

Phillip A. Kennedy- financial assistance

We are a one income family and have three kids under the age of five. Over the last few years we have continued to put ourselves further in debt by a couple hundred dollars a month on average. We wanted to figure out a way to live within our means and lower our credit card debt. I took a \$28,000 TSP loan out a couple years ago to pay off credit cards. I did that and in two years we put \$25,000 back on a combination of four credit cards. We continued to make our monthly payments on those credit cards, but basically spent what we had just paid and then some each month.

Phillip spent a lot of time with me attempting to collect all information about our lives in order to come up with a plan. His knowledge and experiences made him extremely helpful and not judgmental. He created a graph chart to use as a visual, which I thought would be beneficial to my husband. We came up with a plan. First, my family needed to stop using the credit cards. We needed to establish a budget to help us live within our means and to stop using them. He recommended a financial seminar that had positive reviews across the country. This seminar could usually be found local and was inexpensive. I found one, but it had just started so I intend to find one at the beginning of the year and attend with my husband. I had \$7,000 in an IRA that I had not contributed to in a decade. I decided, after discussing the pros and cons, to withdraw the money and pay off two credit cards and to establish an emergency fund with \$800.00. The money from those credit cards would be put on another credit card that had a balance of \$10,000 with a \$200 a month minimum payment.

We also discussed the need to shop around for cheaper prices and to buy used when practical and available. The TSP loan will be paid off in another two years and that money will also go to a credit card payment. We have two children in diapers, with one that will soon be out. The money I will save there will go to keeping us on budget and if available on the credit cards. I also have tried a few other ideas discussed. I attempt to plan dinners to ensure I don't spend more money than I need to at the grocery store and on household items. If we can wait until payday, then we wait versus getting it now and putting it on credit card with the intent of putting more money on that card at pay day. It never happens. Also to look around the house and sell anything that we have and don't use. In addition, we discussed the necessity of my husband getting a part time job to bring in a little extra money.

All these ideas, I have put into practice and some are a little more successful than others. This is relative new though, so I continue to try. The plan is to eliminate debt, have a dual income, and a 3-6 month emergency fund established. Phillip continues to check on my status and progress and make himself available should I have any questions. He has been a huge asset to me and my family. His passion for finances can be seen through his actions and constant research for greater knowledge.

R.P.
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