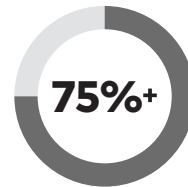


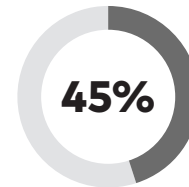
Vanguard's guide to financial wellness

Debt management

Financial wellness means you're able to meet your current and near-term financial obligations and be on track to meet future goals. By improving your financial situation, you can make an impact not only on your financial well-being, but also in your personal life and at work.



of U.S. families report having debt.¹



of U.S. families carry credit card debt.¹



\$6,300

is the average credit card debt for U.S. families.¹

Paying down debt generally leads to positive outcomes

Reduces the total interest paid

Lowers outstanding balances, which may help improve credit scores, potentially lowering future lending rates²

Unlocks future budgeted loan payments for savings, investment, or other goals

Relieves the mental and emotional burdens of having outstanding debt

Debt pay-off strategies to consider

- 1 Pay the minimum on all debt**

Pay at least the monthly minimum(s), as this will reduce costs over time and improve your credit score.
- 2 Pay down high-interest debt**

Save on paying interest, which in turn will free up cash flow for your other goals.
- 3 Consider paying off lower-interest debt**

Evaluate your debt comfort and liquidity needs.



Reduce your debt. Get started at [vanguard.com/managemydebt](https://www.vanguard.com/managemydebt).

Whenever you invest, there's a chance you could lose the money.

1 Bhutta, Neil, Jesse Bricker, Andrew C. Chang, Lisa J. Dettling, Sarena F. Goodman, Alice Henriques Volz, Joanne W. Hsu, Kevin B. Moore, Sarah Reber, and Richard Windle, 2020. *Changes in U.S. Family Finances From 2016 to 2019: Evidence From the Survey of Consumer Finances*. Federal Reserve Bulletin 106(5): 1–42.

2 Credit score determinants typically include such factors as payment history, amounts owed, length of credit history, new credit accounts, and types of credit used. Different credit score weighting and scoring models are used for different lending decisions. As a result, credit score impacts may vary.

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