



## You may not have a debt problem right now, but are you heading for one without knowing it?

You've likely heard the story about how a frog reacts to a pot of boiling water. If you throw the frog into the already boiling water, he'll jump out. But if you turn up the heat gradually, the frog will not pay attention or notice the increasing heat and will eventually be cooked.

The same thing is true of debt. You'd never borrow \$10,000 with nothing to show for it, but adding \$100 or so to your credit card balance each month doesn't seem like a problem. Until the water starts to boil...

And for many of us, like the frog, we end up cooked.

So how can you tell, if like the frog, your debt is slowly killing you? We've come up with a list of indicators that will let you know it's time to be concerned about your debt. Review this list and see if any of these apply to you. Then use the resources at the end of this list to start doing something about it now before you end up cooked.



## Indications you're heading for a debt problem



Your credit card balance is over \$10,000 and rising.



After paying your bills, you don't have enough for your day-to-day living expenses (i.e. food, gas, etc.).



You've been late paying rent or mortgage more than once in the past 12 months.



You're afraid to total up your debts because you don't want to know how much you owe.



You've been hiding some debts from your spouse/partner.



The amount you owe on credit cards and personal loans is increasing each month.



You get cash advances on one card to make minimum payments on another.



The interest rate on your credit card(s) has increased to the upper teens or higher.



You have to choose which bill you'll pay late some months.



Your credit card balance is more than 50% of your credit limit.



You were rejected the last time you applied for a new credit card or personal loan.



You've paid overdraft fees at least twice in the last 3 months.



Your credit score has dropped more than 25 points in the last 6 months.



The total that you pay in credit card minimum payments, student and personal loans totals more than 10% of your take home pay.



Your mortgage is more than 30% of your take home pay.



Car payments are taking up more than 15% of your take home pay.



You don't have any money left at the end of the month to add to an emergency fund or retirement account.



You would not be able to cover an unexpected bill less than \$1000 without putting it on a credit card or borrowing it.



## The price you pay for being in debt

Still not convinced that you may be heading for debt trouble or that your debt is no big deal? You need to recognize what that debt is costing you. Here are a few of the prices you pay for being in debt:

-  Higher interest rates for credit cards and personal loans
-  Some loans are not available to you
-  Higher auto insurance rates
-  Money spent on interest cannot be used for other things
-  Higher rate for home mortgage or home equity line
-  Higher rates for auto loans
-  Lower credit score
-  Past purchases consume this month's income



## It is time to take action!

If you checked any of the problem indicators or find that you've suffered any of the costs of being in debt, you have a choice to make. You can continue to pay an ever-increasing price for your debt and hope that eventually you don't lose everything in bankruptcy. Or you can take action now to start freeing yourself from it. Either way, you'll have to deal with your debt at some point.

**If you want to get out of debt,  
The Dollar Stretcher is here to help you.**



## Free debt resources on [TheDollarStretcher.com](https://TheDollarStretcher.com)

You already took the first step toward addressing a potential debt problem by downloading this list. Below are a few links to to get you started taking the next step - doing something about it:

[The Best Credit Card Debt Repayment Options for Different Credit Scores](#)

[Debt Warning Signs You Shouldn't Ignore](#)

[3 Critical Tools for Paying Off Debt](#)

[Paying Down Credit Card Debt Faster](#)

[Reduce Your Debt With a "Sinking Fund"](#)

[Staying Motivated to Continue Digging Yourself Out of Debt](#)

[Am I a Good Candidate for Credit Counseling?](#)

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**Imagine how much simpler life will be once you are debt free!**