

## Out from under

Are you swamped with credit card debt? If so, paying off that debt is one of the smartest and most rewarding moves you can make. You'll gain the satisfaction of no longer being in the red, and free up your monthly payment for other uses.

### **Prioritize your payments**

Write down the balance you owe, the interest rate you pay, and your credit limit on each credit card. Then create a repayment schedule. Concentrate on paying off the most expensive card first—the one that charges the highest rate. Focus, too, on getting your outstanding balance on each card well below the credit limit to lessen your vulnerability to over-the-limit fees. Note: Never miss a payment. If you do, your interest rate may be raised on that card.

### **Look for a lower rate**

Consider transferring your balances to a lower-rate card. You can do side-by-side comparisons of other cards on websites like [cardratings.com](http://cardratings.com), [bankrate.com](http://bankrate.com), [rewards.com](http://rewards.com), and [creditcards.com](http://creditcards.com). Be careful to check the transfer fees, and to make sure you qualify for any low advertised rate you find. Sometimes, it depends on your credit rating. Find out how long the low rate lasts, too.

### **Turn over a new leaf**

Limit your use of credit cards while paying off your debt. Try to make all your purchases with cash. You may even consider canceling cards as you pay them off. Experts say no one needs more than two or three. But keep your oldest card; it can help your credit score by showing how long you've had credit. When you're debt-free, don't forget to boost your payments to yourself! Build an emergency savings account for unexpected, short-term needs. And save for the long term by increasing the amount you contribute to your workplace retirement plan.

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