



Six Ways to Stay Afloat in the Sea of Credit Card Debt

Drowning in overdue credit card bills? Gulping for air when another collection agency calls? Texas CPAs offer these six tips for swimming to the surface of credit card debt.

1. Know how much you owe and to whom.

It might be a gruesome picture, but you can't get out of debt if you don't know how much you owe. Make a list of your debts, including interest rates and minimum payments.

2. Target balances with the highest annual percentage rates.

Once you pay off a credit card, apply that money to other credit card balances. An alternate strategy is to attack the smallest balances first and gain momentum from little accomplishments. It's easier to pay off and manage.

3. Pay more than the minimum due.

Even if it's just a small amount, it will help you avoid paying for an item several times over in interest.

4. Use a debit card to avoid interest charges.

It works just like a credit card but automatically deducts the purchase price from your checking account. Best of all, there's no bill at the end of the month and no interest charges.

5. Restructure your debt.

Consider switching your credit card balances to a card with lower interest.

6. Protect your credit history.

Make all loan and credit card payments on time.

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