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## Managing Debt

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Now that summer has officially arrived, many of us start to think about **home renovations, garden projects and summer vacations**. But while we often know what we want to accomplish, sometimes we are not sure where the money will come from. If you're planning for a large expense this year, consider some of the following issues:

### Budget management

Create a household budget that will help you establish control over your finances. This will help you determine what current expenditures need to be eliminated or adjusted so you can achieve your short-term goals.

### Debt management

With your budget in place, we can help you come up with a strategy for eliminating debt. For example, are you paying too much on your credit cards and loans? Instead of paying 18% to 20% interest for consumer debt, it may make sense to consolidate your loans for a much lower rate - perhaps as little as 6%, depending on your credit history and current financial situation. If you think a move like this could help free up money you need for other things, we would be happy to explain all your options and refer you to a loan officer or mortgage specialist who can be of assistance.

### Short-term savings vehicles

Most day-to-day bank accounts pay little or no interest. If you'd like to set aside funds for an upcoming expense, we can recommend a number of specialized, higher-interest savings vehicles that may suit your needs. By investing in a high-yield savings account you could be earning significantly higher returns.

GICs, money market, or T-bill accounts could be other alternatives. And for next year's savings strategy, we'll have the new Tax-Free Savings Account, which will allow you to contribute \$5,000 annually and have investment income, including capital gains, accumulate tax-free. Withdrawals will also be tax-free.

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## Questions about managing your debt?

### [Contact our office!](#) [1]

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