

Credit Card Interest Rate Reality Check

Analyzing your spending in the first exercise was probably surprising and reducing or eliminating your spending won't be easy. But, little by little a little becomes a lot and you'll soon be making great progress! So, let's see how we can expedite that progress.

Fill in the lines below to get your amount:

Credit card 1 interest paid last month _____

Credit card 2 interest paid last month _____

Credit card 3 interest paid last month _____

Credit card 4 interest paid last month _____

Credit card 5 interest paid last month _____

Total (add the above lines) _____
x12

Multiply by 12 to get your annual interest _____
This is an estimate

The above total is an estimate of what you'll pay in interest if you pay off none of your existing credit card debt and if you don't accumulate more debt.

How do you feel?

When we had \$51,000 in credit card debt, we were paying nearly \$10,000 a year in interest to service that debt. That \$10,000 didn't get us more food, drinks, vacations or clothes. Learning this made us sick at first. Then it motivated us because we realized what we could do with that \$10,000 if we paid off our debt.

We hope this number motivates you like it did us.

What would you do with the total above if you weren't sending it to credit card companies? Would you invest? Take a vacation? Save for something big? You'll find out in the next exercise when we rewrite your money story.