

# Financial Management

## How can I get my Credit Card Spending Under Control?



Credit card companies and lending institutions offer enticing opportunities for people to incur debt. A common mistake people make is assuming that if these agencies create

opportunity for you to have debt they must think you are in a financial position to pay it off. It is not their responsibility; it is ours to determine our ability to repay debt.

Credit card companies agree to loan you money interest free for approximately 20-28 days. You can use this to your advantage as long as you pay off the “loan” by the due date each month. One problem with credit cards, however, is that they can make spending too easy. If you are not aware of the debt you’re incurring, you are more likely to create more debt than you originally intended. The bill at the end of the month is a wake-up call but it does not help at the moment of spending.

Many people, who are used to using credit cards, sometimes demonstrate a lack of creativity when an unexpected financial expense arrives. They use their credit card to resolve the problem incurring more debt, instead of using the creative problem solving strategies they apply to other aspects of their life.



There are several strategies to help you to take control of (or gain control over) your credit card spending.

- 1) The most powerful and most difficult is to stop carrying your credit card with you. The most common concern expressed when this is suggested is, “I need it for emergencies.” The question to ask yourself is, “When was the last time you needed a credit card for emergencies?” The average household has **10** credit cards.

*If your credit card is not on your person it decreases impulse spending, allowing you time to find other creative solutions to a financial situation other than incurring more debt.*



- 2) Make a plan before using your card. Plan a spending limit, develop a plan to repay the debt you are about to create, or make a list of the items you intend to purchase with your credit card.

*By simply having a credit card available when you shop, a person is likely to spend 34% more.*

- 3) Discuss your intended use of your credit card with another person to help you brainstorm other alternatives.



*It can be difficult to access creative strategies and problem solving skills when we are feeling anxious and stressed. Talking to a person who is not going to judge, but will partner with you in finding alternative solutions can be very profitable.*

- 4) Paying off your credit card debt over time may also deter use.

*Sometimes when people pay off substantial credit card debt all at once it creates a false sense of wealth, and the debt is reestablished within a year or two (recycling debt). If that has been your experience, pay off your credit card balances over time, allowing time for behavioral changes.*

- 5) Give yourself a 24-hour “cooling off” period before making a purchase.

*This works especially well with catalog purchases. The next day they are not quite as appealing.*

Author: Gayle Rose Martinez, AFC, Family Living Agent, University of Wisconsin-Extension  
Reviewer: Michael Gutter, Asst. Professor UW-Madison, Family Financial Management Specialist, Family Living Program UWEX; Rita Straub, Family Living Agent Marathon Co. UWEX; Brenda Janke, Family Living Agent Lincoln Co. UWEX, Family Finance Management Specialist

For more information contact: Gayle Rose Martinez, Clark County Family Living Agent, University Wisconsin-Extension, 517 Court St., Courthouse Room 104, Neillsville WI 54456 or call 715-743-5121, FAX 715-743-5129  
Email: [gaylerose.martinez@ces.uwex.edu](mailto:gaylerose.martinez@ces.uwex.edu)