

## How to Live Within Your Means

Living within your means is not as difficult as most people make it out to be. It takes some discipline but it can be well worth the effort. At the very least, you will be able to sleep at night knowing you aren't burdened with a heavy debt load.

If you have struggled with debt before, especially credit card debt, consider cutting up those cards and canceling the accounts. This is the surest way to make sure you don't get yourself into trouble with spending more than you make.

Don't try to keep up with the Joneses. Just because your neighbor is driving a new sports car and is always buying the latest and greatest gadgets, doesn't mean you need to follow along. What many people don't realize is that those neighbors are not living within their means. They will eventually run into trouble as they have the wrong money mindset.

If you happen to be straddled with a lot of debt, consider consolidating all of it into one lower payment. The interest on credit cards can be wicked and makes it almost impossible for most people to get out of the situation. By refinancing to a lower and fixed interest, you will be able to get yourself out of that situation. Just don't use credit excessively after you have refinanced. Otherwise, you'll make the situation worse.

If you cannot obtain a consolidation loan, consider hitting up your family for the loan. This is not ideal as it can cause tension in the family. But, it is better than having huge interest charges added to your balance each and every month. As long as you show your family members a willingness to pay them back consistently, you shouldn't run into too many problems. Do make an effort to pay them back quickly, however.

You still need to live, and that may require purchasing higher end appliances when the old ones break down. This is why you should always set aside some cash each month as an emergency fund. Try to accumulate six months worth of cash for this. For high ticket items that aren't needed right away, consider using layaway plans. Many retailers have brought this feature back, knowing that people are overextended with consumer debt.

When you are shopping for necessary items, you should not look just for the cheapest items available. You should look at the highest quality that you can afford. When people struggle financially, they tend to look for items that are going to last rather than the lowest prices.