

8 Danger Signals to foretell you are on the debt road

Debt consolidation is a major concern throughout the world. There are many things that one needs to watch for to avoid this malady and this stands true for all types of people. The article will try to highlight a few danger signals which can foretell that you are on the debt road - so you can recognize them and straighten things out.

Danger signal 1

Your credit card expenses increase while your income is the same or decreasing. When this happens stop using your cards and manage on whatever cash you have available. Stop when the cash is finished unless there is a great emergency – do not take out the cards. Diminishing income will suffer greatly if the bills of the credit card are added to it; get away from card shopping till your income stabilizes.

Danger signal 2

You are unable to pay more than your minimum balance on the card debts; this is when it should be obvious that cash problem has started; this is the time when you should leave the credit cards and try to pay off all your outstanding by wise financial management.

Danger signal 3

You find yourself borrowing on one card to pay on another. This is the message that you are entering unmanageable debt – so take charge and control all unnecessary expenses right away. Try to pay off the debt of one card and use only one card – that also only in acute emergency.

Danger signal 4

You observe that you have more than 5-6 credit cards. Ideally, you should not have or use more than two credit cards. There are many who advocate the use of only one card while – if you have more – you can keep the rest locked for any emergency. When you have too many operational cards, you can very easily over spend and find yourself in a financial mess.

Danger signal 5

You are finding that you are using your credit more and more for emergency payments – and the emergency payments include grocery bills. The moment you include in the emergency payment list ordinary purchases, you should understand that something is seriously.

Danger signal 6

Your credit card payments keep you working overtime – if you observe that you do not have sufficient funds to cover your credit card payments – that means you are extending your income to your credit card limits – this is a definitely a danger signal.

Danger signal 7

You are at limit of all your credit cards. When you find yourself to have topped the limits of your credit cards –this obviously shows you that your income is not sufficient to take care of your expenses – and or you are spending too much.

Danger signal 8

You are gambling and paying the debts with the credit cards. Never ever pay your gambling debts with the credit cards because this will really create an egg-and-chicken vicious circle from where you will never get out.

About the Author

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