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Expert: Steve Bucci

## The Debt Adviser

Changing behavior is better option

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### Think twice before killing credit cards

By [Steve Bucci](#) • Bankrate.com[Print](#) [E-mail](#)**Q: Dear Debt Adviser,**

I have poor self-control when it comes to using my credit cards. I have about \$21,000 total debt on five different cards. It's gotten to the point where I'm tapped out and soon will be unable to make the payments.

After I cut up the cards, what is my next best step?

-- Sarah

**A: Dear Sarah,**

Whoa! Slow down for minute and let's talk about this. Cutting up the cards may not be the best course of action for you.

If you had five speeding tickets with your car, would you get rid of it, or learn how to drive better? The same thing applies here. Credit is as integral a part of American culture as driving. It's also an important part of personal finance. So, I'd rather see you learn to use it wisely.

I'm guessing that some of your lack of self-control with credit cards was evident during the recent holiday shopping season. You -- along with hundreds of thousands of other Americans -- have too much credit card debt and need to pay down your balances.

This debt may be a result of several factors, including overdoing it with holiday spending, poor money management and simply extending income by using credit.

Whatever your reason for overspending, the key is to slow down, pay attention to what you are doing and begin to reverse those high credit card balances. Luckily, you have come to the right place to learn how to do that.

Begin by deciding where you want to go. When you get in your car, you have a destination in mind. If you didn't, you'd end up running out of gas and getting nowhere. So, what are your financial destinations? Do they include retirement, education or a flat-screen TV? You get to choose.

Next, check your levels. Before you go on a road trip, you should check to be sure you have gas, the oil is full and the tires have good tread. For your financial trip, find out exactly where you stand.

Check your income against how much you owe and to whom. Are income and expenses in balance? My guess is your expenses probably outweigh income. If so, bring your finances back into alignment.

Once you're ready to go and have a road map to your destination, decide what stops you'll need to make. Let your needs -- not your wants -- take the lead. Remember, you have a goal now, so pointless stops will only delay your arrival.

Trim unnecessary expenses and learn to spot the difference between a "want" and a "need." Sometimes, the differences are obvious, such as choosing a sensible winter coat (need) over a sable mink jacket (want). Other differences are less obvious, such as the choice between eating at a cheap fast food restaurant (want) versus grabbing a sandwich at home (need).

The bottom line is that if you choose a more expensive alternative that doesn't directly benefit your safety or health, you are probably selecting a "want" rather than a "need."

Finally, stick to the road you have chosen. The hardest thing about paying off or staying out of debt is to change the old behavior that got you into debt in the first place. Unless you do that, closing the accounts and cutting up your cards won't change anything, except to lower your credit score even more.

To change your behavior, you first need to understand what is motivating you to overspend. Then, replace overspending with a healthier, less financially devastating way of dealing with that motivation.

For example, if you shop because you are stressed, try calling a good friend and venting instead. I recently read a great book on this topic called "The Financial Wisdom of Ebenezer Scrooge" by Ted Klontz, Rick Kahler and Brad Klontz. The book offers some interesting insights into the roots of our financial behavior.

If you prefer a more nuts-and-bolts approach to paying off credit card debt, please see the Bankrate feature "[Understanding your debt](#)" for more tips, ideas and assistance.

*The Debt Adviser, Steve Bucci, is the president of Money Management International Financial Education Foundation and the author of "[Credit Repair Kit for Dummies](#)." Visit [MMI](#) for additional debt advice or to ask a question of the Debt Adviser go to the "[Ask the Experts](#)" page and select "debt" as the topic.*

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