

## ASK THE EXPERT

### HOW DO I AVOID CREDIT CARD PROBLEMS?

There is an old expression which applies to many people who are faced with credit card debts and that is “the most expensive item you will ever buy is the one bought on credit”. We live in a society today where the emphasis has switched from saving toward the purchase of an item to buying it now and paying for it later.

There are always times when credit is necessary as very few people can afford to buy a home without a mortgage or buy a car without a car loan. There are, however, other items that are much more affordable if they are purchased with cash from your budget rather than by using credit.

Remember that if you do not pay off your credit cards each month that you will still be paying for the original purchase you made for many years. If you are simply paying the minimum payment each month a large part of that payment is going strictly to pay the interest and so that original purchase is becoming more and more expensive each month.

It is important to try and only charge items to your credit card that you know you can pay for at the end of the month when your statement arrives. If you do not follow this rule you run the risk of having your credit card bills spiral out of control.