

Are Credit Cards a Way of Life?

When the first credit card was used in the 1950s, no one could have imagined how the landscape of personal finance in America would change over the next 60 years. But slowly, credit cards have become what some Americans label as a "way of life."

In 1970, only 15% of Americans had a credit card. In 1978, you had to be a millionaire, or pretty close, to get an American Express Gold Card. But **sometime in the 1980s, credit card companies figured out how lucrative marketing debt at 18–32% interest could be.**

Profits soared and the perception of debt as a way of life began. Today, debt is the most aggressively marketed product in the history of the world.

In a study by Oregon State University, researchers found that the public knew they shouldn't be in debt but kept taking on more debt because it was "normal." Younger participants said they felt like they had to go into debt in order to get a house and a car in the future. They also said their parents encouraged them to use credit.

Just think about that. **Before the 1950s, credit cards didn't exist. Now, they are perceived as a "way of life," "normal,"** and just part of the process of becoming "successful."

But if you do normal stuff, you will get normal results. In reality, "normal" is that 70% of Americans live paycheck to paycheck. Normal is that foreclosures are at an all-time high. Normal is that there were more than 1.5 million bankruptcies in 2010.

Normal is that the number-one cause of divorce in America is money fights and money problems. Normal is that people are stressed out, freaked out and underproductive at work because all they can think about is Mastercard, who calls them 20 times a day.

Normal is mediocre, average, bland. You don't want to be normal, do you? Find out what normal is, and run the other way as fast as you can.

Do things like building an emergency fund of three to six months of expenses, investing in your kids' college fund, saving for retirement, and even paying off your house. Everyone says those are great ideas, but few people actually put those ideas into practice.

Get crazy. If you're in a bunch of debt, get angry about it. Stop telling your kids that debt is a tool. Instead, get a hammer and beat the crap out of your credit cards. Stick them in a shredder. Introduce them to your power drill. Do whatever it takes to stop being normal when it comes to your money.

Doing the same thing over and over again and expecting different results is the definition of insanity. You're not insane, are you? Of course not. So stop the insanity and stop believing the myth that credit cards are a way of life.

It's time to be weird.