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The following is a KSCO commentary. Here is Kay Zwerling:

I wrote it in August 2004, and it is in my book, and I usually like to discuss this topic this time of year.

“A fool and his money are easily parted.” That was an expression I used often when my children were growing up and sometimes made foolish expenditures using their own money.

On a related subject, it was a creative idea cooked up by credit card issuers who saw a unique way to make more money. Even they did not realize the enormity of their potential windfall. The plot involved them, retail businesses, and the general public.

It was a win-win situation for all involved. For the participating public, it was a no-brainer because for the first time people could make purchases without paying up front.

For retailers, it was worth up to 3% cost to get their money up front.

For over 50 years now, public credit cards have become a way of life, and in retrospect, one could believe it was liberating and good that the ordinary consumer, lacking big savings no longer had to wait to acquire things they wanted.

That little plastic card had the potential to seduce one into acquiring luxuries one might otherwise have done without or waited until one had the cash first.

That same little plastic monster has made debtors out of people who suddenly find they cannot ever seem to pay their monthly bills, and that is where they get sucked into monetary quicksand for all the nebulous pleasures of acquiring more stuff. It is called Instant Gratification. So often we let stuff own us.

The most dangerous time of the year is the Christmas season when countless otherwise restrained people experience irrational exuberance and overextend themselves. They foolishly purchase much too much, then they take months enslaved by outrageous interest rates, sometimes upwards of 25% on the unpaid balance, and these rates are imposed by the credit card issuers. Some people do not get out from under, ever.

Now, for some motherly advice: for starters, our lawmakers should put reasonable ceilings on credit card interest balances, but that will not easily happen. Nothing will change until people stop overcharging on their credit cards and pay up their dangling balances once and for all. If that is not possible, then it is better to say “Thanks, but no thanks” to credit cards and live within your means on a cash basis. You will then experience an indescribable peace of mind by not being in debt, and it is really worth it.

For KSCO, this is Kay Zwerling.

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