



# Tips to help *manage* your debt and protect your credit

Most of us have some sort of debt. Learn how to help avoid the pitfalls, so it doesn't affect your overall financial health.

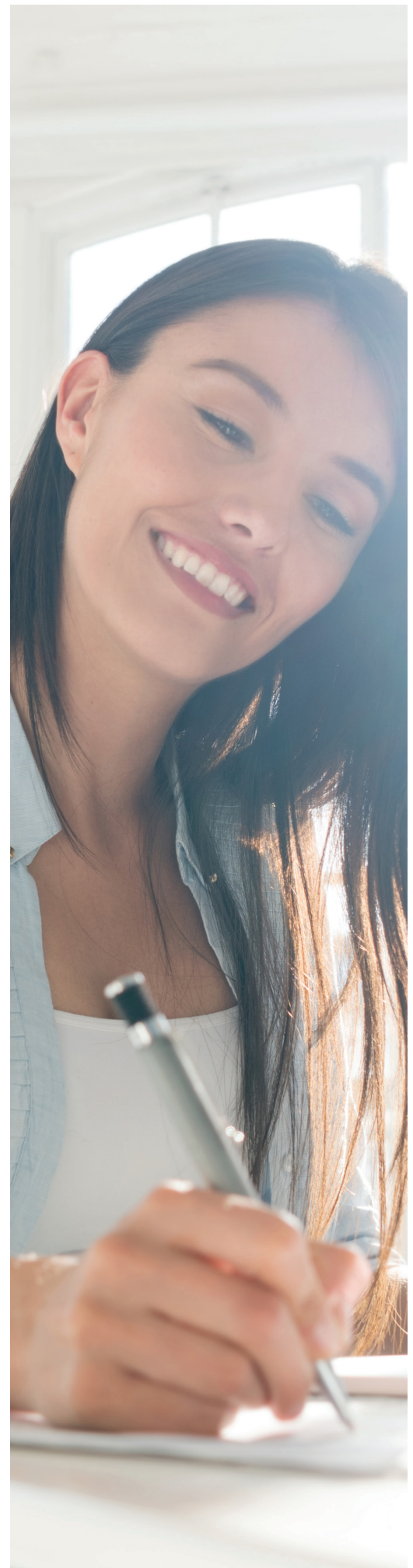
Technology makes it easy to tap a credit card, scan your phone screen, or click "pay now" on your tablet—whether you're grabbing a cup of coffee, buying new clothes, or having dinner with friends. Although it's ok to take advantage of the convenience, all those clicks and taps add up over time. You may also have larger debts, such as a mortgage or a college loan. If you're not careful, the debt and interest can have an impact on your credit score, your financial situation, and your stress level.

Follow these tips to help keep debt under control:

## **Organize your bills and spending**

Start by getting a clear picture of how much debt you have and the interest rates you're paying. Then decide what you'll pay down first. You may want to pay down your high-interest debt first. Or if you have a credit card with a small balance, you may want to pay that off first to simplify things. Or you may be able to move some of your high-interest debt to a lower-interest card or loan. Think through what makes the most sense for your finances.

- Set a goal.
- Decide which debt to pay off first.
- Commit to a repayment plan, and pay more than the minimum due.
- Pay on time.
- Stop the cycle.
- Refrain from impulse purchases and using credit cards that can lead to accruing additional debt while you're digging out.
- Continue to pay yourself once you're out of debt.
- If you're paying \$300 per month toward debt today, consider redirecting that money when you're done paying down your debt (e.g., with your savings, an emergency savings fund, or your retirement account).



## Keep score

Even if you don't have immediate plans to apply for a loan or mortgage, you need to maintain a strong credit score. Credit scores range from 300–850, and, generally, the higher the score, the lower your risk to a creditor. Lenders use your credit score to decide whether to approve a loan or credit card application, as well as what interest rate to charge. Insurers, employers, and other businesses may also use it to evaluate your applications for credit, insurance, employment, or renting a home. Establishing a history of using credit cards and paying them on time can help you achieve and maintain a good score.

One thing you might want to do, if you haven't done so already this year, is request your annual credit report (e.g., through [annualcreditreport.com](http://annualcreditreport.com)).

## Need help with your personal finances?

John Hancock's **personal finance organizer** can help!

Link your accounts and see how much you're spending, then set savings and budgeting goals. Log in to [myplan.johnhancock.com/financeorganizer](http://myplan.johnhancock.com/financeorganizer) to get started.



Plan for your future. Log in to [myplan.johnhancock.com](http://myplan.johnhancock.com) today.



The personal finance organizer is a data aggregation tool available to you through John Hancock Retirement's (John Hancock) website. The personal finance organizer is only reflective of the accounts that you have linked. Additional information can be found in the "Important information" document, available online.

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