

MONEY MATTERS



Breaking The Revolving Debt Cycle

by John Addison

(NAPSA)—There are ways to keep a pinch in your budget from turning into a full-blown financial nightmare.

Still, many people find themselves stuck in a revolving cycle of debt—often as the result of having to use a credit card to cover monthly expenses, or an unexpected expense such as a mortgage payment that's suddenly increased.



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The solution: fixed debt through a fixed-rate loan. It can save you money and help you become debt free, sooner. Here's a

closer look:

Plan To Be Debt Free

With fixed debt, your payments are scheduled for a fixed amount of time (like with a car loan). You can easily tell when you will pay off the principal on the debt and—even with the same interest rates and monthly payments—your pay-off date is usually much sooner than with revolving debt at the same balance.

In fact, because of the way interest is calculated on revolving debt, \$17,000 borrowed at 15 percent with a \$382.50 initial payment would take more than 32 years to pay off. With fixed debt, it would take only five years and six months—at the same interest rate and with the same payments.

Buy Into Hope

If you feel like you'll never get

out of debt, you're most likely in a revolving debt cycle. Fixed-rate debt can keep you from feeling overwhelmed and can help you focus on the task at hand: getting out of debt.

Be Prepared

Many people stuck in revolving debt fund a financial crisis—such as a lost job or medical bills—with more debt, compounding the problem. With fixed debt and your set-date for debt freedom, you can focus on other important financial goals—like creating an emergency fund of three to six months' income that you can tap into when you need it.

Feel Good

Debt freedom feels good. It takes a weight off your shoulders—just ask anyone who's gotten there—or who has simply set a debt freedom date. It's empowering to know the day you'll get out of debt—and it gives you an added incentive to stop charging things you can't afford.

Learn More

Financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of "How Money Works," write to Primerica, 3120 Breckinridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, or call (770) 564-6329.

For more information, visit www.primerica.com.

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