

Before deciding which credit card to use, however, the wise consumer will question the credit choice. The Canadian Bankers' Association puts out a useful pamphlet, "Credit Wise: A Guide to Consumer Credit." This guide discusses the pros and cons of using credit and provides some excellent advice:

... you should also take into account that using credit to obtain immediate use of goods and services for which you do not have the cash may result in your having trouble keeping up with credit payments later. Using credit may make it easier for you to buy on impulse, which can play havoc with your finances. Taking advantage of special sales and bargains may end up costing you more in interest charges later than you saved by buying at the reduced price. The convenience of credit may lead you to forget to keep track of what you owe until the monthly statement arrives. If you do not stick to your budget, keeping track of your credit purchases will not be of much help.

The overriding goal of this Committee is to improve the well-being of Canadian consumers. A wiser use of credit would certainly be a step towards improved well-being or, from another viewpoint, towards reduced financial hardship.

The wise use of credit depends on the use of information. Some of this information is personal, dealing, for example, with expected wages and salaries in the near future. Some information is objective such as the relative costs of different credit cards. This report has by necessity focused on the objective information and sought ways to improve it.

But information is costly to produce. If it is not used, or if it is presented in ways that are not useful, the costs will exceed the benefits. The finding that more information is needed cannot go unqualified. Along with being available, information must be timely and understandable.

Consumers, and any groups or individuals representing them, must take an active part in the process. Information on credit cards is part of a large set of information on credit and other economic variables. All such information fits in with the continuing education of consumers and, with this, their improved well-being.

## **RECOMMENDATIONS**

The following recommendations are meant to refer to all cards issued in Canada, both charge cards and credit cards. An example of the range of cards considered can be found in the publication "Credit Card Costs" put out on a regular basis by the Department of Consumer and Corporate Affairs.