



Take Control and Feel Free from Debt

The 2021 Guide to Staying Out of Debt

Proven methods and strategies that work from the
debt relief experts at ClearOne Advantage, LLC

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ClearOne
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Clear One Advantage, LLC is a debt settlement company, not a lender, loan broker, creditor, credit services organization, or debt collector. ClearOne Advantage, LLC does not assume or pay any debts; receive, hold or control funds belonging to consumers; or provide bankruptcy, legal, accounting or tax advice. You should review full program terms and conditions before enrolling. To the extent that any aspect of the debt settlement services relies on or results in the consumer's failure to make timely payments to the consumer's creditors or debt collectors, the use of the debt settlement services: (1) Will likely adversely affect the consumer's creditworthiness; (2) May result in the consumer being subject to collections or being sued by creditors or debt collectors; and (3) May increase the amount of money the consumer owes due to the accrual of fees and interest by creditors or debt collectors. Not available in all states. Some third-party fees may apply. C.P.D. Reg. No. T.S. 12-03822.

*Program length based upon completion of approved program. Ask representative for details.

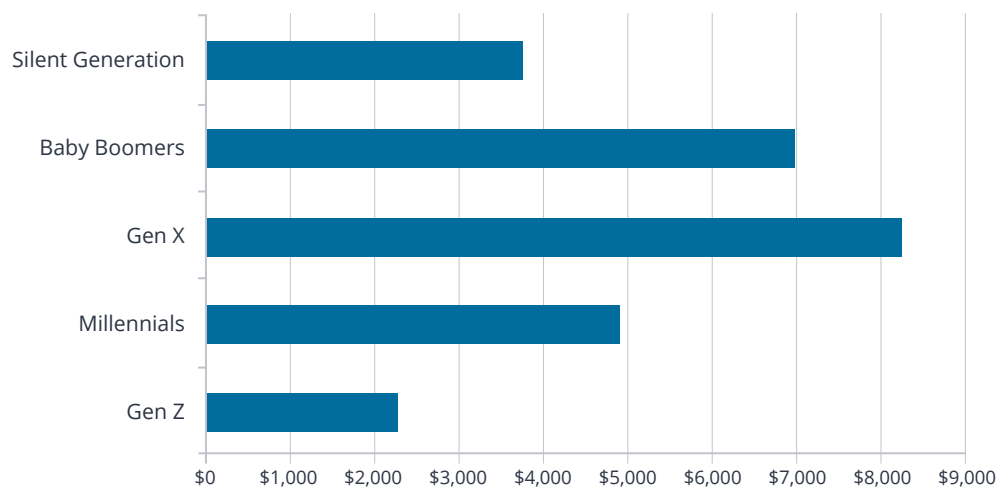
*24-48 month completion times are based upon individual program estimates and assume client meets all program requirements and makes all payments as agreed during their resolution plan. Not all clients complete their program - see rep for details.

Introduction

From the Silent Generation to Gen Z, most Americans carry some kind of debt. According to recent [Experian consumer research](#), consumer debt has grown 19% in the last decade to reach a record high of \$14.1 trillion.

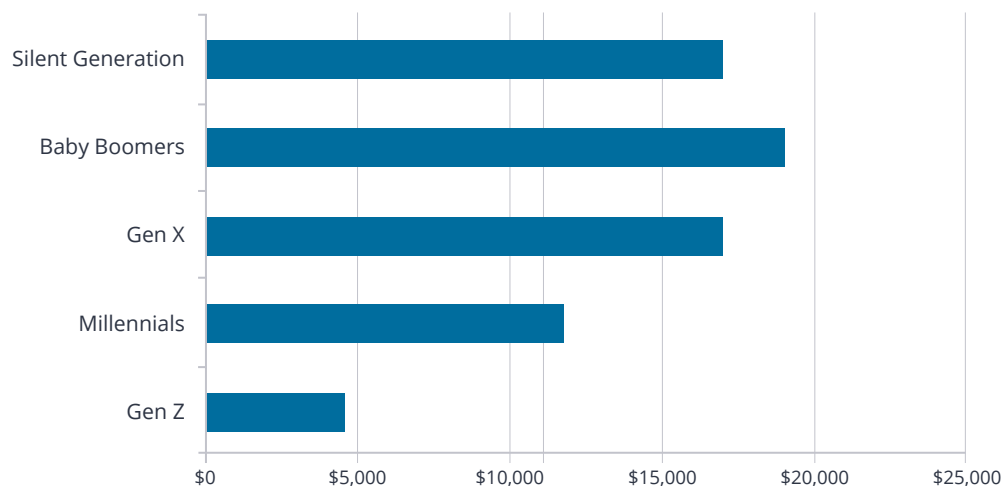
While that staggering number does include secured debt such as mortgage loans and auto loans, perhaps the more troubling fact is that it also includes unsecured debt such as credit cards, medical debt, and many types of personal loans.

