

Just Say “Charge It”

According to the Canadian Bankers Association, by the end of 2001, 44.1 million credit cards were in circulation across Canada, 2.9 cards for every adult Canadian over the age of 18. The number of accounts with unpaid balances totalled 19.6 million, which means that almost half of credit cards issued are carrying a debt load.

A survey conducted by Leger Marketing also found these interesting facts about credit card holders:

- 41% of all Canadian credit card holders are not aware of the interest rate charged by their main credit card company.
- 41% of cardholders who pay only the minimum amount shown on their credit card statement each month are not aware of the interest they are charged on the balance they carry from one month to another.
- Canadian cardholders owe an average of \$1,269 to credit card companies.
- 21% of cardholders rarely or never pay their bill on time.

With the prolific use of credit cards in our society, and the growing consumer debt, MOSAIC credit counsellors offer these tips on credit card usage.

- Remember that another word for ‘credit’ is ‘debt’. It’s not that a bank or store gave you a \$500 credit limit; it’s that you have chosen to assume responsibility for that amount of debt and to pay interest charges for the privilege of using someone else’s money. If you start thinking of your plastic as ‘debt’ cards, it means you have a much more realistic understanding of what ‘credit’ cards are all about.
- If you choose to apply for a loan or credit card, it is important to investigate with several credit grantors to ensure you are not required to pay high amounts of interest. Generally, banks charge the lowest interest rates while finance companies and department stores charge the highest rates.
- Always pay more than the minimum payment shown on the monthly statement. This will cause the balance to reduce faster and save on interest costs.
- Use only one credit card rather than juggling between 2, 3 or 4 cards. That makes it easier to keep track of the balance, the payment date and what purchases you are actually charging to your credit card.

