

What Does Your Credit Card Statement Say About You?

by [Lindsay Konsko](#) on June 9, 2015 | posted in [Credit Cards and Debt](#)



That credit card statement you get every month may contain some surprises, but not the kind you might expect.

While you're looking for unauthorized charges or mulling over whether that outfit you bought was *really* a necessity, take a few minutes to look at the big picture of how you spend.

Assessing what type of credit card spender you are could be the key to unlocking a treasure trove of information about your financial and emotional life. And that understanding can help you make changes that could put you on the road to greater wealth and happiness.

Check out the profiles below to see what your bills might reveal.

The symptomatic spender

Credit card debt is usually considered a financial problem, but in some serious cases, a sky-high bill could mean more. Swiping too much might be a sign that you're in emotional distress

because some psychological disorders manifest themselves in the desire to overspend, experts say.

“Underlying emotional and psychological issues can trigger addictions,” says Dr. Anita Gadhia-Smith, a psychotherapist practicing in Washington, D.C. Shopping and gambling addictions are two of the most common afflictions that can be reflected in credit card bills, she says. “Some people have a compulsive need to spend and spend.”

In fact, confronting huge credit card bills sometimes pushes people into therapy. “That’s called hitting bottom,” Gadhia-Smith says. “I’ve seen [it in] many, many, many people.”

But how can you tell if you or a loved one really has a problem or just went a little overboard this month?

Signs that you might be a symptomatic spender:

- Your spending is damaging your personal relationships.
- You can’t stop overspending, no matter how hard you try.
- You feel overcome with a desire to spend and sometimes feel out of control while you’re shopping.
- You feel remorseful, confused or frustrated after purchasing items you don’t really need.

The overextender spender

Credit card statements provide an abundance of information about our financial lives, including warning signs that you might be living beyond your means. Sara McGrath, a 26-year-old marketing specialist from Yarmouth, Maine, was in just such a situation. After racking up credit card debt during college, she eventually maxed out some of her cards.

“I just hit a wall,” she says. “I realized I couldn’t afford the lifestyle I’d been leading.”

To get out of debt, she transferred her balances onto a 0% APR credit card and got serious about paying it off. Three years later, the balances are paid in full, and she was able to pay for her 2014 wedding without going into the red. She started her own personal finance blog to share her insights with others and says she is now using credit cards responsibly to maximize rewards and take advantage of travel deals.

Signs you might be an overextender spender:

- You are spending more than you take in every month.

- Some or all of your credit cards are maxed out.
- You constantly feel like you can't "get ahead" and are stressed about meeting your financial obligations.
- You rack up substantial interest charges each month because you can't pay the balances in full.

The small indulgences spender

Not all unwieldy credit bills lead to revelations about an addiction or serious financial problem. But they may show that you're going overboard on small indulgence spending, which is dangerous because it can interfere with your big dreams.

This is what happened to Cody Wheeler, a 31-year-old web project manager and founder of AcademySuccess.com. He noticed that his bank account was dwindling thanks to larger-than-usual credit card bills, so he examined his statement. He discovered that he was wasting a few hundred dollars each month on unnecessary online purchases.

"It was a boredom thing," he says. "I'd pull up Amazon when I was bored."

Now none of credit cards is linked to his Amazon account, and he deleted the app from his phone. With the money he's saving, he and his wife are padding their vacation savings account. "The money we save on silly little things that don't matter, we can create experiences out of that," he says.

Jonathan, a 36-year-old marketing consultant in Chicago, had a similar experience.

"I never thought of myself as a big spender ... I never bought big things or lavish things," says Jonathan, who asked that his last name not be used. But his credit card bills were creeping up. After taking a closer look, he realized he was "nickel and diming myself to death" by making too many small purchases and having little to show for it.

He's since cut down on the small purchases and now carries only one credit card in his wallet. Now he aims to pay off his cards as fully as possible at the end of the month. Like Wheeler, the money he's saving is being put to much better use: investing.

Signs you might be a small indulgences spender:

- Your credit card bills contain a lot of transactions.
- You're always surprised by your total credit card spending.

- You have a hard time remembering what you've charged recently.
- You haul out your card often for small items you don't really need.

Next steps for consumers

The only way to know if your credit card statement is trying to tell you something is to examine it carefully. Look not only at the totals but also for patterns in your purchasing. Try making a rough tally of which items were necessities and which were frivolous. Categorize your spending to see where the money is going.

“Don't put it off; don't ignore it,” advises Karl Hoffmann, a credit counselor in Seattle. Like Gadhia-Smith, Hoffmann has seen some clients realize that they're facing a deeper emotional problem when they confront their credit card bills. “You might need to seek help somewhere else,” he says.

Here are a few other steps to consider:

Confront the numbers: McGrath didn't realize how much money she was wasting in interest payments until she calculated it. She was shocked to see just how much more expensive her purchases were when finance charges were tacked on, and this was a turning point for her. “I hate paying interest now,” she says.

Make a budget: Hoffmann says this is one of the most important things consumers can do to gain insight into their finances and start improving them. For help setting up your first budget, see this NerdWallet [resource](#).

Set a goal, and stay motivated: Jonathan found motivation to pay down his credit card balances when he set a goal of buying a house. He realized that his debt was keeping him from qualifying for a mortgage at a good rate. Now he's on a mission to raise his credit score, which he tracks online every month. Seeing his credit score go up as he pays down debt keeps him going.

Consider going without plastic: “People who are constantly carrying a balance on their cards and paying high amounts of money in interest might want to consider discontinuing their use of credit cards,” says Tasha Bishop, a credit counselor with Apprisen in Nashville, Tennessee. You'll never earn enough in rewards to outweigh what you'll pay in interest if you carry a balance, so if you can't resist the urge to swipe, switching to cash or a debit card only may be wise.

Seek professional help: If you think you need it, seek the help of a professional to get your credit card spending under control. Find a certified credit counselor through the [National Foundation for Credit Counseling](#); credit counseling is often free, or costs very little. For psychological help, you can find a qualified counselor in your area through your health insurer or a national network, like the one provided through [Psychology Today's](#) website.

So give your credit card statements a closer look. You might learn more about yourself — and your finances — than you bargained for.

*Lindsay Konsko is a staff writer at NerdWallet, a personal finance website.
Email: lindsay@nerdwallet.com. Twitter: [@lkonsko](#).*