Average Credit Card Balance



(Source: [Experian](#))

Average Personal Loan Balance



(Source: [Experian](#))

According to statistics provided by the credit card processing company [Shift](#):



\$38,000

Excluding mortgages, the average consumer debt in America is \$38,000.

13%

of Americans believe that they will be in debt for the rest of their lives.



20%

of Americans use at least half of their income to pay back what they owe each month.

19%

percent of Americans have no money set aside for emergencies.



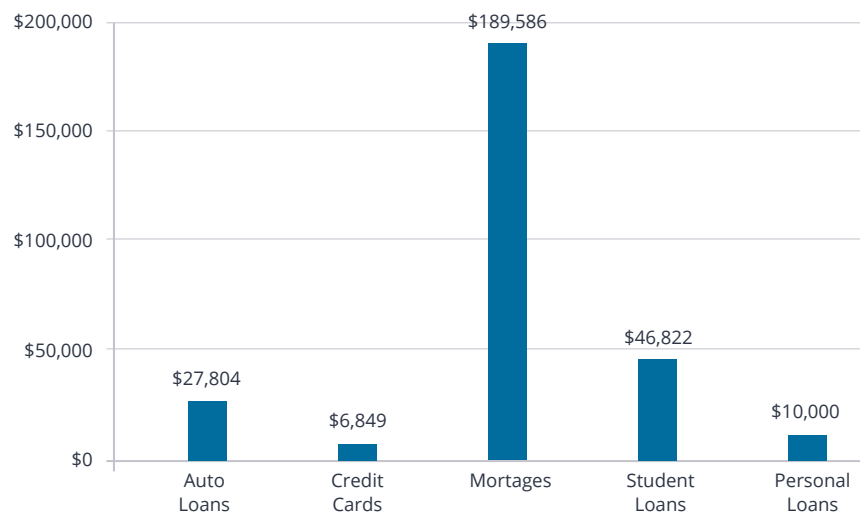
1 in 3

Only 1 in 3 Americans have a written budget.

50%

Almost half of American families live paycheck to paycheck.

Average Debt Per American Household by Debt Type



(Source: [Shift](#))

Despite these rather grim statistics, it is possible to stay out of debt or to get out of debt if you are already in financial distress. With a degree of [financial literacy](#) and discipline, you can take charge of your finances in 2021.

There is a good reason to do that. Being in debt can wear you down financially, emotionally, mentally, and sometimes even physically. Staying out of debt or taking steps to get out of debt are some of the best investments you can make in your future.

That's why we've compiled some of our best tips for staying out of debt in this guide. Following these tips can help you stay out of debt or begin your journey to getting out of debt this year. You can do this. Here's how.



Assess Your Finances

Debt has a way of sneaking up on you over time. Many people who end up in serious debt do so gradually, unaware of what is happening until some unexpected event brings the seriousness of their financial situation to light. By the time they realize they have a financial problem, their position may already seem hopeless.

You can prevent that from happening by making a regular assessment of your finances.

To do that, you can ask yourself some basic questions such as these:

What is your debt-to-income ratio?

To find out your debt-to-income ratio, add up the monthly payments on all your debts (including interest), and divide by your monthly income. According to [Wells Fargo](#), if your debt-to-income ratio is below 36 percent, your debt is likely at a manageable level. If it is between 36 and 49 percent, you might want to consider ways to lower your debt before it becomes a significant problem. If your debt-to-income ratio is 50 percent or more, it is time to take action to reduce your debt now.

