

Seven credit card tips you should know

Credit cards are tempting, but if you use them irresponsibly you could end up with more debt than you can handle. Consider the following tips.

▼ **Consider limiting yourself to one credit card.**

Credit cards can be all too tempting — easy to apply for and easy to use. To set a firm limit on what you spend, consider having only one card. One card will make it easier to set a regular pattern of purchases and repayment — and establish a good credit history.

▼ **Understand all credit card terms.**

Before you take out a credit card, you should understand all credit card terms. What is the interest percentage rate? Are there annual fees attached? Is there a different interest rate for cash advances? Get the answers before you settle on a card.

▼ **Set a time limit on big purchases.**

If you want a big-dollar item, put off buying it immediately. Consider the necessity and feasibility of repayment on such a purchase. Establish a time limit of several days before you buy.

▼ **Charge only the amount you can afford.**

Everyone lives on a budget, also known as a spending plan. Work your monthly credit card expenses into your monthly spending plan and be sure you can swing it.

▼ **Pay more than the minimum.**

If you are not able to pay the monthly balance in full, pay at least twice the minimum monthly payment. Paying more eliminates the debt faster and gives you more room to spend on other items, like household expenses.

▼ **Verify your statements.**

Check your receipts against the monthly statement you receive. That way, you can see patterns in your purchases, consider the amount you spend, and keep a close eye on what you're being charged for interest.

▼ **Shop around for the best interest rates.**

Watch out for "low introductory" rates. These can sometimes turn into higher rates if a payment is missed or comes in late. Also, be aware of annual fees. Many companies may charge an annual fee just to have the credit card itself.