



## **GOLDEN RULES TO AVOID DEBT**

### **Don't borrow to your limits –**

Lenders can be overzealous. Give yourself a bit of a buffer to cater for interest rate rises & unexpected costs

### **Prepare and follow your budget –**

Well done if you set a family budget but you need to enforce it as well. Don't get slack and relent to the pleas of your kids... or your partner!

### **Live to your means –**

Living like a king on a pauper's income is a sure recipe to disaster.

### **Don't keep up with the Joneses –**

Just because your next door neighbours has the latest & greatest gizmo doesn't mean that you must have it. If you can't afford it then don't get it. Be disciplined!

### **Cut up the credit card –**

It's too easy to fall back on easy credit when you are short on funds. Learn to save for life's luxuries.

### **Pay off the loans with the highest interest first –**

There's no point in paying extra off a home loan at 9% if you are not reducing the 24% credit card bill.