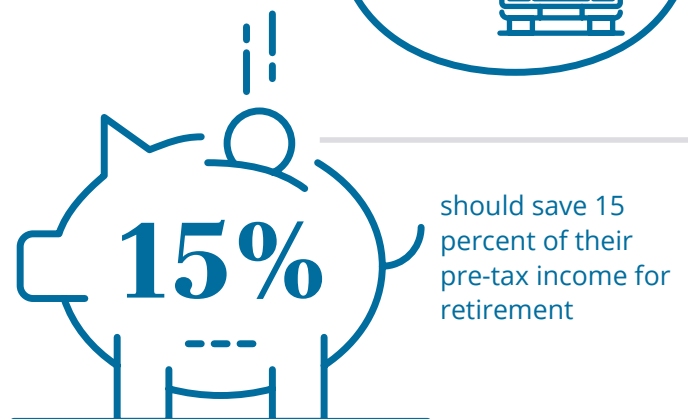
Could you cover an emergency or unexpected expense out of your savings if one occurred now?

Though the [amount you should set aside](#) in your emergency fund varies according to your individual circumstances, many [financial experts](#) agree that you should set aside enough money to cover three to six months' worth of living expenses, including rent or mortgage payments, grocery bills, and car payments.



Are you saving for retirement?

Like the amount you put into your emergency fund, the amount you save for retirement will vary based on your individual circumstances. [Fidelity](#) recommends that people between the ages of 25 and 67 save 15 percent of their pre-tax income for retirement. If that is not possible, at a minimum, try to take full advantage of your company's 401(k) match, if there is one.



Do you have adequate insurance?

Purchasing adequate insurance coverage for things like medical expenses, cars, and your home is one way to protect yourself from catastrophic financial loss. It makes sense to periodically check your insurance policies to be sure you have enough coverage for the assets you have.

How is your credit score?

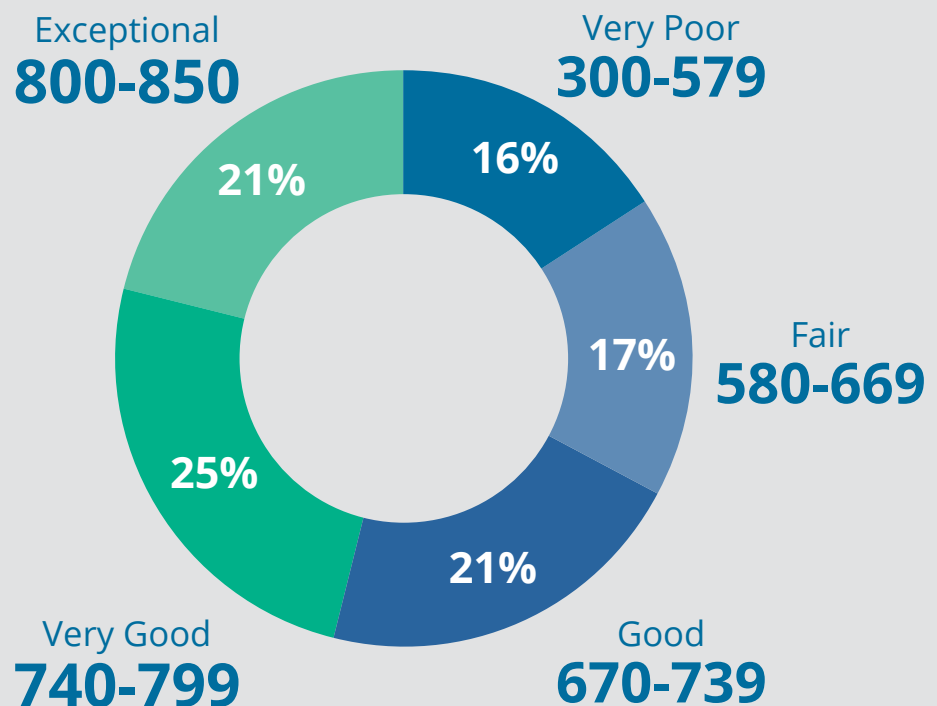
A good credit score unlocks several benefits. According to [Experian](#), some of those benefits include:

- Better interest rates on big-ticket loans (like home and auto loans)
- Better [credit card rates](#) and terms
- Insurance discounts
- Better housing options
- Utility security deposit waivers

Keeping an eye on your credit score will alert you of any erroneous information that might be on your credit report and will also alert you to any potential identity theft, both of which could significantly impact your financial health. If you find errors or [problems with your credit report](#), there are steps you can take to correct those problems before they cause lasting damage.

