

# January Financial Wellness Toolkit

You help your members afford life – we'll help you do that. To aid with your public relations, media relations and marketing workload, we'll provide you with personal finance content each month to use in your credit union's communication channels.

## Here's the story...

---

*Our Financial Wellness Toolkit contains useful information and tips to share with your members in your longer-format communication tools, including newsletters, blogs and/or website articles. Use this story however you'd like!*

### **Paying down credit card debt after the holidays...**

The holidays are officially over, but the debt remains. Overspending happens every year during this time, and once the holiday glow is over, the bills start taking over.

According to [Magnify Money's annual post-holiday survey](#), 31 percent of consumers took on debt to cover their holiday expenses last year. Of those who did, they spent \$1,381 on average, with 56 percent of consumers using credit cards for their purchases.

If you ended up overdoing it a bit around the holidays, it will take some work to get back on track.

First, be sure to add your credit card payments to your budget in the new year. Next, pick a payment method: The snowball method or the avalanche method. With the snowball method, you put your money on paying down the smallest debt first, then the next smallest and so on. For the avalanche method, you pay the credit card with the highest APR first. Each method has pros and cons to weigh.

Consider making a balance transfer to a card with 0% APR for balance transfers in order to secure lower interest rates.

The most important thing you can do when paying down debt is to stick to your plan. The easiest way to do this is to automate your payments. Set a date for the minimum payments to automatically come out of your account, then set another date later in the month for an extra payment.

No matter how much debt you incurred over the holidays, make a plan, find the best interest rates, and stay diligent in paying it back.

### **How to pay down holiday debt**

Now that the holidays are over, are you struggling with how to pay down your Christmas credit card debt? Here are some easily implemented tips to get started from [CNBC](#).

**Know your budget** – If you don't have a budget, make one. If you do, revisit it. Make a list of who you owe, how much and the interest rate for each.

**Choose a pay back method** – There are two different schools of thought for paying back debt: The snowball method, in which you start by paying off the lowest amount of debt and then move on to the next lowest and so on; or the avalanche method, which focuses on paying down the debt with the highest interest rate first. There are benefits to each and you could even mix it up and use a combination of the two.

**Automate your payments** – Once you decide on your preferred method of payment, automate it. Paying down debt isn't as fun as saving for a fun vacation, but by automating your payments, it will almost be out of sight, out of mind.

**Lower your rate** – Although you'll need a high credit score to obtain one these days, if you can find a credit card with a 0% rate on balance transfers, you should apply for it. Then transfer your highest balance to get a lower interest rate.

**Pay more than the minimum** -- No matter the rate, always pay more than the minimum payment each month. Typically, a minimum payment is only 1% of the total, plus interest. If paying only the minimum on \$6,300 (the average amount of household credit card debt in America) with an average interest rate of 16%, it would take 17 years to pay it down and you'll end up paying around \$7,100 in interest. Doubling the minimum amount each month will result in a little over two years of payments with only \$1,100 in interest.

## For Social Media...

---

*Here are a few timely messages in 280 characters or less for your credit union's social media presences.*

### **#CreditUnions**

Do you know the differences between a credit union and a bank? Find out more:

<https://yourmoneyfurther.com/>

Credit unions offer lower rates on car loans than banks! Learn more:

<https://yourmoneyfurther.com/>

CUs exist to serve their members, not make a profit for shareholders. Learn more:

<https://yourmoneyfurther.com/>

Get a jump on your finances by visiting your local credit union today. Learn more:

<https://yourmoneyfurther.com/>

### **#HolidayDebt #PayingDownDebt**

Wondering how to pay down your #HolidayDebt? Get started with these tips here: *Link to release/article*

#PayDownDebt with these simple ways to get a handle on all that holiday spending: *Link to release/article*

The average American owes \$6,300 in credit card debt. Get a hold of your #HolidayDebt. More info here: *Link to release/article*