

How to Get out of Credit Card Debt Quicker

Having good credit and using it wisely is crucial. Too many people get into credit card debt due to poor habits. They don't think about how it will affect their ability to purchase larger items, like cars and houses. There are two areas that need attention: spending habits and payment habits.

The easiest way to avoid credit card debt is to not overspend. You may have a generous credit limit, but you don't need to spend all of it. Keep your spending to what you can pay off each month when the statement comes. You can use it for day-to-day purchases, such as groceries, as long as you spend what you normally have budgeted for those purchases. This is beneficial if your credit card has a rewards program.

Many times people buy things on impulse, but this is one of the most hazardous habits to your credit health. Before you buy anything on credit, take a couple days and make sure that you really need it. Shop around, and look for the best price if you do decide to buy it. Find a place that has a layaway program. While you can't get the item right away, it gives you time to think about whether you really need the item. You can cancel the layaway, or make payments there (if you can afford it), because those payments are interest free. If you find you need the item sooner, than use credit as your last option.

Work up a budget, allowing for all the necessities (rent/mortgage, car expenses, utilities, groceries, etc), savings, "fun money" and also include what you expect to charge each month, allowing for interest, setting your own lower credit card limit. If you've reached your new credit limit, leave your card at home when you go shopping to limit temptation.

Once you've gotten the credit card, and used it, the inevitable happens-the bill comes. If you've used smart shopping habits, the bill will be manageable, and you will maintain a zero balance, and build a positive credit rating. But, if you are already in credit card debt, here are two keys to getting it paid off faster:

Send two payments a month, your regular amount due and additional to apply toward the outstanding balance (half-way between due dates). This helps reduce the total interest you pay over time.

After making regular on-time payments for a certain length of time, many credit cards will reduce your interest. Call your company and ask about this. They would rather reduce your interest than lose your business to another company offering a lower interest.

It is never too late to establish or repair your credit; it just takes time, planning and discipline.

Source: <http://www.articlecircle.com>

About the Author

John Layton is the author of What Do You Really Want and can provide additional tips and advise at his websites <http://www.creditcardhawk.info> and <http://www.creditcardhawks.info> he also publishes a daily blog at <http://www.internetsighting.info>