9 Tips for Paying Off Your Credit Card Debt

Buried in credit card debt? You're not alone. According to NerdWallet, in 2015 the average U.S. household with debt had $15,762 in credit card debt at an average 18% interest rate. Annual interest alone was $2,630, or more than $50 a week.

Here are nine tips on how to climb out. Remember, though, there are no magical solutions.

Stop spending more than you make

Tell yourself the truth. Analyze your bills to see where your money is going. Car payments, rent or mortgage, groceries and utilities are essentials; nearly everything else is subject to elimination or reduction. And don't forget those $100 withdrawals from the ATM. Create a realistic budget and declare allegiance to it. Concentrate on the little things; just knocking off a $4 latte on the way to work can save $80 a month.

Keep paying on the cards

Failing to pay every month on every card just makes matters worse: The interest goes up and the debt goes up. Always pay at least the minimum listed on the bill. Not doing so may ruin your credit rating, making it harder to borrow money for essentials, such as a car, in the future.

Concentrate on paying off your smallest debt

The typical American has about four credit cards, so try pounding away at the one with the least debt. After you pay it in full, stop using it and apply the monthly payment to the next smallest bill. This "snowball effect" is a slow cure but leaves you with a feeling of accomplishment. This method, however, may cost you more in the long run, so read on.

Pay off the card with the highest interest

Pretty basic math here. Eliminating debt that costs you 28% is better than killing debt that costs you 18%. Try throwing your entire income tax refund or last month's overtime pay at this bill. Then move on to the account with the next-highest interest rate.

Consolidate onto a lower-interest card

This can save you a ton in interest, especially if you eliminate all your other cards. Cards are available that will charge you 0% interest on the debt you have transferred. However, this rate goes up after a specified time, usually 12 to 18 months. In addition, the issuer usually charges a fee — 3% is typical — on the transferred debt. Still, this can be a great deal if you can substantially reduce your debt in a relatively short time.

Take out a personal loan

Many lenders, including credit unions and banks, offer unsecured personal loans, meaning you don't have to use your home or car as collateral. However, everything depends on your credit score. Below 620, interest rates will be high, although perhaps still below the rates on the credit cards it will be replacing. It's worth shopping for.

Try a home equity loan

This loan, tapping the difference between the sale value of your home and money you still owe on it, also is based on your credit rating, as are home equity lines of credit. In addition, you could lose your home if you default. Consider with caution.

Cut a deal with the credit card company

This might be a long shot, but if you have a good credit history with the company and clearly have just fallen on hard times, it might negotiate with you on a lower interest rate. Like any other company, it wants to retain good customers.

Declare bankruptcy

This is the nuclear option. Yes, Chapter 7 bankruptcy will eliminate all your credit card debt and leave your home protected from repossession. However, it will be nearly impossible to get a mortgage for five years, and the filing will haunt you for up to a decade if you hope to finance anything at a reasonable rate.