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Look Who's Talking: Jim Lucas

Holdays not only time for financial planning

As holiday shopping gains momentum this month, experts are warning that overspending now can have a long-term financial impact.

"The root of most post-holiday debt and overspending comes from a lack of planning," said Diane Gray, director of education at Novadebt, a national nonprofit group that specializes in financial education.

Consumers should itemize their gift-giving and review their budgets, Gray said.

Moreover, such financial planning should be a year-round effort, according to **Jim Lucas**, education director of the Eastgate-based nonprofit Advantage Debt Management.

Recently, he shared a few of his tips for building and maintaining sound credit.

WHAT'S THE FIRST step to getting out of debt?

The biggest problem is denial. Once you realize you have a debt problem, you can start finding ways to get back on your feet again. You've got to set up a budget. Everybody has a spending leak. They have money that goes out of their pocket and they have no idea why. I recommend that people take three weeks and write down everything they spend. Invariably, they find something they're doing on a consistent basis that they can do without. Even if it's just \$20 or \$30, you can use that extra money to pay extra on your bills. The key, though, is discipline. It will do no good to do all this and then go back to buying things on credit.

IDEALLY, WHEN IS the best time to begin thinking about your credit?

Personally, I believe that a person should complete their education before they think about getting into any kind of credit situation. There's nothing wrong for a young person to use a credit card for everyday purchases that are going to be paid off, but they have to be disciplined about staying within a spending limit.

WHAT ARE SOME basic steps to maintaining good credit?

A large portion of your credit score is your payment status. It's very important to make sure everything is paid on time. It's also very important to keep a clean checking account and having some savings.

One other thing is knowing what's on your credit report. The government passed the best credit law two years ago, and now everyone can look at their credit report absolutely free online (www.annualcreditreport.com). It's the best way to find mistakes that might be running your credit score down.

Lisa Bernard-Kuhn

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