

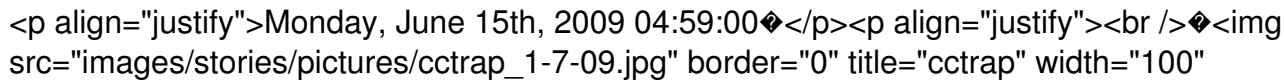
## THE MAIL SAYS: Think before you swipe

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THE temptation to spend beyond our means has never been greater. Everywhere a young person turns is an advertisement or a booth in a mall calling out to him or her to spend money, to take a loan, to invest in the future and to look like they have it all. While previous generations accumulated what they had over time, we are told today we can have it all, that we can have it all now.

The credit card is like a painless bank loan, with no procedures and no need to deal with anyone except your good sense. The ease with which a young person (or older) can get a credit card is probably the first flaw in the system.

The fact that most online purchases can only be made using a credit card is also another reason that the Internet-savvy generation must view plastic as a non-negotiable necessity for daily modern living. Yes, now everyone can fly, but they can fly right smack into debt.

And there is the question of credit limits. Conservatively, credit cards put up to RM15,000 within the reach of young people who have just entered the job market. Eager to impress friends, and with infinite confidence that their regular incomes will pay for the mounting debt, the pressure to spend must be enormous. And when you are young, you probably feel that deferring gratification and immediate pleasure is just plain silly.

But debt is a serious matter and the number of 20 and 30-somethings that are bankrupt is worrying. The consequence of bankruptcy is profound for young people starting out on their careers. With many employment terms providing for dismissal in the event of bankruptcy, a young person in arrears is staring the sack in the face.

Such people also lose their passports and therefore their mobility. They also cannot qualify for loans. And even when the debts are settled, the bankruptcy will be a lifelong blemish on their reputations. What regulators, legislators and educators need to realise is that there is a problem. Individual responsibility aside, we need to make sure that young people are not tempted to do the wrong thing

Source: <http://www.mmail.com.my/content/5412-mail-says-think-you-swipe>