

SIGNS THAT YOU'RE Carrying Too Much Debt

Signs That You're Carrying Too Much Debt

Debt has practically become a national pastime. The United States and its citizens largely run on credit. While credit can be a great convenience, it can also create major financial challenges. ***Carrying too much debt creates a lot of additional costs and stress that are unnecessary.*** Anyone who's had a sleepless night because of debt knows how much it can negatively influence your life.

Most of us are used to having a significant amount of debt. But, how much is too much?

Look for these signs that you're carrying too much debt:

1. **You're carrying a credit card balance.** *If you're carrying a credit card balance each month, it's critical to your financial health to pay this debt down.* If you're unable to pay it off, that's a sign that you have too much debt.
2. **You have to use credit cards to pay for everyday items.** Using a credit card to buy food or pay your utility bills is another sign your debt might be out of control. *If you lack the money to pay your routine bills, it might be time to face your debt.*
3. **You're only making the minimum payments on your credit cards.** The minimum payment amounts are designed to keep you paying for an eternity. The less you're paying on the principal, the more you'll be paying in the long run. If you're unable to pay more each month, you're on a slippery slope.
4. **You're regularly making late payments.** Many people think that credit card

companies get most of their income from interest, but studies have shown that it's actually the late fees that account for most of their income.

- Regardless of the type of bill, if your payments are regularly late, you're paying a lot more than necessary. It's also a strong sign that you're carrying too much debt.

5. You're using payday loans. Payday loans can be thought of as credit cards for those that are either unable to get a credit card or that have hit their credit limits. ***Payday loans are perhaps the worst loan you can get.***

- These loan companies get around state usury laws by charging outrageous fees. This is the only way they can legally make as much money as they do.

6. You're lying to others about your finances. It's easy to argue that your finances are nobody else's business. If you're lying to family members about your spending habits and your financial well-being, there might be an issue.

7. You don't have any savings. One sign of financial health is the ability to save money regularly. If your monthly finances aren't allowing for a regular contribution to your savings account, you're probably playing with fire.

Carrying too much debt is a common occurrence in the United States. Debt can be likened to climbing a mountain with a boulder on your back. ***If you're displaying any of these signs of debt, it's time to do something about it.*** The solution might be as simple as cutting back or as severe as filing for bankruptcy.

Assess your debt and put a plan into place that will ease your financial burden. You'll be glad you did.