

JUNE 2018 NEWSLETTER

# CONSUMER CREDIT COUNSELING SERVICE



Consumer Credit Counseling Service, Inc

Please send payments to PO Box 843, Salina KS 67402-0843 and include the top portion as a coupon

## "SPRING CLEANING" YOUR WALLET

From the birds tidying up their nests to the gardeners preparing their land, spring is the time that we clean away the cobwebs of winter and get ready for the year ahead. But while many of us take part in an annual spring cleaning of our homes, few of us extend that same principle to one of our messiest places: our finances.

### Cleaning Up Your Finances

The idea of spring cleaning your wallet is as much a real suggestion — you'll likely be amazed by how much has accumulated in your wallet — as it is a metaphor for giving your personal finances a good going-over.

And the two may have more overlap than you think; credit card clutter may do more than simply take up space in your wallet, it may be hurting your net worth, too. So, while you're going through your wallet and getting rid of old receipts and discount cards for stores long since closed, be sure to take stock of the credit and debit cards filling up the slots.

### Take a Look in Your Wallet

As a general rule of thumb, any card you haven't used in the past year should get a closer look, particularly any that charge an annual fee. If you can't justify the fee (and be honest with yourself here), then you should probably cancel the card before your anniversary date to avoid yet another annual fee.

While looking into your credit cards for usage and fees, be sure to also note the balances and APRs on each card. Carrying a credit card balance from month to month generates interest fees, which can add up quickly, and canceling a credit card won't stop the interest from growing. Your best bet is to pay off the card as quickly as possible, then cancel to avoid additional fees.

By: Ashley Dull for the NFCC Personal Finance Blog

### Pay Off Debt

One way to pay off credit card debt is to use a consolidation loan, which is a larger personal loan used to pay off several smaller debts, ideally with a much lower interest rate than those debts charge. While those with good credit will find the best loan deals, you can often find loans for debt consolidation with bad credit that offer fairer rates than charged by some high-interest credit cards.

### Review Your Credit Report

Spring cleaning is also a good time to take a good look at your credit reports. You get one free credit report from each of the three major bureaus every year, which you should use to ensure your credit reports are showing everything they should be — and nothing they shouldn't be. Credit report errors can make a mess of your credit score and, thus, start impacting your budget by driving up your interest rates across the board.

All in all, spring cleaning your financial life is a lot like spring cleaning your home. For one thing, the amount of proper maintenance you perform year-round plays a big role in how much work it will take, so you should do your best to avoid letting it get too bad in the first place.

After all, if a thorough spring cleaning isn't enough to get your wallet in order, you can simply buy a bigger wallet. Letting your finances stay a mess, on the other hand, can have far-reaching consequences that take more than a trip to the mall to remedy. If you do find yourself in over your head with a financial mess, don't be afraid to ask for a little assistance. A qualified credit counselor can often help you clean up your finances (and keep them that way).

KSCCCS.ORG

