

# Spotting Credit Trouble

As of February 2025, the average American had a credit card balance of \$6,455.<sup>1</sup>

The wise use of credit is a critical skill in today's world. Used unwisely, credit can rapidly turn from a useful tool to a crippling burden. There are a number of warning signs that you may be approaching credit problems:

1. Have you used one credit card to pay off another?
2. Have you used credit card advances to pay bills?
3. Do you regularly use a charge card because you are short on cash?
4. Do you charge items you might not buy if you were paying cash?
5. Do you need to use your credit cards to buy groceries?
6. Are you reluctant to open monthly statements from creditors?
7. Do you regularly charge more each month than you pay off?
8. Do you write checks today on funds to be deposited tomorrow?
9. Do you apply for new credit cards so you can increase borrowing?
10. Are you receiving late and over-limit credit card charges?

It is important to recognize the warning signs of potential credit problems. The more quickly corrective action is taken, the better. Procrastinating might result in financial difficulty down the road.

1. Forbes.com, April 28, 2025

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