

# To credit or not to credit



**T**HESE days it seems almost everyone is living beyond their means. Credit has now become widely available to everyone who has a fixed income, nominal or otherwise.

Coupled with improving living standards, our demand is also steadily rising. Human beings have unlimited wants and access to credit almost makes it seem like we have unlimited funds. So, we spend and we spend some more and when we run out of cash, we use the plastic i.e. the credit card.

How wise is it to use a credit card? Should you get one?

That depends on a range of factors.

Whether on a business or on an individ-

ual level, credit cards are only growing in importance. Experts predict a future where all transactions will be done by pushing numbers and not by carrying paper. In fact, credit cards, like debit cards, will be a fixture in the world of tomorrow.

Therefore, there are numerous reasons as to why one should opt for a credit card.

Firstly, having a credit card means you will be able to purchase durable goods immediately, instead having to wait and save up for them. Consumer durables, such as fridges, televisions, cars, etc. are expensive and having a credit card means you can spread the payment for them over a few months time. This will ensure a little less financial burden on you.

Another important aspect is that credit cards help build your credit score or credit rating. This tells a bank how often you take loans and more importantly, how often you pay the loans back. The better your credit score, the easier it is to get a loan. However, in Bangladesh, most banks prefer to see your dealings with the bank in question, so find out about the credit score again.

Credit cards also keep track of your expenses, so it is easier to see how much you are spending and what you are spending on. Credit cards provide proof of purchase that a retailer may not provide and this too can be quite helpful at times.

However, it is not always sunshine and smiles. Credit cards pose a few problems too. Studies show that credit cards might play a role in consumer bankruptcies. The

notion of never ending cash is at times too appetising for some and they may over-spend.

You need to be able to reign in your expenses and have good spending habits. If you roll over amounts due for too long and or miss payments frequently, your late fees will add up and they can be quite steep. Furthermore, failing to meet payments may further erode your credit rating. In fact, having too many credit cards can send lenders a negative signal.

In the end, a credit card is a double-edged sword. It depends on how you use it. In today's modern world, a credit card is as important as having cash. But like cash, if it itches and you can't stop scratching, then a credit card most certainly isn't for you.

**By Osama Rahman**



## Great Love Moves You.



**Extra Safe**  
Slightly thicker with extra lubrication



**Thin Feel**  
Ultra fine



**Pleasure Me**  
Dotted & ribbed



**Strawberry**  
Strawberry flavored

