

YOUR PASSPORT TO MADNESS?

By Fred Hobbs

Look up a synonym for the term and you'll find one word consistently. It's a word that not only describes a substance in wide use in manufacturing and product development and usage, but in an economic system and a lifestyle.

The term is "credit card." The single-word synonym is "plastic." Simply make a purchase and ask the clerk the crucial question: "Do you take plastic?" Chances are the answer will be in the affirmative. The ubiquitous little slab of plastic that fits so neatly in your wallet or purse is there to purchase your groceries, gasoline, buy tickets for your forthcoming trip to Fiji or perhaps even to purchase your shiny, new Lamborghini. Plastic can do it all with just a few, tiny restrictions such as a bank account with sufficient funds to pay the credit card company and possibly an I.D. showing that you are really you.

The convenience of the plastic card is undeniable. You don't need to carry cash for most transactions. Though inconvenient and subject to credit card fraud, missing or stolen plastic can be replaced.

However, the fact is that this easy to carry, easy to use item can be both a joy and a huge headache. The most severe critics of the use of credit cards have labeled them "Passports to Madness," warning that using plastic leads to spiraling debt by encouraging a "buy now, pay through the roof later culture."

Interest rates can be staggering, of course and some less knowledgeable or prudent card users can spiral downward into deep debt.

Nonetheless, more than 450 million credit card accounts are in existence today. The average credit card debt per U.S. adult is \$4,878. Nearly two in five (approximately 40 percent) of Americans carry plastic debt from month to month. Women are more likely than men to carry a credit card balance, make a minimum payment on the monthly bill and be charged a late fee.

Statistics among the population age bracket of Windsor Gardens residents include: Average total debt among those 66 and over is just over \$38,000;

Among respondents over 50 who were surveyed recently, 27 percent reported they had four or more credit cards, compared with 16 percent in ages 18 to 49.

Seniors, predictably, paid their full credit card balances every month more frequently than the younger population, 65 percent of those over 50; 52 percent in the 18-49 bracket.

Regarding spending habits, 68 percent of seniors used plastic for travel expenses; 72 percent for clothing and 54 percent for car maintenance. All of those figures were higher than the ones posted in the younger demographics.

Lest you think that plastic has been around forever, the first national general-use credit card that allowed balances to be paid over time was the BankAmerica card, issued in 1958. The name was changed in 1977 to Visa.

What about plastic's future? Transactions already can be made on those small devices that fit in the palm your hand, and the little wonder card that "pays" for all those goodies certainly is on its way out. Meantime, here's a twist on what a quipster by the name of Christopher Parker reminds us: "A credit card is like procrastination. It can be a lot of fun until you get the bill."