



Financial Education Resources

Good Credit Management Skills are More Important than Ever

Consumers have many options when it comes to selecting a credit card that best fits their needs. For instance, some people may use credit cards strictly for big-ticket items, while others may use them for their everyday purchases. Some carry a balance while others pay it off every month. Even though people use credit in different ways, one fact remains the same: good credit management is important to everyone.

To hone your credit management skills, consider the following steps:

1. Develop a consistent payment routine

Years ago, it was possible to tackle household bills on a certain day each month. But today's billing cycles rarely match up, which can mean several different due dates throughout the month.

People can more easily manage their monthly credit card payments by choosing a card that enables them to set their own payment due dates based upon what works best. Developing a consistent payment routine can really pay off by helping to avoid late fees.

2. Pick a convenient time and way to pay your bill

For many, checkbooks are a thing of the past. In today's wired world, there are more payment options than ever, making it easier and faster to pay bills.

Do your homework on what options are available and pick the method that's most convenient to your lifestyle or when you get paid each month. For example, some credit card companies allow cardholders to set up automatic direct payments online or by phone for recurring monthly bills. Others allow cardholders to schedule their payments in advance to align with their pay periods or let them pay their bill for free by phone or online – even on the payment due date.

3. Use account management tools to save time and money

Many credit card companies offer account customization tools that enable cardholders to keep close tabs on their account and budget. To avoid fees, some companies allow cardholders to set up e-mail and/or text reminders to let them know that their payment due date is approaching, or if they're close to exceeding their credit limit. These reminders can also be set to alert them when a large purchase has been made or help track when a return, credit or balance



transfer is posted. In addition, cardholders are able to access their account summary information online to help them track spending, create a budget, and sort transactions by date, amount, description or category, which can be helpful for tax preparation.

4. Use your credit card rewards to help pay down your balance or reduce expenses

Some credit card companies allow you to redeem cash rewards in the form of a statement credit, which helps you pay down your balance faster. Or, you can have the money deposited directly to your bank account. You also can take advantage of other redemption options such as the ability to increase your rewards when redeeming for gift cards at places where you already shop.