

## Recycled Plastics

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I have received so many request for copies of my old article on credit cards that I decided to write a "new and improved" update on that subject. Credit cards will outlive us all. One hundred thousand years from now archeologists will find this strange piece of flat material in a dig located in an area that was once North America. It is rectangular in shape with raised lettering on it and looks like gold but has no gold ore in it. They will wonder if it was used as an identification tag or maybe was an item that indicated rank. One of the archeologists will take it home to show it to his teenage kids. The kids will take it to school the next day to show to their friends, and that afternoon they will come home with packages from every store in town. It is an insidious device that permeates every society that it is exposed to. Oh well, enough warnings, let's plunge ahead.

Credit cards are not an essential element needed to sustain life. That statement may come as a shock to some of you, but it is possible to function without one or more of these objects. Now I didn't say it would be easy to function without one; I just said that you could. Credit cards can make life easier for you if they are used properly and not abused. They are great to use to keep tabs of business expenses so you will have good records when it's time to do your taxes. I always suggest that you use one card strictly for deductible expenses. If you put no other charges on that card your year-end statement can be used when you meet with your accountant to do your taxes.

The problem with cards begins when you allow the balances to roll over from month to month and compound. It's like a small snowball at the top of the hill. By the time it gets to the bottom, you have an avalanche! Now the interest on consumer debt is no longer a tax deductible item, so there is no advantage to carrying a balance on any card, unless you can't afford to play the balance. I always tell my clients that the first and best investment they can make is to get rid of credit card debt. Do you realize that doing just that will make you almost 20 percent on your money? That is what a lot of cards are charging in interest. Not a bad return.

Okay, we have established that it is convenient to have a credit card. The next question should be, how do you pick a card? If you pay off your balance every month, look for the card with the lowest annual fee. If you are going to carry a balance, look for a card with the lowest interest rate. Very simple rules to follow. A lot of cards today offer extended warranties on items purchased with that card. If you use a rental car a lot, some cards cover you automatically for the collision waiver at no charge. That can save you at least \$10 per day on a rental car. A nice feature if you need it. If you don't need it, you can "leave home without it."

The big problem is keeping track of all those cards that you have, plus the ones that your spouse or "significant other" has, plus how many cards are running around loose in your kids' hands right now. Isn't that a frightening thought? It's time you got control of this situation too. There are lots of ways to deal with this issue. I will describe a few to you and if you come up with another, please let me know.

Gather up all of those cards and take them to your office and lay them all face down on your copy machine. Make a copy of both sides so you will have a record of the card and card number, and on the other side the "800 number" to call if you lose the card. if you have a lot of them, you may want

to write on the copy the name of the person who is carrying those cards. That way if a wallet is lost, you know what cards to cancel. Sound easy enough? I would suggest that you make a copy to keep at home and a copy at the office. While you are at the copy machine, copy any important papers in your wallet. Driver's license, state license, voter registration cards, anything that you would want or need to replace. Do that for "all the others" too.

Here's a nifty idea to use. I keep all mine on my "Rolodex" at home and at the office. I have one card for driver's license, and then a card for each person and the cards they carry. On that card I have the "800 numbers" to call if necessary -- expiration dates too. This way, if I am on a trip, I can call my office and get my secretary to call and cancel a card. By the way, I don't keep this Rolodex out in the open for all to see. It's my private one that I keep in my desk. You don't want those numbers floating around for all to see and use. I'm sure you understand what I mean.

If you want to you can put these numbers in your computer on a simple program. It's easy to do if you are into computers. Whatever you use is just fine as long as you use something that is easy to get to and keep updated.

I even use my "Rolodex system" to keep track of loans. I will put the loan information on a card -- when it's due, the amount of the payment, and length of the loan. That way when I get a statement, I can flip very quickly to the card and see if the payment amount is correct and when I will be finished with the loan. I like simple ways to keep track of things.

Do you have "unused" travelers checks that you are saving for a future trip? Why not list them on a card too? That way as you use them you can just mark them off the card. If you have a lot of these travelers checks laying around you are losing interest on that money. Why not cash them in and buy new ones when you need them? Think about it. Those travelers check companies just love for you to hold on to those checks so they have your money and they can earn the interest on it.

I hope you never lose your wallet because it is a pain to cancel all of your cards and reapply for new ones, but I hope that my system will make the job a little easier for you.

Your comments and inquiries may be directed to:

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Please include a self-addressed, stamped envelope. Thank you.

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