



Debt Warning Signs

Use the following self-test periodically to determine whether you have too much debt.

		Yes	No
1.	Are you using your credit cards or borrowing to pay for items you once paid for with cash?	<input type="checkbox"/>	<input type="checkbox"/>
2.	Are you paying more to service your debts today than previously?	<input type="checkbox"/>	<input type="checkbox"/>
3.	Are you paying your bills with money you saved for another use?	<input type="checkbox"/>	<input type="checkbox"/>
4.	Are you using your savings to pay bills?	<input type="checkbox"/>	<input type="checkbox"/>
5.	Are you dipping into your emergency fund to cover monthly expenses?	<input type="checkbox"/>	<input type="checkbox"/>
6.	Are you only paying the minimum balance due on your charge accounts each month?	<input type="checkbox"/>	<input type="checkbox"/>
7.	Are you extending repayment schedules — paying in 60 or 90 days bills instead of 30?	<input type="checkbox"/>	<input type="checkbox"/>
8.	Have you maxed out or are you close to maxing out your credit cards?	<input type="checkbox"/>	<input type="checkbox"/>



- 9. Are you taking out new loans before old ones are paid off?
- 10. Are you unsure about how much you owe?
- 11. Are you usually late in paying bills?
- 12. Are you in danger of having financial or legal action taken against you?

Add up all the “Yes” answers and use the table below to assess your debt risk.

"Yes" answers	You are	You should
None	Managing credit well.	You should continue practicing good money management.
1-5	Getting out of control.	Stop using credit until current debt balances are paid.
6-10	On the verge of trouble.	Stop using credit. Develop a budget and debt repayment plan.
11 or 12	In serious trouble.	Consult a financial planning professional now, before your financial goals become impossible to achieve.