
How Should I Buy – Cash or Credit?

Posted by Registered01 - 2009/03/28 12:12

How Should I Buy – Cash or Credit?

In spite of the current economic situation, we are encouraged by the Government to still buy and we will still buy. So how is it best to buy – cash or credit?

Cash is still king – you have more bargaining power and you can negotiate prices with retailers as they don't have to pay additional merchant fees. Cash doesn't leave you with a credit card debt and you avoid fees and charges.

Paying by credit card, however, can lead to more debt and more financial stress. If you do pay your credit card off in full each month – I can see no reason why you wouldn't use your credit card. Credit cards can provide some safety – no lump sums of cash to carry around and if you lose your credit card you can report it stolen. If you lose cash the chances of getting it returned are low.

I believe there are 2 important questions you need to ask yourself prior to making the decision to buy:

- Do I need this?
- Can I afford this – be it cash or credit.

Experience tells me that the euphoria of a purchase usually only lasts a few days or weeks at the most. I practice a "sleep test" – if I see something I "need" and I can afford it and I still have the "need" 48 hours later -I buy it. Often times this "need" has gone and I've saved myself some money.

Another option is to buy using Interest Free terms. I recommend to anyone using these types of facilities to divide your total purchase by the number of months you have interest free and pay this off monthly. This ensures your purchases are paid off in the interest free period and you won't end up with any nasty surprises if you can't pay the total amount at the end of the term. Interest Free term loans often have a setup fee (\$25) and a monthly service fee (\$2.95). This adds to your purchase price for the convenience of paying for your purchase over a longer period.

Credit Cards and Interest Free Terms are not designed to help you save, they encourage you to spend more. I would advise you to budget and purchase any items with cash.

Amanda McCall
A McCall Financial Services Pty Ltd
Authorised Representative
Avery Financial Planning Pty Ltd
amanda@averys.com.au

www.averys.com.au

Runescape Gold

Posted by pp1234 - 2011/10/20 16:51

Runescape Gold do you like playing online games? Runescape Money if you like it, I recommend you to play a very interesting little game. A seemingly simple but highly strategic TD class little game RS Gold.