What's a Good Credit Score?

Many lenders use FICO® Scores, which range from 300 to 850. Here's a quick snapshot of how FICO® Scores rank, according to credit reporting agency [Experian](#).



Make a Plan?

To stay out of debt, you need to plan for success. Cover every chink in your proverbial armor emotionally, mentally, and financially. Dig down to your financial foundations in every respect.



Emotional Planning

On the emotional front, try to assess any reasons you may have for overspending. Are there things in your life that trigger a “retail therapy” session? Are there stressors that cause you to overspend? If so, think of ways that you can eliminate the source of stress or handle the stress in a more productive way. Make 2021 the year you jettison negative emotions that are impacting your financial and physical health. Rather than investing in material things, invest in yourself this year. You’re worth it.



Mental Planning

Getting out of debt and avoiding debt in the future requires focus and mental fortitude. Set small, easily achievable goals, and focus on progress. Being debt-free is a worthwhile goal, well deserving of a bit of extra effort on your part. Acknowledge the progress you make. With every step in the right direction, you will feel increasingly in control of your financial destiny. Being in control of your financial future is incredibly liberating, and it may be just the boost you need to make 2021 your best year ever.



Physical Planning

Streamline your finances. Get rid of any “extra weight” you are carrying. Sell the items you do not need and free up some cash. Consider physically removing extra credit cards from your wallet to avoid the temptation to impulse buy. (Some people find it useful to put their credit cards into a hard-to-access spot to dissuade them from using the cards indiscriminately.)

Set up a budget reflecting all your monthly expenses and income. Make sure you do not leave out anything. Stick to this budget and do not give in to the temptation to increase it if you happen upon a bonus, tax refund, or a raise. Put the extra money into an interest-paying account instead. Make a date to check your online bank balance on December 31, 2021 and take a few minutes to celebrate your growing nest egg.

Make sure you have saved up at least three months’ worth of expenses. This way, you will be able to cover an emergency, should one occur, without going into debt.

If you are in debt already, contact a ClearOne Certified Debt Specialist to learn about your options and devise a debt resolution plan.

Shop Smart

Nothing is more frustrating than picking up a new phone or laptop one day and seeing it on sale the next day for half the price. It pays to shop around and compare prices.



When should you shop for big-ticket items?

- If you are looking to buy a car, it makes sense to wait until the early fall, when auto manufacturers release their new models. Around this time, yesterday's "fresh" model becomes today's "old" one. That is when you can get a no-interest loan or various discounts on a new vehicle.
- The same thinking works with computer purchases. You can expect prices to drop when computer makers announce their new models. This means late March and early April, when you can grab existing models for 30-40 percent less. Back-to-school sales in late August and early September also offer great opportunities, as do the Black Friday and Cyber Monday sales.
- According to [Brad's Deals](#), a website specializing in discounts, sales, and coupons, the best time to buy furniture is in January and July, right before new models hit the stores.
- For household appliances, September and October offer the best discount opportunities. When new models hit the market, retailers need to clear out their existing stock to make room for them.
- Mattress retailers offer the steepest discounts through their Memorial Day sales. Labor Day and Presidents' Day also offer good mattress-shopping opportunities.
- As far as TVs are concerned, the best time to pick up a new set is Thanksgiving week. Discounts during this period may run 30-50 percent deep.



How can you save money on groceries?

- Find grocery sales and plan your shopping around them.
- Use a shopping list and stick to it. Not shopping on an empty stomach will make that easier to accomplish.
- Take a peek at the clearance section.
- Be aware of how supermarket marketing specialists place their products.
- One way to avoid impulse buys is to do your grocery shopping online.
- Take a second look at your receipt to spot possible pricing errors.
- Always pay attention to unit prices.
- Use coupons or discount supermarket gift cards if you can.



Turn Trash into Cash

One person's trash is another person's treasure. Just because you have no use for the majority of items you bought on impulse, you should not automatically write them off as losses. Get rid of your useless stuff, simplify your life, and make some money in the process.



