

Paying Off Credit Cards

2008 was a rocky financial year for most everyone in this country. Many were at a loss for what to make of their economic futures. With 2009 upon them, consumers are looking ahead and trying to chart a course for their financial security. Some are shaken, but will weather the economic storm okay. Others have racked up debt on their credit cards and are seeking ways to reduce or erase that debt. On average, a person in the U.S. has about four credit cards and about 40 percent of card holders regularly pay their monthly balances in full. Credit cards have become a staple in everyday financial transactions. If utilized appropriately, they are a handy resource. But credit cards can also offer an opportunity to overspend. Once debt is accumulated, it takes a disciplined routine to climb out of it.

The first step to reducing and eliminating debt on your credit cards is to stop making purchases on the cards. It seems obvious, but it is extremely difficult to pay down debt when you are accumulating more. Also, resist the urge to apply for new credit cards. Alter your spending behavior. Write checks, use cash or a bank card that automatically takes the amount from your account. Next, examine your budget to determine where you might be able to cut expenses. The easiest way to do this is to cut your discretionary spending. Start taking your lunch to work, making your own coffee and get rid of unnecessary entertainment expenses. Take the money you save on those discretionary items and put it toward the balances on your credit cards. If you cannot cut your budget any more, you may look into picking up additional work or selling unnecessary big ticket items (like downgrading to a less expensive car).

Once you clearly understand your finances, make reducing the debt on your credit cards your priority. Make more than the minimum payments on the monthly statements. Continually paying only the minimum payments means that most of what you pay is going toward interest paid to the bank. You will actually start chipping away at the balance, when you make more than the minimum payments. Work on the card with the least amount of debt first, if you have debt on several credit cards. It is much easier to focus on one card at a time, and you will be encouraged to move onto another card once you pay one off. Send in additional payments on your credit cards, if you ever have free funds. Once you start paying off your credit cards, close the newest ones and keep the oldest. Having long established credit card accounts that are in good standing reflects positively on your credit score and credit report. Keep up this routine until all your credit cards are paid off. Always remind yourself of the dedication it took to pay down accrued debt, especially if and when you decide to use a card regularly again. Stay on top of your balances and use your card wisely. Remember that you will have to pay for everything you put on your credit cards. See More [Credit card application](#) . [Credit card application](#) . [Credit card application](#) . [Credit card application](#) .

About the Author

For more information on [best credit cards](#), goto www.getsmart.com/credit-cards.

Source: <http://biglearn.net>