Credit Cards and Debt Management

Credit and debt are directly related to each other. The amount of debt you have and the way you handle that debt impacts your credit. When you use a credit card, you are incurring debt that you are obligated to pay at a later time.

What is a Credit score?

Your credit score tells lenders, landlords, and employers how much of a financial risk you represent. The higher your score, the less of a risk you are.

Good credit can:

- Help you gain employment - employers can check your credit report.
- Help you to get good rates - the interest rates you are offered on your credit cards and loans is based on your credit score.
- Get an apartment or home - landlords and loan companies check your credit score before you get approved.

The 5 Factors that Contribute to your Credit Score:

- 35% Payment History
- 30% Amounts Owed
- 15% Length of Credit History
- 10% Type of Credit
- 10% New credit

For a more complete breakdown check these out:

How Your Credit Score is Calculated?

What is a Good Credit Score?

What Your Number Means

The most widely used credit score is the FICO® score, which ranges from 300 to 850.

- 800 or Higher: Exceptional
- 740-799: Very Good
- 670-739: Good
• 580-669: Fair
• 300-579: very Poor

How to Improve Your Score

• Check your Score Report any report any inaccuracies.
• Pay your bills on time.
• Reduce your debt.
• Don't open several new accounts at once.

Here are some more tips: https://www.thebalance.com/credit-and-debt-management-tips-2386315