

# HERE ARE 11 EFFECTIVE WAYS ONE CAN AVOID CREDIT CARD DEBT

## Introduction

Falling into debt can be a big problem for one, as debt is one thing that occurs without prior notice to one. There seem to be a lot of ways an individual falls into debt, it can be as a result of emergency expenses, going on a shopping spree without proper planning before going or settling a medical bill.

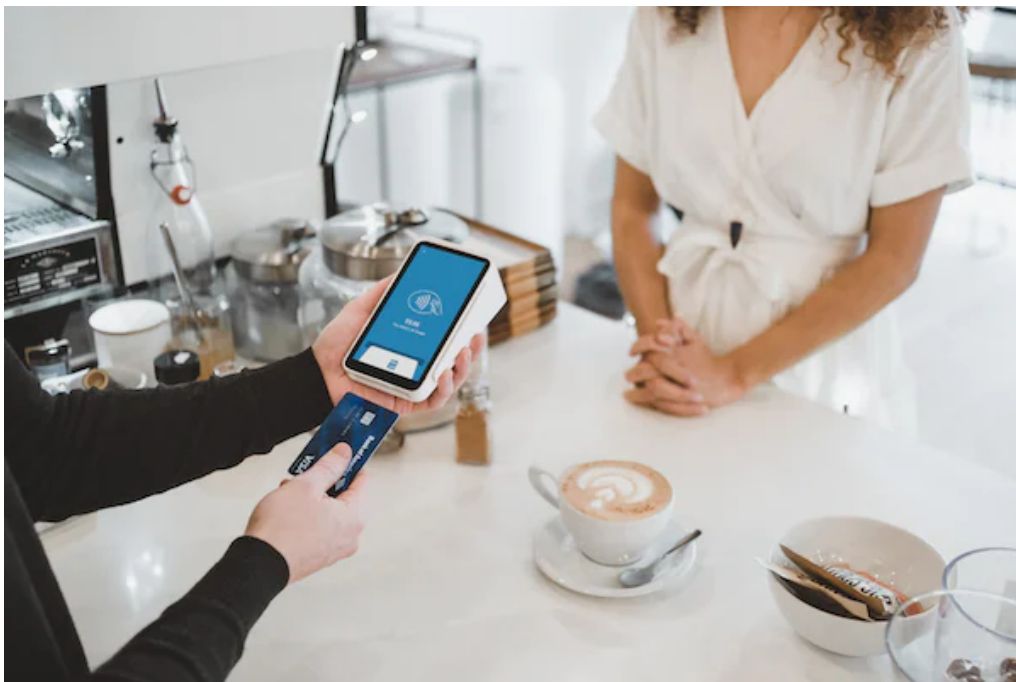


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However, there are many ways one can do it without incurring debt. In this article, I will be writing out effective ways an individual can avoid debt, especially, when using a credit card.

Below are effective ways to avoid credit card debt;

### **1. Develop emergency savings:**

Developing emergency savings can go a long way toward making an individual not incur debts. An emergency fund is very important in 'in-the-event' or 'just-in-case' situations. The best way to have a better emergency fund is to have at least 5 to 6 months of one's income saved up.

These savings can be used to cover one's expenses should one incur debt, lose one's job, have an emergency, or need money for an unexpected, but necessary cost.

## **2. Buy what you can afford:**

Having an excess credit card can be very tempting and can make one lose control of how to spend. The best way for one to avoid credit card debt is to buy what one can afford and ensure the use of a To-Do list. The most important thing when avoiding credit card debt is if one cannot pay for an item or a good in cash, then one cannot avoid paying with a card.

## **3. Pay when it is due and ensure to pay off your credit card balance in full:**

The ability to be able to pay for one's debt when it is due is one of the best ways to avoid credit card debt. However, once one misses a payment, the next payment will be increased making it a double payment for one, in addition to a late fee.

Also, one of the best ways to control one's spending and avoid credit card debt is to put one's spending under the tightest control.

## **4. Develop a budget:**

Developing or writing a budget is a great way to avoid debt. By writing out one's monthly spending, it is very easy for one to track one's spending, and also determine how one has fared over the month. Every month, be sure to write out how much one wants to save, and how much money one wants to spend.

Developing this budget will help one ascertain the particular area one would need to cut down on one's expenses.

## **5. Cash advances must not be used on your credit card:**

A credit card must not be used for cash advances. In periods like no money, and or depression, one might think of a cash advance on a credit card, this must be avoided. Also, if one would have to make use of a credit card to have cash on hand, this means an abuse of one's finances.

## **6. Avoid wants, and embrace needs:**

There seems to be a big difference between 'needs' and 'wants'. To avoid running into debt, one must avoid wants, and embrace needs. This will go a long way, and avoid excess spending. Thou, there might be a time for one to want a thing or two, but it is best advised to look away from it. Be informed that the more one moves

away from 'wants', and spends solemnly on 'needs', the better one will run away from debts.

#### **7. Do not give out your credit card:**

Your credit card is meant for you and you alone. Be informed that you are solemnly responsible for all the transactions, and charges on your credit card. Meaning, that giving out your credit card to another person moves you away from having control of the card.

If another person uses the card for a payment or something else, your credit card issuer will still hold you responsible and accountable for the repayment of the balance.

#### **8. Ensure to have fewer credit cards:**

Having multiple credit cards can result in debt. The more credit cards one has, the greater the chance of having debts, or a larger debt. Having a reduced number of credit cards with one does not only move one away from debt but also makes it much easier to have and manage one's monthly expenditure.

#### **9. Be aware of your credit card Terms and Conditions:**

Reading through and understanding the terms and conditions of one's credit card speaks volumes and says a lot. Terms and Conditions of a credit card reel out the vital information regarding the card such as the charges fees, interest rate fees, and all other things.

Having the best knowledge of all these can keep one away from running into debt.

#### **10. Should your pay increases:**

Should one pay increases, ensure to continue living on your former wage, and save up the extra funds. Since you have been living off your previous wage and you still stay off debt, try to save the additional funds where they will work best for you.

#### **11. Be aware of the signs of credit card debt:**

Knowing the signs and early warnings of credit card debt will move you away from incurring debt. For consideration, if you notice your credit card balance is very much to settle the debt in full, this is a sign that you have been changed way beyond the normal.

Staying away from spending till you have settled your payment will go a long way to ensuring that your debt becomes worse.

## Conclusion

The simple truth in trying to avoid or stay away from debt is to be able to control and limit oneself. One cannot be alive and not spend, but how and where the money is being spent speaks volumes.

Having talked and explained various ways to avoid spending excessively and running into debt, one can be sure of living a life without running or incurring debts.