

FAMILIES COLUMN

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Shop Smart with Credit this Holiday Season

With holiday shopping in full swing, it's time to plan for smart credit card use. According to experts, the last three months of the year is the most active time of year for credit card use.

Avoid a credit card hangover in January by heeding these timely credit tips:

- \$ Use only 1 or 2 credit cards. Using several cards leads to impulse buying and bigger credit card bills.
- \$ Skip deferred billing. Many credit card issuers offer skip a payment in December. But you'll pay extra interest.
- \$ The same goes for cash advances. They seem convenient, but you pay interest right away plus a cash advance fee.
- \$ To spread out the bills for holiday purchases try to divide purchases into two billing cycles. Buy half in one billing cycle and the other half in the next cycle. This will spread your bills to January and February making payments easier.
- \$ When those credit card bills begin arriving, try to pay as much as possible. If you make minimum payments you'll pay the maximum interest and you'll probably NEVER pay off the credit card.

Malls, discount stores, main street merchants, catalogs and the Internet offer many shopping choices. Last year holiday shoppers spent over 12 billion dollars shopping online. It's a good bet online shopping will increase again this year. For safer online shopping all year consider the following:

- \$ Shop with retailers you know and trust. Catalog merchants, web sites of local merchants and established online retailers are good bets. Watch for web sites that offer an email address, phone number and a mailing address.
- \$ Shop on secure web sites. Look for the locked padlock icon on the web site and read the security policy before making purchases.
- \$ Always use the same credit card online. This limits your risk of identity theft.
- \$ Always pay with a credit card. This offers protection for billing disputes, if merchandise doesn't arrive or you want to return online purchases.

Identity theft is a growing problem. Shop smart to protect yourself and your credit cards throughout the year.

💰 Take all receipts. Whether dining, shopping or at the ATM crooks use discarded receipts with personal information.

💰 Carry only the cards you use. You'll avoid impulse buying and have fewer problems if your wallet is lost or stolen.

💰 Watch for credit card statements in the mail. Call the issuer if they don't arrive on time, another tip-off for identity theft.

💰 Monitor your credit card bill for errors. Unusual transactions may be identity theft.

Last but not least, now is the ideal time to plan for your holiday spending in 2005. One easy way is to open a holiday savings account. Saving just \$10 a week will give you \$520 for next year. And saving \$20 each week will yield \$1040 for 2005 holiday spending. This time next year, you can have all the cash you need for the holidays with no debt in the future. Have a very happy holiday season.