

Paying Down Credit Card Debt

Credit card debt is a trap. It's one I've been dealing with personally, and it's not pretty. But you can make better plans to get out of debt.

A high debt to income ratio can really give you problems. The payments are high and the interest can drive you insane, sometimes going over 30%. No, that rate isn't only for people who have missed payments; some credit card companies can apply it just if your credit score gets low enough. It's very dangerous to your finances.

The best way to get your debt down is to focus on one credit card at a time. Pay the minimum on the others while paying as much as possible on that one card until it is done. Repeat as needed.

There are different strategies within that basic one. Some say to pay off the lowest balance first so that you will quickly reach the point where you can apply more money to each individual card while others say to pay off the highest interest rate card because it is the most expensive each month.

In either case, as soon as one card is paid off you can apply all the money you've been paying on that one to the next one. You can see how quickly this can snowball once you've gotten that first card paid off.

This is not easy for everyone. Credit card debt doesn't only happen because people overspend on fun stuff. It also happens because people are living on too tight a budget.

If you're using your credit cards every month and feel that it's because you need to just to get by, it is definitely time to look at what you're spending. Most budgets can be cut and that can allow you to pay down your credit card debt.

Pay attention when you're at the grocery store. Stick to a list. Don't shop just for fun. Cut the cable television and/or your internet service. Go to just a landline phone or cell phone. Things like that can make a difference.

One of the biggest differences can be made by cutting your rent payment if you're a renter. If things are just getting that dire with your credit cards, you can cut hundreds of dollars off your monthly expenses by changing where you live. There's the initial costs associated with moving into a new place, but after that your expenses can drop quite nicely.

Some of the sacrifices you may have to make to get rid of credit card debt won't be comfortable. However these sacrifices really can help you in the long run and you won't be paying ridiculous amounts out every month for debts you could get rid of.

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About the Author

Stephanie Foster runs <http://www.knowyourcreditcards.com/> and gives advice on using credit cards wisely. You can learn more about credit cards at <http://www.knowyourcreditcards.com/learn/>