



<b>What Happens When You Make Only Minimum Payments on a Credit Card</b>				
<b>The Shrinking Monthly Payment</b>				
Based on a \$5,000 balance on a 17% card with a 2% minimum payment				
<b>Month</b>	<b>Payment Amount</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
1	\$100.00	\$70.83	\$29.17	\$4,970.83
2	99.42	70.42	29.00	4,941.83
3	98.84	70.01	28.83	4,913.00
4	98.26	69.60	28.66	4,884.34
5	97.69	69.19	28.50	4,855.84
100	56.03	39.69	16.34	2,785.38
101	55.71	39.46	16.25	2,769.13
102	55.38	39.23	16.15	2,752.98
200	31.22	22.11	9.11	1,551.66
201	31.03	21.98	9.05	1,542.61
202	30.85	21.85	9.00	1,533.61
300	17.39	12.32	5.07	864.40
301	17.29	12.25	5.04	859.36
302	17.19	12.17	5.02	854.34

Note: These amounts were calculated with The Banker's Secret Credit Card Software.

### Handout #13

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