**Integrity with Regard to Self**

This lesson is short and simple but not easy to do.

There are countless cultures and sub-cultures, but our world shares a few. We live in a consumer culture. We can get what we want as soon as possible. We don’t wait on anything. If we can, then we do. This is a trap with regard to credit.

The one big thing that we have to embrace is patience in spending or we will slide further and further down the economic status ladder. The logic behind this is sound. If you buy something with credit that your peer is buying with cash you are using more of your income for the same purchase.

Here is the math lesson:

You want to buy a new 65-inch TV. You could spend $2500 on the best one, or you could get a great budget TV for $765. You also have a little better than average credit rating. So, your interest rate is 21%. You could wait a year, save up your money, and make do with the older TV you currently have, but you could put it on the card, get it now, and make payments instead of save.

If you buy the $2500 TV and make payments on your card for one year, at the end of that year you have spent $2500 + (0.21 x 2500) which comes out to $3,025. So, you spent $525 more than the guy who saved up instead.

Even if you go with the $765 TV. You pay $765 + (0.21 x 765) which is $925 or $160 more than the guy who saved.

So, one year later the person who saved has the best TV and $525 more than you, the budget TV and $160 more than you, or that person can upgrade from the budget TV with the extra $160 and they now have something with more value than you do. Beyond that, there is a really good chance that during that year you came across other things that you couldn’t wait for, ended up stretching those payments out even longer and so are paying more interest.

No matter how you cut it, by using credit to buy items now instead of being patient, more of your income is used up. Therefore, even if you make the same amount of money as the person next door who does not use credit like that. They are financially better off then you. Instead you should be the person with patience, and maximize your dollars.

It is simple, but it isn’t easy. We must practice long-term restraint when our entire culture constantly berates us for doing so. Those who sell products and those who sell credit want you to give them your money. So, of course they try to bait it away from you without you even knowing. The rest of the world buys into their sales pitch and doesn’t understand this lesson. So, these people (probably your family and your friends) encourage you to get what you can now too, without knowing they are hurting you.

Like I said, it’s easy to understand, but not so easy to do. It involves more than being patient. It involves have the internal strength to know that you are making a right decision in the face of an entire culture telling you otherwise. You must practice internal integrity.