

Control Spending

By now you should be fully aware of the dangers and dilemmas involved with credit. Bad credit, along with its consequences, has reached epidemic levels in this country in a relatively short time. Now is the time to take charge and by following some very basic actions can turn a bad credit situation to one where you can use credit to your advantage.

By being pro-active you may find yourself:

- Being able to borrow when it suits you and at sensible interest rates.
- Taking advantage of lucrative offers such as "90-days-same-as-cash"; offers typically reserved for those with stellar credit.
- Realizing some lifelong dreams such as long vacations, sending your kids to private school, or any other previously unattainable goal.

There are some very basic, yet effective steps that, if taken, will go a long way towards helping you achieve financial independence.

Set clear financial objectives. These will serve as a beacon to keep you on course. Without clear objectives' you risk veering off course and onto that rocky path to bad credit. Your objectives, no matter how grand in vision, help keep your eye on the horizon and guide you to your destination.

Create a realistic, easy to follow monthly budget . Call it a spending plan if you wish. Do not look at it as a barrier or restriction. The purpose of the budget is to get you to your goal. If your goal happens to be a family vacation in Orlando, Florida , putting aside money each pay period and limiting other spending are as important in getting you there as filling the gas tank and heading south.

Begin with a clear understanding of how much income you have to work with, and then make the necessary allocations for living expenses. For any debt you may have set aside an additional part of your income to retire that debt as quickly as possible.

If you happen to be self-employed, or work for an employer offering a retirement savings plan, make sure you make regular contributions. Set up an emergency fund for unforeseen occurrences such as job loss or illness. If you are truly dedicated to saving this one thing that will make a major difference come retirement time; First live on as minimal a budget as you can and put one-half of any future income increases aside. By doing this you will be amazed at how compound interest starts to work in your favor.

It isn't terribly difficult to take charge of your finances. It is difficult however to change a habit, and unchecked credit spending is a very bad habit. Unless you take action and do something today you run the risk of bankruptcy, not being to [stop home foreclosure](#) , and long-term financial ruin. It's a decision you have to make as your financial life depends on it.