



Extension News Column

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To: Mary Beth Smetzer, community news editor, News-Miner, 459-7546 (wk), 452-7917 (fax), mismetzer@newsminer.com and people@newsminer.com
From: Roxie Dinstel
Re: Pinching Pennies to run Mondays on page A-3
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I'm late again. When it is a matter of being late to meet a friend for lunch, it is one thing. But when it is your credit card bill that you are late on, it can have ongoing repercussions.

Everyone loves their credit cards for the convenience until you are socked with a late fee. "Can't those credit card companies be more flexible? After all, it was only one day late." Does this sound like something you've heard?

Credit cards are so readily used it is easy to forget that they are a loan just like the ones on your house or car. You can't forget to pay your house note without paying a late fee and the same is true of your credit card bill. The credit card companies look at these fees in the same way as a speeding ticket. The fee stops you from doing it again, or even falling into bigger bad habits. But unlike a speeding, you always get caught when you miss a due date on your bill.

It can be quite expensive, up to \$39, and can damage your credit rating if you are consistently late. The simplest idea is to arrange for payment the day you get the bill. You'll avoid a late fee and you'll pay less interest. In fact, if you always pay on time you will pay zero interest. It can't get better than that.

If you can't afford to make payment because of job loss, medical crisis or other reason, contact the credit card company. Many companies are willing to make an alternate payment plan.

Getting around those fees can be easy, as long as you pay on time. But life sometimes intervenes and it isn't always possible. So, let's look at some payment solutions to help us keep on track.

Pay online. Nearly all of us have the ability to pay online through a bank account or directly through the credit card company. You can either set up an automatic payment for whatever amount you pay each month, or set up an account and log on to pay each month.

It seems like my bill changes a day or two each month, due to the billing cycle, sometimes due on the 5th, 6th or 7th. So, when the bill notice hits my inbox, I log on and set up to pay the minimum amount. Then as the due date gets closer, I can take stock of my obligations and increase the payment to cover the whole balance or whatever portion of the balance I can afford. But even if I forget, I have met the minimum payment and will be on time.

Most credit card issuers allow you to change your due date. Take stock of your other bills and request a change that allows you to meet all your obligations.

Only pay by phone as a last resort. The 1-800 number on the back of your card will allow you to pay your bill, but there may be a fee involved. It is cheaper and faster to pay online. If you choose to mail your payment, be sure to do that one week in advance of the due date.

One of the main reasons people pay late is that they lose track of due dates. There are some online Web applications that will help you out. At mybillq.com, you enter all your bills and their due dates. The site will send you a reminder when they are due by text or email. The basic service is free, but goes up to \$5 a month if you add additional services. Budgettracker.com is another free service that allows you to export reminders to Outlook or Google calendars.

The final step is to analyze your attitudes on paying bills. Do you find yourself frequently paying late? Is this due to fiscal woes, or is just a habit? By taking a look at why you do it will help you change your attitude on paying bills and keep you on track to fiscal success.

Remember every payment you make to a creditor is reported in your credit report. Paying late will cost you now and in the future.

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