

# Using Your Credit Card

THERAPIST: So, tell me Jen, what brings you in to relationship counseling today?

JEN: Um, my credit card?

THERAPIST: You have quite the sense of humor!

JEN: No, I mean—this was my credit card's idea.

CREDIT CARD: Hello.

THERAPIST: Oh!

CREDIT CARD: I just can't take it anymore! I'm at my limit—literally!

THERAPIST: Oh my. Jen, the key to a successful partnership with your credit card is to pay it in full on time.

JEN: Pay it in full on time?

CREDIT CARD: Pay it in full on time!

THERAPIST: That's right. Your credit card's billing cycle is the period of time between billings. It can vary depending on the card issuer, so you must understand when it starts and when it ends for each credit card you use. During that time frame, purchases, credits and any fees or finance

charges are added and subtracted from your account. When your billing cycle closes, you are billed for the remaining balance. This will be reflected in your credit card statement.

CREDIT CARD: Which you would know, if you ever opened one.

JEN: Ssssh!

THERAPIST: Your statement also shows your payment due date, which is usually about 20 days after your billing cycle ends. Your bill must be paid before the due date—in what's known as the grace period—in order to avoid late fees, and it must be paid in full to avoid being charged interest on the balance.

CREDIT CARD: Make sure you allow extra time for your payment to process, too!

THERAPIST: In the meantime, your next billing cycle will already be underway. It starts with whatever balance was left unpaid at the end of the previous billing cycle and goes from there, adding and subtracting your credit card activity for the current cycle.

JEN: What happens to our relationship if I can't pay off my balance?

CREDIT CARD: I will make your life absolutely miserable.

JEN: What? What if we compromise and I pay the minimum payment? That's gotta count for something!

THERAPIST: Well, making minimum payments on time may protect your credit rating and dodge the penalties related to missing a payment altogether, but you will be charged interest on the remainder of the balance.

CREDIT CARD: And that interest accumulates quickly. If you only pay the minimum every month, I can keep you in debt for a really long time.

JEN: You wouldn't!

CREDIT CARD: Oh yes I would! Start missing payments and I'll tank your credit score, raise your interest rates—trust me, sister, you don't wanna go there.

THERAPIST: OK, let's talk about strategies for managing this conflict. Jen, I want you to turn to your credit card and imagine it's cash.

JEN: Uh...

THERAPIST: Treating your card like cash means using it to pay for things within your budget. Bills, groceries—all the regular things you know you can afford with the money you already have.

JEN: What's the point of having a credit card if I'm just going to treat it like cash?

THERAPIST: For the convenience and—depending on the specifics of your card—for the rewards.

JEN: What? I don't want you to think I'm using you just for your rewards!

CREDIT CARD: Why not? I'm cool with it.

JEN: Really?

THERAPIST: If you're paying in full and on time, it's perfectly fine to enjoy the perks of your credit card. So, how do you feel?

CREDIT CARD: I feel recharged!

JEN: And I feel renewed interest.

THERAPIST: What?

CREDIT CARD: No!

JEN: Relax. Renewed interest in this relationship, not on my credit card balance.

THERAPIST: Well in that case, I would say balance has been restored.

GRANDPA GIFT CARD: Why does everyone forget about me? I'm a really nice gift card. I've always been there for

them.