

Credit Card Do's and Don'ts

Before using credit, consider the following:

- Plan for purchases in advance. Do you want to commit future income to monthly credit payments?
- Is the item you are considering purchasing with credit a need or a luxury?
- Learn to say no and mean it. Remember, we cannot have everything that we want.
- Understanding your own weaknesses when it comes to money.
- If you know credit cards purchases are tempting, then don't carry the cards with you (but keep them in a safe place.)
- If you know you have a tendency to over-spend at the grocery store because you have over-draft protection on your checking account, make a list to shop from, and withdraw cash from the bank. Leave your checkbook at home.
- Work toward the goals you have set. Does the credit purchase fit into your overall plan?
- Weigh the pro's and con's of the purchase. Did you observe the "two-day rule?" (The two day rule: When you see something you really want to buy on credit, go home and think about it for two days. If you decide after two days that it is still a smart buy, and it fits into your budget, then go back and buy it.)

Shop around

- Look at various sources.

Read and understand the contract

- Read the contract carefully.
- Don't rush into signing anything.
- Once a contract is signed, get a copy of it.
- Know the penalties for missed payments.

Know your cost

- Figure out total price when paying with credit.
- Make the largest payments possible.
- Buy on installment credit only after you have evaluated all other possibilities.
- Don't be misled into thinking small payments will be easy.