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EXCLUSIVELY FOR PRIMERICA CLIENTS

Think Your Way to

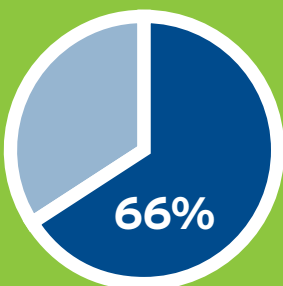
Debt Freedom

You may think achieving financial freedom is simply about paying off your cards. In fact, real debt freedom requires a mindset change. Want to get there? Follow these steps:

? Did you know?

Even though only 25% of Generation “Z” (ages 13 to 22) said they expect to receive help from student loans, in reality, 2/3 of college seniors in 2012 graduated with student loan debt.

USA Today, viewed June 19, 2012



INSIDE

- Break the Debt Cycle
- Where to Slash Bills
- Consider Debt Stacking

1. Change your thinking. It's not just about the money. Sure, debt hurts you financially, but it also takes a toll on you emotionally, causing physical and mental stress. It taxes relationships, sometimes leading to arguments or divorce. It can even limit your personal and career options, forcing you to stay in dead-end jobs or in a home you don't like. So, imagine how being debt free will improve your entire life – including your health, relationships and overall emotional well-being – and you're on the path to lasting change.

2. Use your leverage. Debt often feels like bondage – and when you are deep in debt, you are essentially a slave to your creditors. But despite the fact that you owe thousands (or more) to banks or other institutions, you probably have more leverage than you think. For instance, if you are facing high-interest-rate credit cards, you do have the ability to contact your creditors and negotiate the terms – for example, asking for a lower interest rate. Don't be passive about your debt.

3. Own your debt. It's easy to blame someone else for your debt problems. But to really face down your debt, you have to accept responsibility for it. Think about the choices you made that led

to your current state of financial affairs. When you own your level of responsibility, you become empowered. If you have the power to get into debt, you also have the power to get out of it!

4. Know what you owe. Do you know how much debt you have? According to a new borrower/lender survey by the Federal Reserve Bank of New York, consumers holding credit cards underestimate their amount of credit card debt by about a third.¹ You can't defeat your debt if you don't know what you owe. Take stock of your debt so you can gain control over it.

5. Believe things can get better. Before you can change your debt situation, you have to first believe that things can change. If your debt feels like a hole you can't get out of, Primerica can help. Primerica offers many options to help you with your individual debt situation. From a new debt referral program to automated debt stacking that can help you get out of debt faster, Primerica has helped many families gain control and get on the path to financial freedom. Your Primerica representative can help you decide which debt solution might best fit your needs.



¹ “Do You Underestimate Card Debt?”, Bankrate.com, viewed August 28, 2012



Steps to Break the Debt Cycle

? Did you know?

Wealthy households are more likely than others to be headed by a business owner.* Ask your Primerica representative how you can start your own Primerica business helping families part-time!

*Money, July 2012

? Did you know?

People who have a budget and stick to it have a higher net worth than those who either don't have a budget or don't stick to one.

Money, July 2012



Ready to take action? Here are some steps to help.

- 1. Stop acquiring new debt.** It seems obvious, but living within your means is the first step toward lasting debt freedom. To develop frugal habits, spend time among friends who are frugal; some of their habits and ideas are bound to rub off on you. Similarly, limit time spent with big spenders.
- 2. Pay more than the minimum.** Break the habit of paying just the minimum required each month – it only prolongs the pain. Besides, it's exactly what the banks want you to do! The longer you take to repay your charges, the more money they make. Try paying double the minimum required payment amount, if possible. Make small changes to find money for this purpose (taking your lunch to work instead of eating out, trimming bills, etc.)
- 3. Increase income.** If you really want to get serious about paying off your debt, try earning extra money. Taking on even a few hours of extra work a month can make a real difference. Many people just like you are earning extra money helping families with their finances. Ask your Primerica representative about the part-time Primerica opportunity (it's a great way to get a financial education too!)

