

# First, Live Debt-Free In Your Head

By M.P. DUNLEAVEY

**D**EBT is a huge problem, for some people a great deal more than for others. Yet despite reams of literature on the topic, some important guidance is missing.

Getting out of debt still is couched, typically, as a straightforward money issue. Most advice centers on the mechanics of interest rates and minimum payments, ways to cut expenses and so on.

But having recently climbed out of a deep hole of credit card debt myself, I'm convinced that focusing on mere dollars and cents gets you only so far.

Ditching debt requires dealing with the emotional underbelly of owing money, and coming to terms with a culture that has serious debt addiction issues. Getting out of debt can feel like a battle — because it is one, on many fronts.

I'm not referring to mortgage loans here, but to the peculiar stickiness of credit card debt. At least "sticky" was the word that kept popping up in my mind, during the five and a half years that my husband and I struggled to pay down \$30,000 of combined debt. And there is some evidence that debt, once you're in it, tends to persist.

Researchers at the National Opinion Research Center at the University of Chicago reviewed patterns of debt acquisition for adults born between 1957 and 1984, and what they found in this long-running survey was startling.

Regardless of age, those who were in debt early in the survey were more likely to be in debt five or 10 years later — and their debts were likely to have grown. By contrast, those who started out with no debt of any kind were less likely to have any five or 10 years later.

Borrowing money to buy a home or a car, or to complete an education, might be necessary. But carrying credit card debt for months or years is a red flag signaling that you can't afford your life. The cycle is a brutal one. You can't afford your life, and thus fall into debt; so how can you afford to pay your way out of it while still living your life?

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Clearly it's important to address the numerical side of debt. The standard advice to first tally up what you owe and then plug the numbers into an online debt calculator is a sound step for developing a financial plan of attack (I like Bankrate.com's calculator).

But before you create the mother of all budgets, I recommend putting a lot of time and thought into examining the way you live, how you have mentally calculated what's "affordable" or what you "deserve" to spend — and what it would require, financially and emotionally, to live a life based on the money you actually have.

Here's a way to think of it, which I found useful: to get rid of debt, you have to begin living a debt-free life even before you are.

Figuring out what that will look and feel like for you and your family is without question the biggest adjustment that getting out of debt demands.

It's a slow shift, I found, but until your thoughts change, your spending won't, not really. A budget is really a belief system, backed up by numbers. Once my husband and I got that — that we wanted to reclaim our money and put it toward living instead of a stupid piece of plastic — the whole process became simpler.

**I**T did not get easier. Feeding money into a seemingly bottomless card every month was painful. It took more time and more stamina than we imagined. No one tells you that either: Brace yourself.

This is another point rarely addressed in the debt canon: talk about money, with your mate, your friends or relatives. Kick aside taboos whenever possible. Ask questions. Start a conversation. I found that just saying, "We're paying back our debt," evoked sympathy and respect. And it took away any lingering pressure to maintain a financial facade: pretense is a good way to stay in debt.

Being frank tends to create an unforeseen financial benefit: with other people's support, you increase the odds of your own success. And what does success feel like, now that I'm \$30,000 out of the hole? It feels like peace of mind.

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