

How Much is Too Much Credit Card Debt?

Contributed by Webmaster

By Shawn Wilson

With the current economic crisis in full swing I think we are all taking stock of our own financial health. For me it has been an overview on all of our families spending habits. Both my wife and I love to cook yet we were eating out quite a bit. When we built our home it was designed around a professional kitchen and yet we were wasting money on restaurant food.

This small change in our spending habits has allowed us to save over \$400 a month on our food bill. Most of this extra money was going to our credit cards which despite the title of this article we are very good about paying our credit card off every month.

In my previous life I was a mortgage broker and saw a pretty good snap shot of the public's credit issues. It has been 4 years since I reviewed a credit application, one thing I can tell you is that it has only become worse.

It was amazing to see how many couples had in excess of \$100,000 in credit card debt, yes that was 100K. This was the cost of a nice home 5 years ago and some of you have this in unsecured debt.

Ok now back to the question at hand how much is too much credit card debt? Anything over a zero balance is too much and here is why. Most credit card interest rates are between 10-25% interest. With lending rates on lines of credit, mortgages and personal loans hovering between 3-8 % why would you want to have anything sitting on a credit card.

Credit cards should be used for convenience and most importantly for the amazing points systems that are usually associated with them. I have a travel Visa card and for the last 3 years my family has not paid for a single airline ticket, in fact I have used the points for business travel as well.

In order to get the most out of these points systems make sure your family has only one card, every credit card will allow you to have multiple cards for one account. This allows you and your spouse to collect points for the same account instead of having some points with one card and some with another. The next piece that is important is to review every bill that you have and see if you can have this come off of your credit card.

We pay all of our utilities, all of our insurance, groceries, gas, basically everything but our car and mortgage payments are added to our credit card. Trust me if we could have our mortgage and car payments added we would.

In the end credit cards are a fantastic way to earn reward points and are more convenient than having cash in your purse or wallet.

This is all assuming you are good about paying it off every month because any credit card debt is bad debt!

This article was written by Shawn Wilson, a member of the customer support team at Datepad, where internet dating is always free. Datepad has a massive directory of informative dating articles along with a great list of dating site reviews on their dating blog.