- Hold a garage sale, or take your items to a flea market.
- Use social media to sell your items. There are community buy/sell groups that suit this purpose wonderfully.
- If you want to sell locally, community bulletin boards are a reasonable option.
- If you do not mind dealing with shipping, sell your items through eBay or other online sellers.
- Turning in your items at your local consignment shop also makes sense.
- It also makes financial sense to donate some of your items. This way, you can earn a tax deduction.
- Large, heavy, and cumbersome metal items can fetch a decent price if you sell them for scrap.

You will not make significant amounts of money through any of these methods. But you will make a difference in your finances, and you will eliminate unnecessary clutter from your life.

Revisit Your Subscriptions

Keeping close tabs on your subscriptions always makes sense, unless you want to end up paying monthly over several years for something you never use. Subscription-based services often siphon money from your pockets completely unnoticed for years at a time.



- Cancel that gym membership if you do not use it.
- Take a good look at your cable service. If streaming is all you ever use, you may want to get rid of your cable service altogether. If you still need it, cut back on premium channels, bundle cable with internet, and downsize your plan. You may even be able to negotiate a better rate. Eliminate all unnecessary cable equipment, such as that extra box in the bedroom that you never use.
- Streaming services are all the rage these days. If you never have time to use them, however, it makes sense to eliminate them. Short of cutting the cord, you can still save money on streaming by streamlining your plan and cutting the extras you do not need.
- Save money on your phone bill by keeping your phone longer, limiting background data usage, using free Wi-Fi more often, and avoiding payment plans on new phones.

Check Your Credit Card Rates



If your credit score is good, call your credit card issuer and request an interest rate reduction. The worst that can happen is that your credit card company may say no. But, if the company sees you as a valuable customer, it might just agree to lower your interest rate, saving you money.

If your credit card company does not agree to lower your rate, you can always shop around for a better rate elsewhere. Remember, though, that [credit inquiries do have an impact on your credit score](#), so be sure not to make excessive credit inquiries in a short period of time.

Get Professional Debt Relief if Needed



If you are in debt already and are struggling to address the problem, do not hesitate to request professional help.

Contact a ClearOne Certified Debt Specialist to discuss your debt relief options. Depending on your financial situation and the gravity of your debt problem, you may find relief through one of several debt relief options, including:

- Credit counseling (read more about this option [here](#))
- Debt consolidation (read more about this option [here](#))
- Bankruptcy (read more about this option [here](#))
- Debt settlement (read more about this option [here](#))

Talk with a ClearOne Certified Debt Specialist at
1-888-340-4697 to get a free savings estimate today.

Feel free from debt. Get control of your finances.



About ClearOne Advantage

ClearOne Advantage specializes in helping people with a serious amount of debt. By partnering with ClearOne Advantage, you gain an experienced team of professionals dedicated to your success, no matter what your situation.

Our highly skilled Certified Debt Specialists, Negotiators, and Client Relations Specialists go through extensive training and have years of experience to ensure that we are getting you the biggest savings when settling your debts.



Here's what you get when you partner with ClearOne Advantage:

Debt resolution is a debt relief option for people who need relief from a serious amount of credit card and other unsecured debts (typically \$10,000 to \$125,000 or more). Debt resolution is sometimes referred to as debt relief or debt settlement. ClearOne's debt resolution program has short-term relief with a reduced monthly payment and long-term relief allowing you to get out of debt in as little as 24 to 48 months.

A plan completely personalized for your unique financial needs

Zero upfront costs to get started

A team of debt professionals that includes:

- Certified Debt Specialists who design your customized plan and answer any questions as you get started on your journey to debt freedom
- Expert Negotiators who use their years of experience to negotiate the best settlement for you in the shortest time possible
- Client Relations Specialists who manage your account and offer you all the support you need along the way
- A self-service client portal available 24/7 to help you keep track of your progress
- Online resources such as articles, budgeting tools, and comprehensive guides



Here are just a few reasons thousands of people trust us with their debt needs each year:

- 5,000+ high satisfaction ratings on Trustpilot
- Better Business Bureau accredited with an A+ rating
- Accredited member of the Consumer Debt relief Initiative (CDRI)
- Over 500 employees dedicated to your success
- A proven track record resolving over \$1 Billion in debt for our clients
- Our 100% limited satisfaction guarantee

[Get a free savings estimate online](#)

or to speak with a Certified Debt Specialist, call 866-481-1597.