



( [PRLEAP.COM](http://PRLEAP.COM) ) **New York – December 5, 2013** – As holiday shopping escalates,

consumers with pre-existing debt can still use credit cards for responsible gift-giving while staying on-plan financially, according to Pioneer Law (

[PioneerLawFirm.com](http://PioneerLawFirm.com)

), a Colorado firm providing bankruptcy, FDCPA, real estate, and business law services. Since consumers know that they are more likely to spend at higher levels during the month of December than any other time of the year, they should take advantage of some smart planning to help ensure a financially happy holiday season.

The [average American](#) has 3.7 credit cards with an average balance of \$8,220 per card and an average APR of 13.11. However at the higher end of the spectrum, are those consumers who have individual card balances of \$25,000 or higher and less favorable APRs. For these consumers, leaning on credit cards during the holidays can be a behavior that has helped create the high balances from past years. Yet it can be minimized with smart planning.

**Reduce your stress by planning and budgeting.** Write down a maximum amount you will spend for all those on your shopping list, avoiding expensive last-minute decisions. Plan out who you have to shop for, look for ideas in advance, and shop for sales.

**After you've budgeted...budget again.**

Once you know what you have to buy, revisit your budget/spend for individuals, and get creative. Rethink if there are people who would be happy with a less expensive gift or even someone that doesn't need a purchased gift but rather the gift of your time or some other inexpensive thoughtful gesture.

**Keep up with all your regular payments.**

While the holiday season will pose new challenges for your budget, you can't ignore what you already owe. When revisiting your budget in the previous steps, make sure it allows you to make all of your ongoing debt payments. Falling behind on any account will hurt your credit score, and might come back to haunt you sooner than you think.

**Beware of a false sense of security from high credit limits.**

Besides paying late, having a balance near the credit limit negatively impacts a consumer's credit score. When paying off debt, some consumers only target those cards with the with the highest interest rates and highest balances. While this strategy may leave you with more cash in your pocket, paying off higher balances will have a more positive impact on your credit score. Everyone wants to improve their credit score and qualify for better debt financing. However high-balance accounts will slowly work against a consumer until they are denied additional credit. Reducing balances, especially on accounts where the balance is close to the limit, will improve a credit score. To achieve the best credit score, a credit account balance should not exceed

[30 percent](#)

of the credit limit.

"For many Americans the Holiday Season is about buying gifts for family and friends, which increasingly has been financed through credit cards. Knowing that we collectively have a shopping binge this time of year, it's important that we also maintain our financial diet with good

Written by Australian Business

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holiday planning. Even those with high balance accounts can have a happy gift-giving season and still pay down their debt with the right focus," said John Dougherty, Founding Attorney at Pioneer. "This should be a season of joy and not financial stress."

**About Pioneer Law** Pioneer Law is a legal firm specializing in Bankruptcy, Business Litigation, FDCPA, and Real Estate law. For those paralyzed by debt, disputing with a business, troubled by a collector, or involved in the sale of real estate, the specialists at Pioneer Law are prepared to advise, represent, and give peace of mind. For more information visit [PioneerLawFirm.com](http://PioneerLawFirm.com)