



## What Expenditures Could You Put Off in Order to Pay Down Your Loan?

The best thing to do when faced with thousands of dollars in student loans is to pay the loans off fast. This will save you money in interest and get those loans out of your life once and for all. But how can one pay off student loans quickly when saddled with credit card debt, rent or mortgage payments, healthcare costs, and a slew of other financial responsibilities? By eliminating unnecessary expenditures and putting your loans at the top of your priority list.

The first step to eliminating unnecessary expenditures is to realistically differentiate between *needs and wants*. For instance, you need food, but you want to eat at Tavern on the Green. You need a new pair of shoes, but you want Manolo Blahniks. In order to pay down those student loans, you have to skimp on the extravagant for a while and just get by on the basics. You have probably mastered the thrifty-student lifestyle by now. If you grit your teeth and continue that lifestyle for a while, then you will be able to pay down your student loans faster than you think. This does not necessarily mean you have to dine on Top Ramen every night. But frugality is the key here. The next time you are out shopping for food or clothes, ask yourself, “Do I need this, or do I want this?” And be honest with yourself. As they say, honesty is the best policy. And honesty will save you money that you can put towards your student loans. Remember to pay off your student loans as quickly as possible and buy only what you need. In a few years, you’ll be able to buy all you want.

Next, examine your fixed and discretionary expenditures and eliminate excess. Fixed expenditures can be thought of as the biggies, such as rent or mortgage payments, car notes and insurance, and healthcare, to name a few. Basically anything that takes a big bite out of your monthly income. Discretionary expenditures are everything else you spend your money on. Here are a few ways to cut the fat and approximate amounts you can save each month:

- Eliminate premium channels on your cable service (\$50 savings)
- Reduce phone extras such as call forwarding or call waiting (\$20 savings)
- Cut your land line or cell phone service (\$75 savings)
- Bring lunches and snacks to work (\$200 savings)
- Drop your health club membership and jog (\$50 savings)
- Clip coupons (\$30 savings)
- Increase your car insurance deductible (\$50 savings)

These are just some of the ways to save money each month. All of the above comes to a savings of \$475 a month. Over a year, you can save almost \$6,000! With the average law student graduating with \$70,000 in student loan debt, this penny-pinching strategy can have you paying off your loans in just over 10 years.



In addition to saving a buck here and there, put off making big purchases for a few years. For instance, if that car you got as a high school graduation present still runs fine, then seriously think about putting a few more miles on it. Pay off your student loans before taking out another major loan.

If you don't want to still be making student loan payments when you're 50, live frugally now, eliminate unnecessary expenses, and attack your student loans with most of your income. This way, you'll be free of student loan debt in no time. And then you can focus your energy and money towards other debt.