

## **What About Those On-The-Spot Department Store Credit Cards Offers?**

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This holiday season, retailers at the mall will be waiting at the door with store credit card offers that promise 15% or more off of every purchase you make that day if you just sign up. Be careful. Even those seeking to establish a credit history can be in peril.

There are a lot of reasons why you should be wary. While getting an extra savings on purchases that you might have made anyway could seem like a great deal, there could be consequences. Many shoppers will buy more than they would have without the new card offer and the store knows that. That is precisely why they can afford to make the offer.

Also, the last thing many consumers need is one more credit card. There is a strong possibility that the card may be overused and the balance carried over from month to month. If so, every consumer should know that store cards typically carry a much higher interest rate charge than other charge cards. Any savings that could be realized on day one can be quickly erased if the card isn't paid off each month.

There is also the danger of a possible negative impact on the consumer's credit score. Score reductions can come from having too many open lines of credit compared to income or the result of late payments and the attendant late charges and over-the-limit charges. In general, it may be better to pass up the store card offer, stick to the budget, and pay cash this year.