

Breaking Out of the Debt Spiral of Credit Cards

Contributed by Webmaster

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If you're struggling to pay credit card debts, you're probably feeling that you should never have started using credit cards, and that you're somehow a bad person for getting over your head in debt. You're not a bad person, and credit cards themselves are not bad.

One of the first things you're going to have to do, in order to get out of your debt spiral and get your life back on track, is to understand that you are not a horrible person. It's important that you understand this, so you can get out of your depression and despair enough to move forward and start getting yourself out from under all of this debt.

Almost everyone uses a credit card these days. No one intends to get in trouble. You, like everyone else, just allowed things to literally spiral out of control. Whether your credit card problems were caused by impulse spending, an emergency or a decrease in income, what caused it doesn't matter.

At this point, you need to start looking forward and identify some ways that you can break out of the pattern of behavior you're in.

Diagnosing the problem is the first step. Can you pay all your bills, even if it's a struggle? Are you paying only the minimum on credit cards? Are you paying off credit cards with other credit cards? You need to understand how serious the problem really is, before you can know what to do about it.

If you're able to pay all of your bills, but it's a struggle, you may qualify for debt consolidation, or some credit counselors may be willing to help. Others will not speak to you until you're a month behind on at least one payment. If you're behind on your credit cards, cancel the accounts, cut up the cards, and seek credit counseling if possible.

Whether you work with a credit counselor or not, your first goal is to cancel all your accounts so that you don't incur new debt. The next step is to make a plan for paying your creditors, and send them a letter explaining what you will be paying until the debt is cleared.

Many debt reduction experts suggest putting 20% of your income toward your debts, giving each creditor a proportional payment. When you pay one off, you add that money to the other payments.

While creditors will not like being told that they'll receive an amount less than the minimum on your statement, many will not take you to court, as long as you do what you agree to do. They may put this on your credit record, but at this point, your credit record is not a big problem. The goal here is to get out of a growing mound of credit card debt and begin to get your life back on track.

The important thing to understand, in trying to get out from under crippling debt, is that you have to take care of yourself and your family, too. You can't live on nothing. You need to create a plan that gives a portion of your income to your creditors, because you do owe the debt. But make sure you're taking care of your own needs first, because your health and your family come first.

About the Author (text) Read the blog <http://www.zero-out-my-debt.com> for the latest tips and information on debt reduction and how to get out of debt.

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