

State Department Federal Credit Union Topics of Interest

Are You In Credit Card Crisis?

Get a cold, clammy feeling when you think of your credit card bills? If so, you're not alone. The average American now has \$8,523 in credit card debt, and while income has risen 72% during the past decade, personal debt has increased by 123%. Feeling anxious about your bills is only one sign that you may have bitten off a bigger bite of plastic than you can chew. Answer the following questions to determine if you are in over your head:

- Do you avoid creditors by not answering the phone?
- Do you ignore bills by stuffing them into a pile or box unopened?
- Do you pay for other charge cards, food or utilities with cash advances or credit?
- Is more than 20% of your net income committed to installment debt payments?
- Do you regularly bounce checks?
- Have any creditors closed accounts?
- Do you skip certain bills every month?
- Do you make only minimum payments on credit cards while continuing to incur charges?

If the answer to any of these questions is "yes", that may be an indication credit overextension. Stagnant debts, high interest rates, and punitive finance charges can quickly supersede the benefits of credit. Break the cycle of debt by reviewing your budget, adjusting expenses, or increasing income. Accelerate payoff time by increasing payments and requesting interest rate reductions. Most importantly, if your debt is unmanageable, stop charging immediately. Feeling overwhelmed because of credit card debt is natural, but with commitment and a step-by-step approach you can turn crisis into conquest.

As a credit union member, you have access to BALANCE, a financial fitness program dedicated to helping you achieve your goals. For more information, call them toll free at 888-456-2227 or visit <http://www.balancepro.net/sdfcu>.