Hey, I’m Tyler. I put way too much on my credit card. Now I have to pay it back, with interest. The more slowly I pay off the debt, the more expensive it will be.

Amount Borrowed: $1,000
Interest Rate: 19.5%

Minimum Due
(4% of balance/$15 minimum)

MONTHLY PAYMENT

PAYOFF TIME: 1 YEAR
INTEREST PAID: $100

PAYOFF TIME: 2+ YEARS
INTEREST PAID: $219

PAYOFF TIME: 6+ YEARS
INTEREST PAID: $538

Tyler’s situation is bad, but it could be worse. If he keeps charging $100 per month, but pays only the minimum due each time the bill arrives, over six years, he’ll pay $3,294 in interest alone, and he’ll still owe $3,559! Go to SaveAndInvest.org/TylerOnCreditCards for more information.