

## Paying Off Your Credit Card Balances Worksheet

In order to get a handle on your credit card debt, I recommend filling out the following chart each month:

Month \_\_\_\_\_

Credit Card Name	New Balance (in pencil)	Interest Rate (APR)	Minimum Payment (in pen)	Date Due	New Charges	Extra Payment Budgeted + New Charges	Amount Paid
<b>Totals:</b>							

The best strategy to produce the best financial result is to pay off the credit card with the highest interest first. Once that card is paid off, you move on to the card with the next highest interest rate, etc. It is very important that if you need to use a credit card, use the one with the lowest interest rate (if you have an adequate credit limit) AND pay off any new charges each month. Also, do not reduce the minimum payment due once you have filled out the form even though the credit card company reduces that amount as you are paying down the balance (this is a sneaky way that they keep you “on the hook”).

Steps to becoming credit card debt free:

1. Fill out the form on month one and at the beginning of every month thereafter erasing the prior Balance Due and writing the new one plus any new charges;
2. Pay ALL of the minimum payments by the due date for each card;
3. Budget an extra payment amount for the credit card with the highest interest rate PLUS any new charges on the card with the lowest interest rate and pay it; and
4. As a card is paid off, write PAID in the Balance Due column and congratulate yourself for a job well done.

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