

FACT SHEET

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Focusing on Credit . . .

SHOULD YOU USE CREDIT?

CREDIT!



BLESSING

OR



BURDEN

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Credit is easy to get. It is so easy that you may buy more than you can pay for.

Here are some reasons for using credit:

1. You can buy things you need when you don't have enough cash to pay for them.
2. You can buy during special sales when you don't have money with you.
3. You can use things while you pay for them.
4. Credit helps you buy big things that you can't pay for all at once.
5. If you still owe money on something that needs repair, the store may give better service.
6. You may need credit for emergencies such as sickness. You can get it easier if you have good credit rating.

Here are some reasons for not using credit:

1. It costs more than paying cash.
2. You may buy things you don't need.
3. You may buy more than you can pay for. Buying on credit is easier than handing over the money.
4. If you can't finish paying for things, you lose them. You also lose the money you have already paid.

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5. You may not have the money to shop around to get the best buy.

6. You may agree to something you don't want because you don't know what the contract means.

Ask yourself these questions before you decide to buy on credit or borrow money:

1. Do I need it?
2. Do I need it now?
3. Is having it now worth the extra money I must pay to use credit?
4. Can I make the payments?
5. Will I pay too much service charge or interest?
6. What good will it do me?
7. What will I do without to pay for it?
8. Is it worth the risk of losing the money I have put into it if I can't finish paying for it?
9. Am I buying (or borrowing) from a fair and honest person?
10. Should I risk owing so much money that I won't be able to get more if I get sick or have an accident?

Think about your answers. Is it best to use credit, or should you wait until you can pay cash?

Make sure you have more and better reasons for using credit than for not using it.

