



## Break These Bad Habits When Using Credit

*National nonprofit credit counseling agency Take Charge America shares tips to avoid derailing financial goals*

**PHOENIX – (Sept. 13, 2022)** – Credit card use has surged across the country as Americans face higher prices in recent months. With more individuals turning to credit for everyday purchases, the potential grows to develop bad habits that can negatively impact their finances.

“Credit has become an increasingly necessary tool to participate in today’s financial world,” said Amy Maliga, a financial educator with Take Charge America, a [nonprofit credit counseling and debt management agency](#). “That’s why it’s important for individuals to use credit responsibly so they don’t derail their life and money goals.”

Maliga breaks down four bad habits to avoid when using credit:

- **Paying the minimum.** It may be easier, but only paying the minimum payment on your credit card each month is a habit that will keep you in debt. This also leads you to paying way more in interest than necessary. Instead, work to pay off your balance in full every month to avoid finance charges.
- **Credit churning.** This is the process of opening multiple credit cards to collect new customer bonuses like miles and cash back. The practice can have potentially disastrous effects on your credit score and ability to get new credit when you really need it. Opening several accounts in succession is often seen as a red flag. Also, the more credit cards you have, the greater risk of missing payments. Instead, use one or two main cards regularly to build and maintain good credit.
- **Buy now pay later.** No, BNPL isn’t a credit card in the traditional sense. But these popular services are a form of credit that come with financial risks including potential late fees, a temptation to spend more and no consumer protections. Instead of using BNPL, only buy items you can afford at the time of purchase.
- **Cash advances.** One of the most expensive credit card transactions, cash advances typically have the highest interest rate. Plus, with no grace period, interest begins accruing immediately. There’s also a fee for every cash advance transaction. If you’re using credit cards to get cash, stop immediately. Evaluate your spending for ways to free up extra cash so you don’t need to resort to costly cash advances.

For individuals overwhelmed with credit card debt you may find relief with nonprofit credit counseling. After going through a [free credit counseling session online](#) or over the phone, receive a free action plan with customized solutions to get out of debt.

### About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit [takechargeamerica.org](https://takechargeamerica.org) or call (888) 822-9193.

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