



## Get Smart About Credit Card Warning Signs

This month's Get Smart About Credit Day gives us a great opportunity to get on the right foot with credit.

If keeping up with credit card balances has become a challenge, it's smart to assess your overall financial picture and your spending habits.

Remember: taking on credit card debt is borrowing money you haven't earned yet. It is smart to keep the focus on this fundamental truth.

To get smart about credit cards, be aware of the common warning signs that might indicate issues with credit card usage:

- 1.** You are only able to make minimum payments on your credit card debt. Making only the minimum payment means you'll end up paying much more in interest charges, and it will take you longer to pay your debt off.
- 2.** You have been denied credit. If you've been denied, take a beat before applying with another creditor. Applying for multiple credit lines within a short period of time can result in a lot of hard inquiries, which

can have a negative impact on your credit score.

- 3.** You find it challenging to set aside savings. If it is challenging to set aside savings on a consistent basis, review your monthly budget and look for ways to reduce spending to save a little from every paycheck.

- 4.** Your credit cards are near or over your credit limit. Your creditors set your limit based on your credit history, income and outstanding debt. If you are at or near this limit, take a good look at your financial picture and focus on making smart purchase decisions in the future. A good rule of thumb is to try to keep your balances below 50% of your available credit limits.

- 5.** You are taking cash advances from cards to pay your other bills.

- 6.** Collectors are calling. Receiving calls from creditors happens to many people. You can relieve this financial stress by figuring out a budget with a financial counselor and reviewing your options to start paying debts back on time.

- 7.** You are using one credit card to pay off another credit card. This is like digging one hole to fill in another hole – and usually the hole just gets deeper and deeper!

### A Smart Approach to Credit

Smart use of credit cards is part of financial wellness. Managing credit is possible with planning and the understanding of how credit can affect your financial future.

It's all about the basics: looking at monthly expenses, looking at income and setting spending priorities as well as building up emergency savings. These principles will continue to be the building blocks of achieving financial success!

Through our partnership with GreenPath Financial Wellness, you have access to a trusted independent nonprofit resource to help you #GetSmart about credit. Financial counselors lend an empathetic ear, look at your entire financial picture and can help you develop a customized plan to achieve financial wellness.

## The Path to Financial Wellness Starts Here [my.greenpath.com](http://my.greenpath.com)

No matter what your goals may be, our partners at GreenPath can help you to take control of your day-to-day financial choices to create more opportunities for achieving your dreams.



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