



FIVE SECRETS FOR PAYING OFF CREDIT CARD DEBT

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HOST DAWN PELLAS: If you have credit cards, you are going to want to listen to this, especially if you charge, charge, charge. Today is Get Smart About Credit Day. And this can be easier said than done, but our next guest is here to help. Galen Bargerstock is here with Government & Civil Employee Services to reveal the top five secrets for paying off credit card debt. Hi, Galen.

GALEN BARGERSTOCK, GOVERNMENT & CIVIL EMPLOYEES SERVICES: Hi, Dawn. Thanks for having me.

HOST: You've got to have money.

BARGERSTOCK: Oh, yeah.

HOST: Yes, as mentioned, of course, Get Smart About Credit Day, that is today. Anybody who has gone into credit card debt knows it can be pretty stressful. Right?

BARGERSTOCK: It's very hard to dig yourself out of credit card debt once you've established it. So everybody likes spending the money, but nobody likes paying the bill.

HOST: That's so true. You think, oh, it's just a little bit and then it just adds up and adds up and adds up.

BARGERSTOCK: The snowball effect.

HOST: No good. Okay. So we have the top five secrets for paying off credit card debt for us now. So we're going to go through those. The first one is don't spend more than you can afford.

BARGERSTOCK: Yeah.

HOST: Easier said than done.

BARGERSTOCK: It is. It is. Swipe or no swipe.

HOST: Yeah.

BARGERSTOCK: I remember babysitting my niece and watching a cartoon and it was burnt into my brain. You know, swipe or no swiping.

HOST: That's a good one.

BARGERSTOCK: Yeah, so when you're at the checkout counter or if you're in the dressing room looking at clothes, just remember what can you afford this month and what can you pay off. And then don't buy the rest.

HOST: Good, good point. Okay, number two is transfer all of your credit card debt to a new card with zero interest introductory rate. Right?

BARGERSTOCK: Yeah, Dawn.

HOST: If you can.

BARGERSTOCK: Yeah, we've all had those credit card mailers in the mail saying zero percent interest for six months or twelve months. You know, it might be a good idea for you to – if you have four or five credit cards – to consolidate to one and really try to work hard to pay off that debt in that six to twelve months at zero percent interest.

HOST: Yeah.

BARGERSTOCK: Save yourself some money.

HOST: Right. Okay, that sounds like a good plan. If not that, you need to consolidate your debt. How so?

BARGERSTOCK: Everybody lives hectic lives nowadays. You know, juggling work and finance, you have credit card debt now, you know, and it can get out of hand. So it could be as simple as going into the bank and getting a personal loan to pay down all of your credit cards at one point and it might help establish a new payment for you.

HOST: Yeah, what about those consolidation companies that call you and say, hey, we can help you out?

BARGERSTOCK: There is something for everybody, so I wouldn't rule anything out. I would like to go to a local bank, personally, but those companies are in business for a reason.

HOST: Gotcha. All right, next, if you can't get a loan maybe at the bank or something, try paying off one card at a time. How tough is that?

BARGERSTOCK: It's really tough. I mean, what you want to do is you want to avoid the fees. Nobody likes to pay late payment fees and nobody likes to have a bad credit score. So by establishing – you know, when I sit down with a client, I establish a budget with them,

what they can afford and what they can't afford. You know, and by just simply doing a budget, often we can find that paying those credit cards down is very realistic.

HOST: Yeah. And you have to pay more than the interest, obviously.

BARGERSTOCK: Just a little bit.

HOST: Just a little bit. Okay, and finally the fifth secret revealed is reprioritize your budget, which is what you were talking about.

BARGERSTOCK: It's the budget. I mean, it's always the budget. I go back to it. And the second most important thing about it is once you've established what credit card debt you have, look at the interest rates. Look and see what your APR is and how high your balance is and pay down the credit cards that have the higher interest rates and have the higher balances. That way you can get yourself out of debt quicker. But don't avoid paying the minimum balances on the other credit cards. Make sure you still do all the minimum balances.

HOST: Yeah. Now, is it okay to do like automatic payments and things? Does that help you?

BARGERSTOCK: It is. And I would also recommend maybe throwing in an old-fashioned payment. Write a check out, send it in the mail and make an extra payment that month. That will help pay it down as well.

HOST: Oh, that's true. And you talked about what you recommend, so you do services to help out people if they have questions.

BARGERSTOCK: I do. In retirement, everybody has to budget, you know, and credit card debt is something that is very realistic and every household encounters it. So getting that credit card debt out before you retire is pretty important.

HOST: Yeah. Of course, when in doubt, talk to a pro, Galen here.

BARGERSTOCK: Yeah, good.

HOST: If you missed any of those tips, you want a recap, you can just visit our website and that's Central-PATV.com. Thank you so much.

BARGERSTOCK: Thanks for having me, Dawn.

Galen Bargerstock, president of Government & Civil Employee Services, LLC (GCES), is concentrated on navigating federal and state employees through financial and retirement planning. Galen holds a Pennsylvania Life, Health and Annuity License, as well as Series 6 and 63 licenses.

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