Change These Financial Behaviors to Get Out of Credit Card Debt

National nonprofit credit counseling agency Take Charge America provides insights into common habits that derail financial goals

PHOENIX – (May 23, 2022) – Most people know excessive credit card debt is bad for their financial lives. But few may be aware of how seemingly innocuous financial behaviors can lead to a life with perpetual debt.

“Much of personal finance is about behaviors and habits,” said Michael Sullivan, personal financial consultant with Take Charge America, a nonprofit credit counseling and debt management agency. “Many people generally know what it takes to win with money, but unless you actually shift some key behaviors, you’re more likely to find yourself in debt.”

Sullivan shares four behaviors to change that will help you avoid credit card debt:

- **Failing to control spending.** Without a clear picture of your spending, it’s easy to overspend. The solution? Track every penny you spend for a month to identify where exactly your money is going. It may be enlightening to see how much you’re really spending on lattes and lunches. Once you identify habits, needs and wants, create a budget based on your income and carefully follow the max spending limit across budget categories. Learn more about developing a realistic budget.

- **Only paying the minimum.** If you pay only the minimum payments on your credit card, you are paying the maximum amount of interest because only a small portion applies to the principal balance. Instead, seek to pay off your account in full every month to avoid carrying a balance. If you’re already deep in debt, put a halt on unnecessary spending and consider a free credit counseling session to identify the best options for climbing out of debt based on your individual circumstances.

- **Not talking about money.** Discussing finances is hard. But the discomfort of talking about money is nothing compared to the anxiety, shame and potential health issues that silence can cause. Speak openly and honestly about your finances with your partner, children and other loved ones who have ties to your financial life. It will help you get clear on your goals and avoid debt.

- **Falling for gimmicks.** Whether it’s a 10% discount or travel points, we’re often confronted with perks and gimmicks to open new cards and spend. Although rewards cards have advantages, they become a hindrance if you’re tempted to spend when you shouldn’t. Opt out of credit card mailers and say no at the register.

Find more tips and resources to stay out of debt in Take Charge America’s Budget Tools.

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit takechargeamerica.org or call (888) 822-9193.

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