


# Be Debt-free in 12 Steps!





*LOANS* can be very important to pay for medical or emergency expenses as well as to support family's needs.

*BUT* loans are *temporary solutions*, for temporary problems!


**DEBT-FREE**

Loans can *NEVER* be an additional income, simply because it has to be paid back. It cannot be used to pay for recurring expenses.

# 1


*Debts are serious commitments:  
don't manage debts with  
emotions, but stick to facts!*

Do I really need to  
borrow money?



Remember!

*Borrowing is spending  
money you have not earned  
yet. Debts need to be  
repaid.*



## 2

*Loans have to be repaid:  
think before borrowing!*

Other than borrowing money, where can I get immediate funds to pay for my emergency expenses?



Remember!


*Borrowing is not the only option.*

*Always PAUSE and THINK.*

# 3

*Debts are regulated by the law:  
NEVER borrow from unlicensed  
lenders!*

Is the lending company  
legit?




Remember!

*Read before you sign!  
Ask for the annual interest  
rates. The interest rate  
should **not** be above 48% per  
annum.*

# 4

*Think and plan how to pay back:  
avoid borrowing to pay debts!*

Why am I borrowing money? Is it necessary to borrow money?



Remember!

*Borrowing money to pay back debts is like trying to put out a fire with a fire.*

# 5

*Think and plan how to pay back:  
follow your plan!*

Will I be able to pay  
back my loan on time?



Remember!

Calculating how to pay back  
should be the first step  
*before* you sign: Plan the full  
picture- income, expenses,  
assets and debts



# 6

*Trouble often begins when debts  
are too big:  
be clear how much debt you can  
bear!*

How much debt can I  
pay without being in  
trouble?



Remember!

*Maximum debt level =  
Income minus minimum  
expenses (living expenses +  
remittance)*

*Seek help if you cannot  
get out of debt.*



# 7

*Work on your plan: make your goals real!*

**Are my goals S.M.A.R.T?**

*specific, measurable,  
achievable, realistic, time-  
bounded*



**Remember!**

*Set realistic financial goals. Think of short- and long-term goals.*



# 8

*Work on your plan: know where your money is going.*

**Do I have a budget?  
Do I track and stick  
with my budget?**



**Remember!**

*Create a budget.  
Plan your income,  
expenses, and remittances.*

# 9

*Work on your plan: adjust your budget, if necessary.*

Do I live/ spend within my means?




Remember!

*Eliminate unnecessary expenses and start saving.*

# 10

*Work on your plan: consider speaking with your family about your debt.*

Does my family know about my debt?



Remember!

An illustration of a woman with short dark hair, wearing a green top and green pants, holding a large pink sign. To her left is a small potted plant with green leaves. The background is a light pink wash.

*Discuss about overall family budget: expenses they can reduce, and/or income they can generate without borrowing.*

# 11

*Too hard to resist: keep your finances healthy and avoid debt unless you have no other choice.*

Do I have the means to pay back any additional debts?

Remember!

*Think of debt as a threat not as a solution.*




# 12

*Debts are expensive: do not take additional debts!*

Do I REALLY need to borrow money?

**0**  
**DEBT!**



Remember!

*The more debts you have to repay, the less money you can save and/or send to your family.*

An illustration of a woman with short, dark purple hair, smiling. She is wearing a light green short-sleeved shirt and dark green pants. She is holding a large, rectangular pink sign with white text that reads "DEBT-FREE CHALLENGE". The background is a light green, circular shape with several white dollar signs (\$) scattered around. There are also some stylized leaves in shades of pink, green, and blue floating around the woman. The overall style is clean and modern.

**DEBT-FREE  
CHALLENGE**

An illustration of a woman with short, dark purple hair, smiling and holding a large pink sign. She is wearing a light green top and dark green pants. The background is a light green circle with several white dollar signs (\$) and green leaves scattered around. The sign she is holding has the words 'DEBT-FREE' written on it in white, bold, uppercase letters.

**DEBT-FREE**

*Whenever you take out a loan, you have to carefully plan how to pay it back.*





Done



## *Challenge #1:*

*Create a monthly budget that has amounts of your income, expenses, debts and remittance*



Done



## *Challenge #2:*

*List and monitor your daily expenses.*

*Eliminate unnecessary expenses and start saving.*



Done



### *Challenge #3:*

*Continue paying your debts until you are fully paid.*



Done



## *Challenge #4:*

*List short, medium & long-term goals.*

*Remember! Create S.M.A.R.T goals!*



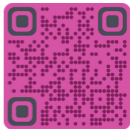
Done



*Challenge #5:*

*Join financial  
education &*

*literacy workshops.*





Done



## *Challenge #6:*

*Plan your expenses.*

*Do not live beyond your means.*



Done



## *Challenge #7:*

*Talk to your family about your financial goals and situation.*



Done



*Challenge #8:*

*Think ahead.*

*Set aside money for  
emergency funds.*





Done



*Challenge #9:*

*BER month starts today!*

*Start saving*

*for the holidays to avoid*

*using your regular savings.*



Done



*Challenge #10:*

*Stick with your budget  
and save more.*



Done



## *Challenge #11:*

*Set up an emergency fund that is at least 3 months worth of your expenses.*



Done



## *Challenge #12:*

*Stay consistent*

*Monitor you budget &*

*stay away from*

*borrowing money.*



**DEBT-FREE**

**THINK TWICE BEFORE  
BORROWING!  
DEBT = RESPONSIBILITY**

Enrich is the leading Hong Kong charity promoting the economic empowerment of migrant domestic workers through financial and empowerment education.

Our workshops equip domestic workers with the tools to save, budget, and plan for a future with greater financial security while they are here in Hong Kong.



[www.enrichhk.org](http://www.enrichhk.org) [info@enrichhk.org](mailto:info@enrichhk.org) Tel +852 2386 5811



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