

Healthy Money Habits

Step 6

Class Challenge

Add power to your debt reduction

Use powerpay.org to find out how much your debts may cost you in the long run, and to explore strategies for saving time and money.

Create or respond to a post with questions or feedback on this challenge here <https://www.facebook.com/pages/Idahos-Two-Cent-Tips/158778734174237>

Food for Thought

Credit cards can be the most effective way to build credit if used the right way. You can pay balances off monthly for an indefinite period of time; this helps build credit in three important ways: 1) Establishes history of credit payments without any interest paid; 2) Keeps monthly balances low; and 3) Adds account maturity the longer you keep and use it. BUT, credit cards can also be one of the quickest ways to debt-overload. Use them wisely.

Additional Resources

Find related resources here: <http://extension.uidaho.edu/madison/?s=credit&searchsubmit=>

Luke Erickson
University of Idaho Extension
erickson@uidaho.edu



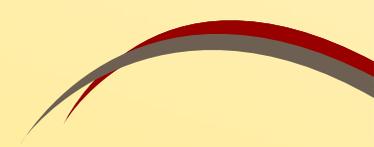
Eliminate Debt & Build Credit

PowerPay Your Debts – Utah State University Extension’s PowerPay web tool and iOS app can be a powerful way to see how much your debts are costing you, and help you devise an effective plan to accelerate your payoff schedule, saving you time and money!

No New Debt – No matter what debt reduction strategy you select, it will be very difficult or impossible to accomplish your plan unless you stop taking on new debts. Cold turkey is the dish of the day when it comes to debt elimination!

Check Your Free Credit Reports - Having strong credit is important even for people who don’t borrow money. Credit histories are used frequently by employers, insurance companies, landlords, utility companies, etc. to make decisions about you. The good news is that you can easily stay on top of your credit for free by visiting www.annualcreditreport.com.

Build Your Credit Score – Once you’ve checked your personal credit history, you’ll have a much better idea on ways to improve your credit. Here are some of the most important ways to build strong credit: 1) Always pay bills on-time; 2) Keep loan balances low; 3) Keep older accounts open; and 4) Close newer accounts especially if you have more than 7 total accounts.



Caldwell Research & Extension Center
1904 E. Chicago St., Ste. AB
Caldwell, Idaho 83605
208-538-9936

University of Idaho
Extension