***Credit Cards can be dangerous (or very helpful) depending on how you use them***

Most of us have at least one credit card. Some of us might have many credit cards. But are they a good thing or a bad thing? How can I use it only for good?

These are good questions. Let’s analyze things further. First, when used properly, credit cards can help in many ways. They can help establish a good credit rating. They can also be useful in an emergency, provide useful fraud protection and oftentimes are necessary for things like renting a car. There are also many cards out there that offer bonus points for things like air travel or cash rebates.

So, how should I use my card for good and not get trapped? The most important thing is to not use your credit card to purchase whatever you want. You still need to be able to pay for your purchases. Don’t buy something on credit that you can’t pay for in the next month or two. Many times, consumers get into trouble “maxing out” their cards. Depending on the individual, your credit card limit could be $10,000 to $20,000 dollars. I don’t know about you, but if I put $20,000 worth of purchases on my credit card, I would be in trouble because there is no way I could pay that off in a month or two. If I can’t pay it off, the interest charges could be very large.

Here is a quick guide to how to use and how not to use your credit cards:

DO: Pay off your balance each month

DO: Pay your bill on time

DO: Only apply for cards that you need (someone will have to show me why you need more than one!)

DO: Check your credit card statement for errors

DON’T: Pay your card late

DON’T: Max out your card

DON’T: Purchase more than you can pay off in a month or two

DON’T: Own multiple cards