

Title:

Credit Cards Let You Spend More than You Make

Word Count:

548

Summary:

Two minus four equals trouble when you are talking your budget. If you spend more money than you make, you will have money problems.

Keywords:

credit cards

Article Body:

Two minus four equals trouble when you are talking your budget. If you spend more money than you make, you will have money problems.

The problem is that you usually don't realize what you've done until it is too late. It's hard enough to keep track of checking account spending, but add credit cards, and spending can get out of hand. How many times have you used your credit cards to buy clothes, impulse items or even groceries, and said you'll pay it back? But at the end of the month, you have nothing to pay it back with.

It's easy to say you will pay it back next month, or when you get that bonus at work, or when you get your tax returns. Before you know it, it's added up to a mountain of debt.

While credit cards aren't the only way to spend more than you make, they are a number one enabler. Other ways to spend more than you make is by taking out cash advance loans or having an interest only mortgage. In the long run, they rarely work for your benefit.

It's not easy to stop spending more than you make. But it is possible. Start by creating a budget. List all of your bills and all of your expenses and see what you have left over. Do this every paycheck. You have to know exactly how much money you have if you want to avoid spending too much. If you need to, sit and look at your bank account register for three minutes every morning. Write down what you've spent the day before.

Personally, my husband and I have found that the longer we go between looking at

the checking account ledger, the more we spend. When we know every day how much we have left, we are able to spend more frugally. But if we both just assume that we still have x amount left, we get into trouble.

If you are a shopaholic, then there are ways to cut your need to spend. The number one way is to never step foot in the store. If you know that you will buy too much other stuff at Walmart, don't go there for groceries. If you want to go in Hobby Lobby just to look, but know that every time you look, you spend \$200 -- don't go in.

Another way to reduce that need is to go through what you already have. When you see how many things you already have, the need for more is lessened.

You know, everyone has lapses. If you have lived on a \$5,000 a month spending habit on a \$3,000 income for a while, you may be used to juggling things. And even when it starts falling in, you want to spend that \$5,000. You may go out and spend too much every once in a while -- you just have to deal with yourself when you do. Then get back on track.

There are people out there that live comfortably on \$500 a month. There are others that make \$5,000 a month that can't make ends meet. It doesn't matter how much money you make, it's how you use that money. By keeping close daily track of your income and purchases each month, you can make it on almost anything.