



The 3 Credit Card Habits You Need to Break

Description

Showing up late. Snapping your gum in public. Swearing. Yep, we all have bad habits. Sometimes, they're just a nuisance to others. Other times, they're a nuisance to our budgets.

For example, consider *bad credit card* habits. Using your credit card in a routinely disadvantageous way can easily come back to haunt you, often in the form of fees and earned interest. If the bad habit persists, it can even wreck havoc on your [credit score](#).

What's a bad credit card habit? Well, here's the top three.

1. Using the wrong credit card

These days, with all the lucrative cash-back earnings on [rewards cards](#), if you're not strategic with your spending, you're throwing money out the window.

For example, if you spend more money on groceries than any other expense, and your credit card doesn't give you extra points for food, you should probably get a card that *does*. The most lucrative grocery cards can give you 5-6% cash back on groceries. Yeah — *cha-ching*. If your card has only a meagre 1% or 2% on grocery expenses, it might be time for a better [cash-back card](#).

2. Paying only the minimum balance

When you pay only the minimum, you make minimum progress on your debt. Yeah, sure, it's easier to pay the minimum then figure out how much you can afford to pay. But by paying only the minimum, you're accruing interest, which makes getting out of debt *that* much harder.

If you're struggling to pay more than the minimum, do a [balance transfer](#). That way you can put more of your money toward the principal, helping you [get out of debt faster](#).

3. Buying things you can't afford

A credit card helps you borrow money. But it doesn't help you if you borrow too much. Maxing out your credit cards — without paying them off before the billing period ends — means you're going outside your budget to make purchases. Do that too often, and you'll have a *very* expensive credit card habit on your hands.

That's why the safest way to use a credit card is to use it with [a detailed budget](#). Know exactly which expenses will go on your credit card (groceries, gas, entertainment) and which *won't*, and you'll be in a better position to say no to things you truly can't afford.

Break your bad credit card habits

Taking out cash advances, applying for too many credit cards, or not using a credit card you took out are all bad credit card habits, too. At the end of the day, you know it's a bad habit if it's costing you money in fees or interest. Cut these habits, and you'll free your budget from unnecessary weight.

CATEGORY

1. Personal Finance

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Personal Finance

Date

2025/07/01

Date Created

2021/06/11

Author

sporrello

default watermark