

10 Ways to Avoid Credit Card Debt

Anyone who has a credit card risks carrying too much credit card debt. You don't want to get overwhelmed with credit card debt because it can be extremely difficult to repay. So, as you use your credit cards, keep these tips in mind to avoid credit card debt.

[1. Have an emergency fund.](#)

Many people end up in credit card debt because they didn't have the cash to afford a major car repair or medical expense. They were forced to put the charge on a credit card. Having an emergency fund helps you avoid credit card debt by proving you with cash to use when an emergency arises.

[2. Charge only what you can afford.](#)

Avoid the mistake of using a credit card to buy things you really can't afford. You can avoid credit card debt by purchasing only what you can afford to pay for. If you can't afford to pay cash, you can't afford to charge it.

[3. Avoid balance transfers.](#)

Avoid balance transfers for the sake of balance transfers. If you transfer a balance to another credit card, have a good reason, like taking advantage of a lower interest rate. Otherwise, your balance will simply increase because of the balance transfer fee. Keep balance transfers to a minimum to avoid credit card debt.

[4. Don't miss credit card payments.](#)

Avoid balance transfers for the sake of balance transfers. If you transfer a balance to another credit card, have a good reason, like taking advantage of a lower interest rate. Otherwise, your balance will simply increase because of the balance transfer fee. Keep balance transfers to a minimum to avoid credit card debt. [More »](#)

5. Pay your balance in full each month.

Pay your balance in full each month! If you want to avoid credit card debt, pay off your credit card balance every month. That way, you'll never carry a balance. You never have to worry about whether you can meet the minimum payment because your credit card has already been paid in full.

[6. Know the signs of credit card debt.](#)

Many people end up with credit card debt because they didn't realize they were on the way. If you recognize the early warning signs of credit card debt, you can avoid going into debt all together.

7. Avoid cash advances.

Cash advances are one of the worst ways to use your credit card. If you have to use your credit

card to get cash, there's probably something wrong with your finances. A cash advance usually is one of the early stages of credit card debt. Work on fixing your budget and create an emergency fund so you don't have to use a cash advance in an emergency.

8. Don't lend your credit card.

When someone else uses your credit card, you have no control over how they use it. Even if that person says they'll pay your credit card bill, you are ultimately responsible for the charges they make. If the credit card company won't give that person a credit card, why should you give them yours?

9. Understand your credit card terms.

Read through your credit card agreement and make sure you understand how interest will be applied to your account, when will you be charged a fee, and when does your interest rate go up. Understanding these features of your credit card can help you avoid credit card debt because you understand how using your credit card costs more.

10. Limit your number of credit cards.

The more credit cards you have, the more you can charge. You may have great self-control, but it's better that you don't tempt yourself with thousands of dollars in available credit. Cut down on the number of credit cards in your wallet to avoid credit card debt.