



Climbing Out of Debt

Job losses and a divorce left **Cristina Flores** with \$60,000 in bills. As she worked her way out of the crisis, she figured out her real priorities.

I'D BEEN WORKING since I was 16 and had never lost a job. So when I was laid off from my position as a sales rep for a kitchen cabinet company four years ago, I never saw it coming. I was shocked and upset. It paid \$48,000 a year, which is pretty good where I live.

My husband and I were having marital problems at the time, so even though we were still living together we decided to split all the bills. That was hard to get used to because he had been the big breadwinner and we had always shared our earnings. After being laid off I didn't have enough money to pay my share. I was collecting unemployment, but it was only \$360 a week and I have two sons to take care of—so I started using my credit cards to make up the difference.

It took me six months to find another job. I went to so many interviews and I just couldn't find anything. A lot of people were telling me I was overqualified and that they couldn't afford to pay me what I wanted. I finally found a sales spot with a power-tool company; it didn't pay as much as my old job—only about \$30,000—but I took it anyway. Four months into that position I was laid off because the company was sold. I thought, "This can't be happening again." I decided to become a flight attendant, but during my five-week training program I didn't get paid.

By that time my debt was up to

\$60,000. I wasn't earning enough to make my monthly payments. I was feeling desperate. I opened new credit accounts to pay for the old ones. Then I tried getting a loan at the bank, thinking, "I'll just get a big loan and pay everything off and then I'll have one loan payment," but I didn't qualify because I had too much debt. I had to borrow from my parents and my brother but it got to the point where I couldn't pay them back either. By then I had 12 credit cards and they were all maxed out. That's when I knew I was in over my head. My brother told me I had two choices: file for bankruptcy or try a debt-management program.

I found a good program on the Internet and over the past three years

I've paid off \$33,000 of my debt; I'm more than halfway there. Now I have two jobs: I work as a sales rep during the week and as a flight attendant on the weekends, when the boys stay with their father. Our divorce was final in October and my ex-husband pays child support. He also took

over the house payments in return for keeping all of his retirement fund.

In two more years, I'll have paid off all my debts and I will be able to go back to working just one job and spending more time with my family. In the meantime, I've picked up a few tips that I'd like to share:

WHO
Cristina Flores, 42

HOMETOWN
Brownsville, Texas

WHAT I'VE LEARNED

It's OK to ask for help. Don't be proud, thinking, "I can do it by myself."

(continued on page 29)

(continued from page 26)

1. Save for an Emergency

I had been one of only two bilingual employees with my company and I'd travel all over Mexico. I thought I was irreplaceable. When I was laid off I wasn't prepared and didn't have much in savings. Before my husband and I had problems our money went into one account, and since he made a lot more than I did I never felt that I needed to set some aside. Once I was on my own I realized how important it is to take charge of your own finances.

2. Decide What You Really Need

When I first tried to get into a debt-management program I didn't qualify because I didn't make enough to pay my debts. To enroll I had to decide what I really needed to keep and let the rest go. So I quit my gym and got rid of the extra fax line, my sons' cell phones, our cable service and our Netflix membership. We stopped eating dinners out, taking my sons' friends to movies with us and going on vacation.

3. Talk About It

I felt ashamed about not being able to handle my finances even though the whole thing started with my getting laid off. I almost had a nervous breakdown; I felt as if I had failed in life. But once I started talking to my parents and brother about it, I felt so much better—I could finally let it all out and stop feeling alone.



Cristina with her sons, Mike (left) and Alex.

What You Can Do

Take charge. Use budgeting worksheets at bankrate.com to take a good look at your finances. Then attempt to negotiate a lower interest rate or payment amount with your creditors before you fall behind.

Get credit counseling. Find a reputable agency—such as Novadebt.org, which Cristina used—to negotiate with your creditors through sites such as www.nfcc.org and aiccca.org. The downside: Although credit counseling may not directly affect your credit score, it's often reflected on your credit report and lenders may view it negatively.

4. Balance Work and Life

On the job I always wanted to do my best and shine, even if that meant long hours. That was one of the problems in my marriage: My husband felt that I always put work before family. I would come home and try to make it up to the kids, taking them here and there, buying them this and that. When the company got rid of me it was a wake-up call: I realized that a job's not forever and I was taking my loved ones for granted. After I got a job as a flight attendant I decided that I needed to find something local during the week and only fly on weekends. My weekday job allows me to drop off the boys at school, pick them up in the afternoons and go see their talent shows and chess tournaments. Not being able to see the kids on weekends is hard, but at least the boys are spending that time with their father.

5. Kids Need You, Not Money!

These days I spend more quality time with my sons, now 17 and 10. Before, we were always on the run. We never stayed home and did things together. Now that's all we do. My oldest son never asks me for money anymore. In fact he just got a job so he can pay for his own cell phone. I miss having extra money available for treating the kids, but I'm really looking forward to making that last payment.

—As told to
Kate Ashford



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