



# Credit Cards Post Holidays

by Cynthia Fick

A new year is unfolding, but what about that clean slate? The recession inspired over half of us to proactively avoid holiday credit card spending, but some of us are still paying off *last* year's holiday debts. You need a plan.

Your card statements tell you how much you'll pay in interest by making *minimum* payments and how long it will take to pay the card off. Say you owe \$1,600.00 on your American Express. The \$33.00 minimum payment will pay off your card in ... thirteen years ... with \$1,662.00 interest ... more than double your original debt. Not an option.

1. **Make a list of your card balances.** Rank them, card with the *lowest* balance at the top. Don't focus on interest rates.
2. **Pay off the card at the top.** Increase the minimum payment by at least 25% and put any extra toward this balance and get the satisfaction of crossing it off the list.
3. **Celebrate!** This is an important step – buy a special coffee drink or some other simple indulgence. Select one every time you pay off a card.
4. **Combine and reduce time.** Add the amount of the payment you were making on card #1 to your card #2 payments. Stay focused. Pay it off as fast as you can. Then, cross it off and celebrate! When you get to card #3, you're adding the payments from #1 and #2 to the payment for #3, reducing your time to a clean slate!

Stay committed. You're demonstrating to yourself that you *can* be disciplined and achieve a financial goal. Who knows what next steps you may take toward your financial well-being with this accomplishment under your belt!

My most important advice? Whatever you do, do not add to any card with a balance on it.

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## For clean slate, pay off cards

By Cynthia Fick  
SPECIAL FOR THE REPUBLIC

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satisfaction of crossing it off the list.

Celebrate! This is an important step — buy a special coffee drink or some other simple indulgence. Select one every time you pay off a card.

Combine and reduce time. Add the amount of the payment you were making on card No. 1 to your card No. 2 payments. Stay focused. Pay it off as fast as you can. Then, cross it off and celebrate.

When you get to card No. 3, you're adding the payments from No. 1 and No. 2 to the payment for No. 3, reducing your time to a clean slate.

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