

Excessive credit card debt
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Most people advocate the case of credit cards, quoting the benefits and convenience that arises from them. However, there is another group/line-of-thought that strongly opposes credit cards. The reason being 'Excessive Credit Card Debt', which is one of the most serious problems faced by the credit card holders and credit card industry. However, you can't pull the shutters on the credit card industry just because of a few irresponsible people (or even if it's more than few). That is not a solution for beating excessive credit card debt. Moreover, you can't overlook the benefits associated with the credit cards.

The issue of excessive credit card debt can be looked at from 2 angles. First is addressing of the excessive credit card debt problem at the industry level and second is the addressing of the excessive credit card debt problem at the individual's level i.e. at the credit card holder level. The first method involves increasing awareness of the excessive credit card debt problem to the masses. This is more or less being done currently too. However, there should also be an effort to tackle this problem of excessive credit card debt at an even deeper level. This means trying to devise a mechanism to nip the problem (of excessive credit card debt) in the bud. This mechanism should actually be a part of the overall system. A lot of thought needs to go into devising such a mechanism. Case studies should be taken up, statistics gathered and a proper forum formed (with representatives from the credit card holders and from the credit card suppliers). As of now, the credit card suppliers just seem to be engaged in coming out with new products and getting customers enrolled to those products. There is little attention paid towards addressing the problem of excessive credit card debt in the real sense. Something like attending mandatory seminars on the root causes of excessive credit card debt could be made part of the credit card application process. Another way of dealing with the problem of excessive credit card debt could be: developing a system for calculation of applicable credit card limit at the individual level i.e. no standard/product-based credit limits. Then there could be mechanisms for proactively warning the users about excessive credit card debt (based on their credit card usage) or even imposition of early restrictions on noticing the first signs that lead to excessive credit card debt. At the individual's level, the treatment of the problem of excessive credit card debt would include following of best practices (on credit card usage and avoidance of excessive credit card debt) by the individuals themselves. A checklist or a set of questions could be provided to individuals for recognising the first signs of excessive credit card debt.

So, the problem of excessive credit card debt can surely be dealt with by putting together some serious thinking at a broader level together with

discipline at the individual's level.