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# How a Debt Reduction Worksheet Can Help Improve Your Finances

Contributed by Webmaster  
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A debt reduction worksheet is an important tool that can help consumers when they are trying to figure out how to get back in control of their finances by finding a solution to their mountains of debt - that's where the debt reduction worksheet helps. It is a good idea to put this worksheet in a place where you can easily look at it so that you can easily make changes to it and check your progress as against your plan to decrease your debts.

If you plan to produce your own type of debt reduction worksheet, an important place to start is your total monthly income after the taxes have been deducted. You will then list your various expenses in a column right next to your net income and these will include utilities bills, mortgage payments, fuel expenses, insurance premiums, school fees, grocery expenses, Internet costs, day-care costs, telephone bills, cable television charges, restaurant expenses and others. And in an adjacent column, you will input the payments that you make for various debts, such as auto loans, personal loans, payday loans, store cards, credit cards and other debts. Obtaining the total amounts for your debt payments and your total expenses will give you a clearer picture about the seriousness of your financial situation. You can easily see that you are in serious trouble if your total expenses are larger than your net income.

After producing your initial debt reduction worksheet, it may then be a good idea to focus your attention on the different things that are found in your home. NOTE: Learn more at about debt reduction worksheets at <http://thedebtanalyst.com> Perhaps, you have an expensive car, a plasma TV or other items that may even have contributed to your present financial condition. It may be time to sell your luxury car and buy a less expensive model, or to sell your television set and get a cheaper one. By selling several of your assets, you may be able to substantially reduce your monthly debt payments and this will make it much easier for you to get out of debt. If you begin disposing of these nonessential items, it will remove a large amount from your interest payments.

Another way to reduce the total debt repayments indicated on your debt reduction worksheet is to contact your creditors and request for a reduction of charges. Here, you will explain to them your financial condition and ask for a reduction in interest rates, penalties and other charges. You can also attempt to obtain debt consolidation loan that will drastically bring down the amount of interest for your loans. You may also need to find other sources of income to increase your capacity to repay the loans.

Work At Home