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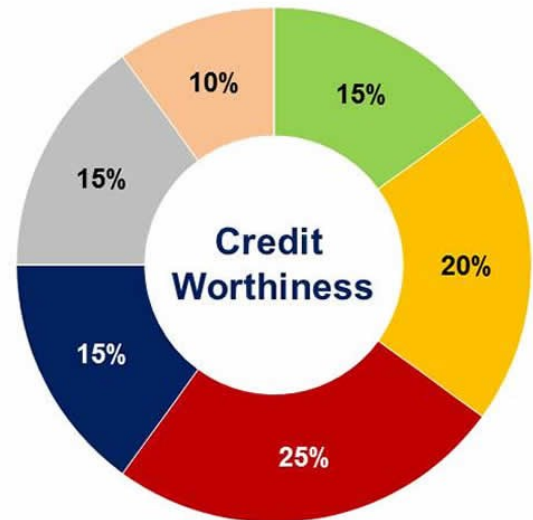
ALABAMA A&M UNIVERSITY
COLLEGE OF AGRICULTURAL LIFE AND NATURAL SCIENCES

Small Farms Research Center Factsheet

Ways to Build Good Credit

Find effective ways to build a strong credit history, even if you don't have previous credit history or your credit history is limited.

Building credit and maintaining a good credit history are key steps towards building your financial future. At first, credit may seem frustrating — you can't get credit because you've never had credit. But there are actions you can take to start establishing a strong credit history.



Why you should establish credit

If you've always paid with cash or checks to make purchases and haven't used credit, it's a good idea to start. And if you've had credit problems in the past, it's important to re-establish your credit history for a few key reasons:

- You may need good credit for such routine matters, such as having utilities connected to your home.
- Good credit is important to secure financing when buying furniture, a computer, a car, or even a new home.
- Employers often check the credit rating of prospective employees.
- Renting an apartment may be easier, as a good credit rating tells landlords that you are a person who's more likely to pay the rent on time each month.
- If you need a loan, banks may look more favorably upon you if you have a good credit history.

“Use your credit card to make purchases, but don't go over your credit limit.”

How a credit card can help

A credit card may be a good way to start building credit. You can use your credit card to make purchases, and they are very convenient. One way to start a credit history is to have one or two department store or gas station cards.

They allow you to:

- Buy items online, over the phone, and from mail-order catalogs, where cash may not be an option
- Make travel reservations, purchase airline tickets, and rent cars
- Shop more safely by not carrying a lot of cash
- Budget larger purchases by paying in installments
- Access funds for emergency needs

Ways to manage your credit history

Once you start using credit, it's essential to manage it properly. So use your credit card to make purchases, but don't go over your credit limit or let your balance owed get too high to manage. Pay at least the minimum payment due each month, or more if you can, and pay on time. The best way to reduce the interest owed on a credit card is to pay off the balance as quickly as possible. Otherwise, it can take many years to pay off even a small credit card balance if you only make minimum payments. If you follow these tips, you can build a strong credit history that will help you meet your financial goals.



Source: <https://www.wellsfargo.com/financial-education/credit-management/build-credit/>

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Small Farms Research Center Background. The Small Farms Research Center was developed to assist small farmers with limited resources in Alabama's underserved communities. The center was first developed in 2000 to assist minorities, especially women, African Americans and underserved individuals improve their farm management practices, given ones condition and resources. The mission of the Center and the Small Farmers Outreach program is to assist all small and limited resources farms effectively deal with risk management and food safety issues and provide them with informational sessions. The Center has also expanded its outreach efforts to meet the needs of entrepreneurs and businessman. The center is located at Alabama A&M University in the Dawson Building. The center specializes in *following areas*

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|--------------------------------------------------------------|--------------------------------------|
| Marketing and Business Plans | -Record keeping and Loan Application |
| -Identify alternative enterprises | -Personal Management |
| -Legal Issues | -Finances |
| -International Business and Procurement | -Accounting Issues |
| -Taxes | -Business Development |
| -Conducting seminars on Government programs and other issues | |

For more information about us give us a call at (256) 372-4970 and 1-866-858-4970.

Website: www.aamu.edu/smallfarmers



United States Department of Agriculture

National Institute of Food and Agriculture NIFA

