

Credit Card Debt

July 30 – September 8

America Saves' our goal is to promote the importance of savings and encourage individuals and families to take financial action. To help the people you serve save more successfully and to promote the importance of savings at a national level, we have put together this resource packet with you in mind.

This resource packet contains a sample article, suggestions for social media content, and tools and resources designed to **help you communicate with the public, your audience, and with other organizations to help them pay off debt.** Look for new packets from America Saves every six weeks.

This resource packet includes:

1. [Sample Article](#)
2. [Facebook and Twitter Posts](#)
3. [Tools and Resources](#)
4. [Four-question survey](#)

We encourage you to use this material to:

- Augment the savings information you already provide to others;
- Encourage individuals to [Pledge as Savers in the America Saves campaign](#), thereby creating and committing to a basic savings or debt reduction plan and;
- Position your organization as "in front" of the savings message and the need to save, particularly in uncertain economic times.

We want to hear from you. Please take a moment to [complete this four-question survey](#) on the usefulness of this material.

Our next resource kit is on Retirement. If you have materials you would like us to include please send them to [Katie Bryan](#).

How Much is Credit Card Debt Costing You?

By Katie Bryan

Credit card debt – it's something that hangs over many Americans. According to the Federal Reserve, in April 2013 **the average credit cards debt equaled \$3,364 per U.S. adult**. This assumes that EVERY adult has a credit card and that those cards carry debt. But not all adults own a credit card. Young Americans are among those [ditching their credit cards](#) and not all households with credit cards carry a balance each month. The only way to reduce credit card debt is to make payments each and every month. To reduce this even faster you should pay more than the minimum payment each month.

Save Nearly \$4,000 by Paying More than the Minimum Balance

By only paying the minimum monthly balance, you are guaranteed to extend the amount of time it will take you to pay off your credit card and increase the amount you will pay. Take this example:

Total Credit Card Debt	Monthly Payment	Years to Pay Off	Total Cost
\$3,364 (at 14.96% Interest)	\$67.28 (min. payment)	19 Years 5 Months	\$7,618.63
\$3,364 (at 14.96% Interest)	\$87.28 (min. payment +\$20)	4 Years 4 Months	\$4,533.67
\$3,364 (at 14.96% Interest)	\$107.28 (min. payment +\$40)	3 Years 4 Months	\$4,225.11
\$3,364 (at 14.96% Interest)	\$167.28 (min. payment +\$100)	1 Year 1 Month	\$3,841.40

In this example, finding an extra \$100 a month to apply to credit card payments **reduces the time it will take you to pay off this debt from over 19 years to just over 1 year AND saves you nearly \$4,000.**

Use this great [free calculator](#) to see how long it will take you to pay off your credit card debt. You can see how long it will take if you only make the minimum payment, how much you will save by paying more, and you can find out how much you will need to pay each month to be debt free in a time period you designate.

How to Find \$100 Extra a Month to Pay Down Debt or Save

The [2011 Consumer Expenditure Survey](#) from the U.S. Bureau of Labor Statistics broke down how the poorest 20% of Americans spend their money. Based on the numbers, there are a few ways even these household can find money to pay down debt and save.

1. Turning off your cell phone or cable while you pay down debt could save you **\$50 a month**. (You can turn it back on as a reward when your credit card debt is gone or save it.)
2. Stop smoking a save **\$25 a month**.
3. Cut your entertainment costs in half to save **\$40 a month**.
4. Find a penny pick it up, by savings \$.50 in change a day you will save **\$15 a month**.

Need help finding ways to save? Take the [America Saves pledge](#) to make a commitment to yourself to save and receive emails and/or text messages to keep you motivated. Over your head and need help with debt? [Visit this page](#) to find out what resources are available to help you get out of debt.

America Saves, managed by the Consumer Federation of America (CFA), is a non-profit research-based social marketing campaign that seeks to motivate, support, and encourage low- to moderate-income households to save money and build wealth. Learn more at [americasaves.org](#)

Sample Tweets/Facebook

Share the following messages with your Facebook and Twitter Followers:

#SavingsTipTuesday

July 30 – Dig yourself out of #debt w/ this action plan from @FINRA_Education <http://ow.ly/c2szY> #SavingsTipTuesday

Aug 6 – Use social media to set and share your goal of getting out of #debt. <http://ow.ly/bJA2J> #SavingsTipTuesday

Aug 13 – Non-profit credit counseling agencies like @nfccdebtadvice can help you get out of #debt <http://ow.ly/c2ssf> #SavingsTipTuesday

Aug 20 – Making one extra mortgage payment per year will save thousands of dollars in interest & shave off years of #debt. #SavingsTipTuesday

Aug 27 – If you find yourself over your head in #debt, stop using your credit cards immediately. <http://ow.ly/bK4SA> #SavingsTipTuesday

Sept 3 – Americans spend well over \$75 billion a year just on credit card interest and fees. <http://ow.ly/c2sWv> #SavingsTipTuesday

#SavingsFactFriday

Aug 2 – 33% of Americans spend more than they earn. The first step to eliminating #debt is to stop borrowing & make a budget. #SavingsFactFriday

Aug 9 – 45% of families with incomes under \$50,000 rely on credit cards to pay for basic needs. <http://ow.ly/c2tfl> #SavingsFactFriday

Aug 16 – If you make a call before you miss a payment, business' will often be willing to work with you. <http://ow.ly/bJZ1G> #SavingsFactFriday

