

# Here Are 11 Effective Ways You Can Avoid Credit Card Debt

By Luqman Lawal, July 10, 2023

Falling into debt can be a big problem for you, as it can occur without prior notice. 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.

However, there are many ways you can do without incurring debt.

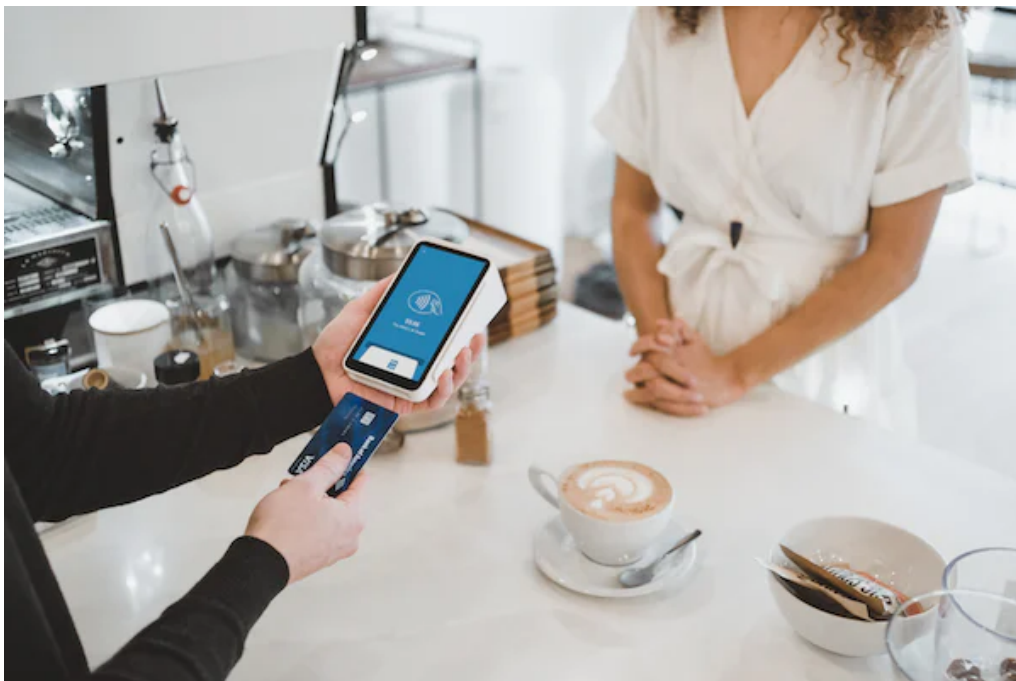


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In this article, I will be writing out eleven effective ways you can avoid debt, especially, when using a credit card.

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

Developing emergency savings can go a long way toward making you 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 your income saved.

These savings can be used to cover your expenses should you incur debt, lose your 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 you lose control of how to spend. The best way you can avoid credit card debt is to [buy what you can afford](#) and ensure the use of a To-Do list.

The most important thing when avoiding credit card debt is if you cannot pay for an item or a good in cash, then you 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 your debt when it is due is one of the best ways to avoid credit card debt. However, once [you miss a payment](#), the next payment will be increased making it a double payment for you, in addition to a late fee.

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

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

Developing or writing a budget is a great way you can avoid debt. By writing out your monthly spending, it is very easy for you to track your spending, and also determine how you have fared over the month. Every month, be sure to write out how much you want to save, and how much money you want to spend.

Developing this budget can help you ascertain the particular area you will need to cut down on in terms of 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, you might think of a cash advance on a credit card, this must be avoided. Also, if you would have to make use of a credit card to have cash on hand, this means an abuse of your finances.

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

There seems to be a big difference between 'needs' and 'wants'. To avoid running into debt, you must avoid wants, and embrace needs. This will go a long way, and avoid excess spending. Although there might be a time you want a thing or two, it is best advised to look away from it.

Be informed that the more you move away from 'wants', and spend on 'needs', the better you 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 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 your credit card.

If another person uses your credit 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 you have, the greater the chance of having debts, or a larger debt. Having [a reduced number of credit cards](#) does not only move you away from debt but also makes it much easier to have and manage your monthly expenditure.

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

Reading through and understanding the terms and conditions of your credit cards 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 you away from running into debt.

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

Should your pay increase, 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 enough to settle your debt in full, this is a sign that you are charged 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 yourself. You can't 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, you can be sure of living a life without running or incurring debts.