

Recovering from Holiday Finances

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If you went all out for Christmas and got your spouse and children everything on their wish lists, your bank account might not be feeling the same warm glow of contentment as your family. If you want to avoid hitting rock bottom or plunging further into debt, you need to take some proactive steps to getting a grip on your finances.

1. Evaluate where you stand right now.

Before you can get your finances in order, you need to know everything that is happening with your various accounts and bills. Take the time to sit down and make a list of all credit card balances, monthly income, mortgage, car payments, medical bills, etc. Make sure to include all interest rates and late-payment penalty rates.

2. Make a plan.

At this point, you have all your numbers in front of you. First, don't get overwhelmed. Second, start planning. Crunch all the numbers and figure out how much residual income you have left after all essential bills are paid. With that residual income, figure out what amounts you can afford to pay on each debt. Be sure to factor in interest rates and allocate larger payments to accounts with higher interest so you can pay them off quickly.

3. Stick to the plan.

This step is pretty straightforward — now that you have a plan, stick to it. Don't make excuses for special occasions, etc. If you don't stick to it one month, however, don't give up! Just adjust the plan and get back on top of things. If you think you'll have trouble staying in control, build some leeway into your plan. Allocate a small amount every month that you can be flexible with. This way, you won't feel like you're denying yourself of any spending — you'll just do it in a controlled manner. If you want something more expensive, save up your "extra money" for a few months until you can afford it.

Benjamin Skinner is a bankruptcy and real estate attorney and senior associate at JacksonWhite. He focuses his practice on bankruptcy law, assisting individuals in financial distress. Benjamin also practices in the areas of residential and commercial real estate law. He has been practicing for over ten years and has handled thousands of bankruptcy and real estate cases. He is a member of the State Bar of Arizona and the Maricopa County Bar Association. Benjamin is a member of the American Bankruptcy Institute (ABI) and the National Association of Consumer Bankruptcy Attorneys (NACBA). To read more about what former clients are saying about hiring Mr. Skinner or to set up a free consultation, please visit <http://www.jacksonwhitelaw.com/arizona-bankruptcy/>.

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