



Racking up the credit card debt

Posted by [Yankee](#) on August 24, 2005 - 12:13pm

Topic: [Demand/Consumption](#)

I don't think I've made a secret of the fact that I'm fascinated by how much credit card debt Americans accrue. I remember that when I lived in Europe at the end of the 1990s, they wouldn't even issue credit cards to most people (I don't know if this has changed).

Last night reader mw left a link that got buried, so I'm moving it up:

[Credit cards soaking up gas woes](#)

According to this article, last year, about 54% of all gas purchases were made with credit cards. This year, it's 70%. As mw said: "Wow... that's a big jump."

Other interesting factoids in the article (granted, some are obvious):

- With a credit card, that \$2.60 plus a gallon can easily morph into \$3 a gallon if the consumer doesn't pay off all charges immediately and finance and interest charges start to accrue.
- Sales of premium and midoctane gasoline have tanked over the past few years as use of regular unleaded has risen
- The end of summer not only means fewer drivers but also less-expensive gasoline, as the specifications change to make cheaper winter grade gasoline.

(Re: the latter point—the savings is about 5¢ a gallon.)

Again, I send out my plea: I really want to know what will happen to the people who have massive personal debt if the economy should go bust. If you are able and willing to write up a short piece on the ramifications of high personal debt (other than how it affects one's credit rating), please let me know.

Technorati Tags: [peak oil](#), [oil](#), [gas prices](#)



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