Debt
Simply put, debt is what you owe.

Consider the following
- Using a debit card makes spending a lot easier, but remember that it’s exactly the same as using cash. You must have money in your bank account to cover your purchases.
- Using online banking makes tracking your expenses easy, but your balance is not necessarily up-to-the minute. Be aware that it may take several days for your purchase to show up as an expense in your bank account.
- If you owe more than your bank account has in it, you may be charged an overdraft fee that can average $27 per transaction.
- When you use an ATM, that is not your bank’s, you may be charged up to $3 to take out cash. There is no fee when you get cash back from a “point of sale.”
- Before borrowing money, think about the future cost of having to pay back this money, with interest.

Before borrowing money, think about the cost to your future
1. Debt encourages you to spend more than you can afford.
   - Debt feels free, but it isn’t. You swipe a card or sign loan documents and you get more money to make those purchases you want. It is easy to forget this money must be paid back, usually with interest.

2. Debt costs money.
   - Whenever you make a purchase you don’t have money for, you’ll likely end up paying more than the actual cost of the item because of the interest rate attached.

3. Debt is borrowing from your future.
   - Anytime you take out a loan, or charge something, you’re actually borrowing from the money you hope to earn in the future. Do you really want to spend your future earnings on interest?

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Money Management from the National Endowment for Financial Education