Aug 23 – Rounding payments up to the nearest \$100 goes a long way toward getting you out of debt faster. Via @AmericaSaves #SavingsFactFriday

Aug 30 – The first step in getting out of #debt is to stop borrowing. <http://ow.ly/c2tuX> Via @AmericaSaves #SavingsFactFriday

Sept 6 – Want to get out of #debt? Pledge to save with @AmericaSaves for advice & motivation <http://ow.ly/c2ujp> #SavingsFactFriday

Additional Posts for Facebook and Twitter

1. Tip to stay out of debt: Prepare for unexpected events. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
2. Need help #saving? Get text tips & reminders from @AmericaSaves to help you reach your #goals. <http://ow.ly/kq2nF>
3. Tip to stay out of debt: Mail payments early. More tips: <http://ow.ly/nfgx2> via @FINRA
4. Roughly 1/6 Savers selected paying off consumer #debts as their wealth-building goal. <http://bit.ly/17ylxIN>
5. Money stress? 10 steps to be debt-free in less than a year: <http://bit.ly/15ZP2xP> via @AARPMoney
6. Tip to stay out of debt: Pay high-interest rate debt 1st. More tips: <http://ow.ly/nfgx2> via @FINRA
7. Do you know what the “debt snowball” method is? Learn more here: <http://ow.ly/nfiCe> via @AmericaSaves
8. Tip to stay out of debt: Complete a personal financial inventory. More tips: <http://ow.ly/nfgx2> via @FINRA
9. A survey showed 45% of families w/ incomes under \$50,000 rely on credit cards to pay for basic needs. Learn more: <http://bit.ly/17ylxIN>
10. Tip to stay out of debt: Set a Goal. Make a Plan. Save Automatically. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
11. Just because you're in #debt, doesn't mean you have to stay in #debt. Dig yourself out: <http://ow.ly/nfgx2> via @FINRA

12. Tip to stay out of debt: Call your creditors before skipping payments. More tips: <http://ow.ly/nfgx2> via @FINRA
13. With planning, discipline & patience almost anyone can reduce their #debts and start to accumulate wealth. Learn more: <http://bit.ly/17yxlN>
14. Tip to stay out of debt: Consider working with a NGO #debt counselor. More tips: <http://ow.ly/nfgx2> via @FINRA
15. Need help remembering to save? We know you've got a lot on your plate. Let @AmericaSaves help you out. <http://ow.ly/n1M4i>
16. Can you only afford to make minimum payments on your credit cards? If you answered "yes" check out <http://bit.ly/16OwvkU> via @AmericaSaves
17. Tip to stay out of debt: Avoid settlement/credit repair scams. More tips: <http://ow.ly/nfgx2> via @FINRA
18. Do you worry about finding the money to make monthly car payments? If you answered "yes" check out <http://bit.ly/16OwvkU> via @AmericaSaves
19. Tip to stay out of debt: Take advantage of tax breaks. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
20. Have you used a home equity loan to refinance credit card #debts, then run up new balances on the cards? If "yes": <http://bit.ly/16OwvkU>
21. Tip to stay out of debt: Avoid waste. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
22. Avoid student debt 1.Take gen ed courses @ comm. college 2.Live @ home 3.Determine career path 1st. More tips: <http://ow.ly/nflBn>
23. Tip to stay out of debt: Keep a healthy credit report. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
24. Do you know what the "debt avalanche" method is? Learn more here: <http://ow.ly/nfiCe> via @AmericaSaves
25. Tip to stay out of debt: Prepare for expected events. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
26. Avoid going into student #debt by setting a limit for how much you are willing/able to afford. More tips: <http://ow.ly/n3Qvg>
27. Tip to stay out of debt: Spend less than you earn and save the difference. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
28. Interested in receiving helpful tips and reminders about your savings goal? Let @AmericaSaves help. <http://ow.ly/nckAu>
29. Tip to stay out of debt: Always know your interest rates. More tips: <http://ow.ly/8nd6c> via @AmericaSaves
30. Need help getting out of #debt? Get text tips & reminders from @AmericaSaves to help you reach your #goal. <http://ow.ly/kq2nF>
31. Tip to stay out of debt: Put away the plastic. More tips: <http://ow.ly/nfgx2> via @FINRA
32. Need some help #saving money? Let @AmericaSaves help <http://ow.ly/lKcsC>

Tools and Resources

Share the following tools and resources with your audience and with other organizations:

America Saves:

- [Get out of Debt](#)
- Flyer – [10 Keys for Financial Success](#)
- Flyer – [Developing a Budget](#)

Industry Resources:

Financial Industry Regulatory Authority (FINRA)

- [Dig Yourself Out of Debt Action Plan](#)

Recent News Articles:

- [It's Possible to Graduate Debt-Free. Here's How](#)
- [Understanding the Gen Y Debt Battle](#)
- [Dealing with a debt collector? Tips for borrowers](#)

Government Resources:

Federal Trade Commission

- [Coping with Debt](#)
- [Manage Your Debt](#)
- [Scam Watch](#)
- [Dealing With Debt Collectors *video*](#)

USA.gov

- [Manage Your Debt](#)
- [Get Credit Counseling](#)

Calculators:

- [The Importance of Debt -to-Income Ratio](#)
- [Debt Reduction Snowball Calculator](#)

Visit the [America Saves blog](#) over the next six weeks for more articles on Debt.