**How to Build Your Credit Safely from Scratch**

Building your credit is one of the biggest steps you can take to becoming financially healthy. Credit is an important factor for major life decisions like buying a home, getting insurance policies, or taking out a student loan. However, if you have no credit history, you might be confused about where to begin.

Establishing healthy financial habits is a key step to building your credit. Even if you do not plan to buy a home anytime soon, developing these habits early on will help you maintain a good credit score, which will be beneficial in the long run. Read on to learn more about how you can start building good credit safely and responsibly.

**Get a Secured Credit Card**

A credit card is a great way to start your credit journey. Secured credit cards, in particular, are targeted at people who are new to building credit or trying to rebuild it since it comes with a cash deposit. You need to pay the deposit upfront and only get it back when you close your account.

Given their nature, secured cards are only meant to be used for a time period. Once you are ready, you can move on to unsecured cards to get more benefits. Starting out with a secured card is highly recommended to learn how to use your credit responsibly and start establishing good credit.

**Become an Authorized User**

If you feel you are not yet ready to apply for your own credit card, you can ask a family member if you can be an authorized user for their card. It allows you to make payments with their card, so you can start building your credit history. However, before doing this, check with the credit card company to see if authorized users are reported to the credit bureaus.

While becoming an authorized user is a lower-risk option to build credit, you must still stay on top of your spending habits. The last thing you want is to accumulate debt on someone else’s card. At the same time, make sure you only become authorized under someone with healthy habits since it could also hurt your credit if the card owner pays the bills late.

**Pay Bills on Time**

Paying your bills on time is a key habit to practice to maintain a good credit score. If you have no history and prefer not to get a credit card yet, one good option is to look for credit-building tools that help you get credit for paying some monthly bills on time.

Some tools allow payments like utilities and phone service to be reported to credit bureaus, so this can be highly beneficial for you.

**Consider a Loan**

Getting a loan is a big financial responsibility, so make sure you do this only if you know you are ready. If you plan to get a loan solely to build credit, it would be better to try any of the alternatives in this list instead.

A loan can help you finance major expenses like school tuition. If you have a student loan, you might not realize that you are already building credit. Some banks and lenders also offer credit-builder loans, which work like the secured credit card designed for those with no credit history. With these loans, the funds are stored in a savings account and you can only access them once you have paid off the loan.

**Monitor Credit Score**

As you work towards building your credit, remember to monitor your score consistently. Check your credit reports on a regular basis, so you know if you can improve on certain areas. At times, reports may also have some inaccuracies, so reviewing them thoroughly is important to make sure you can report any of these problems. Each of the three major reporting agencies offer free credit reports or you can use a free site like www.creditkarma.com.

Building credit from scratch is no easy feat, but taking the first step can make all the difference. The earlier you can develop responsible financial habits, the better it will be in the long run. Thus, there is no better time than now to start looking into how you can improve your credit and maintain a good score.