Comparing College Costs



¹ Reflects tuition only. Money.cnn.com, viewed June 13, 2012.

Need to Pay Down Debt? Slash These Bills

Motivated to pay down debt but can't find the cash? Slash these bills.



Entertainment: Track your family's watching patterns for a month. If you find you only watch specific shows and only occasionally seek out a movie, drop down to basic cable or opt out altogether and sign up for Hulu for television shows and Netflix for movies. Spend \$20 instead of \$70 a month and you've got an extra **\$600 a year for debt repayment.**

Auto insurance: Raising your car insurance deductible from \$200 to \$500 can reduce your collision-and-comprehensive auto premiums by 15-30%.¹ Have you shopped around for lower car insurance rates? Ask your Primerica Representative about Primerica Secure, a referral service that has saved clients on average about **\$461 a year.**²

Cell phone: Think twice about the size of your cell phone plan. Do you really need unlimited? The average consumer wastes more than \$330 a year for unused text, minutes and data.³ Contact your carrier and ask about cheaper options that better reflect your usage. If you're near the end of your contract, let customer service know you're considering the competition and cite rival offers. **Potential savings: \$300 per year.**⁴

\$600 + \$461 + \$300

Total Saved for Debt Payoff = \$1,361 per year

¹ *Kiplinger's*, February 2012 ² Savings amount is based on a survey of people who purchased insurance from Answer Financial and responded to the survey with their estimated savings statements during October 2010 to December 2010. Average reported savings were \$461 per year. ³ "Save \$1,000 on Monthly Bills," *Finance.yahoo.com*, July 17, 2012 ⁴ *Ibid*

23% of Americans have more credit card debt than emergency savings.
 "Card Debt Hinders Savings," *Bankrate.com*, viewed August 28, 2012

4.4 Average number of credit cards per person in the U.S.
Money, July 2012

Did you know?

Spending time with budget-minded friends encourages similar behavior and wealth building? It's true!
Money, July 2012

Did you know?

Twentysomethings carry an average debt of **\$45K** (including cars, credit cards, student loans, and mortgages).

On a positive note, the so-called "Millennial" generation is entrepreneurial-minded: **29.4%** of entrepreneurs were 20-34, according to a 2012 report.



USA Today, viewed May 8, 2012

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Want Debt Freedom?

Try Debt Stacking

If the idea of paying off your debt seems overwhelming, consider debt stacking:

Identify a target account to pay off first (based on interest rate and amount of debt); then, once that account is paid off, roll the amount you were paying on the first target account into the payment on the next target account. (See chart below)

						Without Debt Stacking	With Debt Stacking	
Retail Card 1	\$220	+\$220				Payoff	24 years, 3 months	9 years, 1 month 182 Months Sooner
Credit Card 2	\$353	\$573	+\$573					
Car Loan	\$551	\$551	\$1,124	+\$1,124		Interest Saved	\$0	\$130,643
Credit Card 1	\$303	\$303	\$303	\$1,427	+\$1,427			
Mortgage	\$1,293	\$1,293	\$1,293	\$1,293	\$2,720	Interest Paid	\$214,432	\$83,789
Total	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720			

Debt Stacking can help you reach debt freedom years sooner!

The above example is for illustrative purposes only. The Debt Stacking concept assumes that: (1) you make consistent payments on all of your debts, (2) when you pay off the first debt in your plan, you add the payment you were making toward that debt to your existing payment on the next debt in your plan (therefore you make the same total monthly payment each month toward your debts) (3) you continue this process until you have eliminated all of the debts in your plan. In the example above, when the retail card is paid off, the \$220 is applied to credit card 2, accelerating its payment to \$573. After credit card 2 is paid off, the \$573 is applied to the car loan for a total payment of \$1,124. The process is then continued until all debts are paid off. Note that the total payment per month remains constant.

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Contact your Primerica representative for an updated Financial Needs Analysis. It's free, confidential, and it could change your life!

