how much you’re spending, and in which budget categories. It will then be easy to see where you can trim expenses.

- **Bad Habit: Impulse Shopping** – Our on-demand world is filled with temptations that can provide short-term satisfaction – and long-term financial struggles.
  - **Break It: Try Black-and-White Rules** – Consider a ban on internet shopping, for example – or bring a friend on shopping trips to prevent frivolous spending. For some, a daily or weekly report with a family member is the best way to build in accountability.

- **Bad Habit: Paying Bills Late** – People who regularly pay their bills late may face extra fees and have a lower credit score, which can lead to higher interest rates on loans and lines of credit.
  - **Break It: Automate Payments** – Automating the bill-paying process ensures bills are paid on time each month, and it takes one more thing off your to-do list.

- **Bad Habit: Always Out on the Town** – Going out is fun – and it’s expensive. A simple dinner and movie can easily exceed $100. Think how that can add up every weekend.
  - **Break It: Play Host** – Invite friends and family over for a game night or mystery potluck. They, too, will be grateful to spend time together without breaking the bank.
• **Bad Habit: Misusing Loans** – It’s not uncommon for people to misuse home equity or student loans. It can be difficult to put off the temptation to spend when a bunch of cash lands in your account.

• **Break It: Keep Life Goals Top of Mind** – Plaster reminder notes where you’ll see them, create a vision board or enlist loved ones to provide accountability. You will be less likely to spend cash if your life goals are front and center.

For more financial tips or a free credit counseling session, visit [www.takechargeamerica.org](http://www.takechargeamerica.org).

**About Take Charge America, Inc.**

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit [www.takechargeamerica.org](http://www.takechargeamerica.org) or call (888) 822-9193.

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