

rB Trickery of Debt | Rod Brace

<http://rodbrace.com/article/debtrick>

Once upon a time, in a world far less complicated, people lived within their own means. They had no choice. Cottages and estates were secured prior to offering one's hand in marriage. Children were educated at a university their parents could afford. Vehicles were an instrument of utility and were acquired by payment in one lump sum. Then darkness crept over the world and people of all nations embraced the deceit of debt.

Once upon a time, large amounts of consumer debt, suffocating mortgage payments and fat car notes were unknown to reasonable people. Life was lived according to what one could readily afford, rather than with the assistance of "No Interest for 36 Months" offers and the like. Patience was in greater supply then. Long-term planning was a given. Stress from financial obligations was virtually non-existent. Then a new innovation was birthed from the scheming minds of financial wizards: the credit card ushered in a new way of life, and the result was decidedly not "happily ever after."

The lure of instant gratification is nothing new. Wanting something now rather than later is certainly not a recently-contrived condition of the human heart. Men have always robbed riches, stolen hearts and burned kingdoms for the desire of the moment. But there were limits, too. If one did not prepare a garden or hunt for game -- one simply did not eat. If an idle day replaced the necessary work of building shelter -- one simply slept in the chill. There was no easy alternative to planning and executing that which was required to survive. With the exception of stealing, all other avenues to success required a methodical approach to the procurement of goods. There was no readily available means to "buy today and pay tomorrow."

As forcefully as the absence of readily available debt once regulated the human urge to have and have now, the availability of credit card debt has unleashed the very human desire to acquire and driven many to pauper's prison and others to even worse. Even so, the human tendency to believe that we are above the common consequences of our actions continues to prevail. Many remain indebted; many have ruined their lives and those of their families. The consequences linger and sting long after the purchases that caused them have been consumed or forgotten. This much is no fairy tale: Debt in America has reached staggering levels. Social commentators on the topic use words such as collapse, epidemic, suffocation and destruction to describe its impact. The average American has almost twenty credit cards. Virtually every vendor of the magic plastic offer some form of "designer card" for its customers. These often carry "easy payment terms" and "no interest" schemes meant to lure the already eager customer to take on additional debt with little regard for his or her ability to pay. Ironically, the consumer who seeks to satisfy short-term desires is making decisions that yield long-term consequences.

The cycle begins subtly with the purchase of an unneeded item believed to be a necessity. The purchase is enabled by use of the store's easy credit plan. No payments are due for several months. By nature, we all hope to be doing better in the future and so we convince

ourselves that we will save for the just-purchased item and pay it off in full when the interest comes due. We even gloat in the “wisdom” of our decision to buy with someone else’s money, investing our own to come out “ahead” in the end. (Or at least that’s our plan.) But in reality, we don’t invest our money, and are in fact likely to take on additional credit purchases before the initial purchase payments are due. By then, we cannot recall why we needed the item to begin with, and are frustrated by our lack of funds to cover the “new” incremental monthly expense. So we pay the minimum payment, which typically only covers interest, and the debt continues to rise as we miss payments and incur additional penalties. To catch our breath, we consolidate the numerous credit card debts we have into yet another loan we simply cannot pay. Eventually we file for bankruptcy only to repeat the cycle again when our credit is re-instated at an even higher interest rate.

In this scenario, we become the kind of “on the edge” borrowers who are, surprisingly enough, a lender’s very best customer: Credit card holders who pay only the minimum or less each month. As a result, creditors charge them higher interest rates, adding additional penalties for missed payments. A large portion of the billions in credit card profit is generated by fees paid by these “on the edge” customers.

If the decisions of individual debtors affected only themselves, we would be fortunate indeed. But debt reaches farther than that, endangering families and communities as well. Numerous studies have shown money disputes to be a leading cause of divorce in America. Stress at home often leads to under-performance at work and can eventually cause job loss, further increasing financial difficulties. As a result, the cost of high consumer debt has taken a massive toll on the American family, and the prospects of improvement are not promising.

It is very difficult to overcome the massive appeal of consumer debt; its lure is peer pressure in its most powerful form. The messages to buy are powerful and plentiful. As these idyllic ads convince our neighbors and friends to buy into the indulging promise of happiness, we are pressed in by the peer pressure of want. It is a very powerful force, but it doesn’t have to be an overpowering one.

Contentment is the key. To be content with what we have is the mark of true wealth. To find satisfaction in life, God, friends, family, and career is to know true happiness. To chase the wants of materialism and “conspicuous consumption” is to run up a never ending mountain. As we climb in wealth and social status, we see yet another group ahead that has more than what we recently obtained. It never ends. If we live in constant want, we will never be satisfied, but contentment takes our gaze from the materialist mountain top just ahead to an appreciation for the immediate surroundings of meaningful relationships and purposeful living.

Materialism is rarely seen for the deadly deceit that it is. The misplaced value of material things is never as stark as it is at the end of one’s life. It is then that we realize the value of living we traded for the now-rusted heap of things we believed we needed along the way. But we could have that “clarifying” moment sooner, rather than later. You and I can purposefully change the desire of our life to the sole pursuit of contentment, and discover a life of true

satisfaction. A more simple life.

[Excerpt from Simplify by Rod Brace, available at Amazon.com or your favorite online bookseller.]