<p>Credit cards are like a double-edged sword. If used responsibly, credit cards have all sorts of benefits. If used irresponsibly, they can be a financial disaster and drag you into bankruptcy.</p>

<p><strong>RELATED: </strong><a href='https://www.getmoneystaybummy.com/post/2/why-you-should-use-credit-cards'>Why You Should Use Credit Cards</a></p>

<p>Fortunately, using credit cards responsibly is a simple process with a short list of must-do’s. Note that when we say must-do’s, we mean <b>must-do’s</b>. If you fall short and don’t stick to any of these principles, the money you’ll be paying in interest and fees will offset/surpass any benefit you get from using credit cards.</p>

<h1>How To Responsibly Use Credit Cards</h1>

<p>Here are the must-do’s to be a responsible credit card user.</p>

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<li><strong>Pay On Time: </strong>Always pay your full balance before or by your statement due date. A late payment will incur interest charges and late payment fees. A late payment will also have a substantial negative impact on your credit score.</li>

<li><strong>Pay In Full And Don’t Overspend: </strong>Pay off all balances in full. You should only be using your credit cards to make purchases which you can afford to pay off in full at the end of every month. Credit cards should <b>not</b> be viewed as extra spending power. You will get a statement in monthly intervals, so you can pay it off once a month to avoid carrying a balance. But what we recommend is to pay all your credit card balances off every two weeks. Not only does this make it easier to stay within your budget, but it has the added benefit of lowering your reported credit utilization.</li>

<li><strong>Keep Utilization Under 30%: </strong>The ratio between the total balance you owe and the total credit limits on all your credit cards is used to calculate your credit score. A high ratio will negatively impact your credit score. Aim to keep your credit utilization low. The lower the better, but at a minimum it is recommended to stay below 30% utilization. You can lower this ratio either by spending less, or by increasing your credit limits.</li>

<li><strong>Set Up Automatic Payments: </strong>All of your credit card accounts should have automatic payments set up (even if its just the minimum payment) to serve as a backup in the case that you forget to make a payment by your due date. You should never miss a payment.</li>

<li><strong>Check Your Charges: </strong>At the end of every month, make it a habit to spend a few minutes looking over your credit card statements to make sure there are no fraudulent or accidental charges.</li>

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<p>Although simple, the above must be done 100% of the time or else the interest and fee charges will negate any and all benefits you get from using credit cards.</p>