<p>16 July 2007�</p><font face="Verdana" size="1"><p align="justify">KUALA LUMPUR, (Bernama) -- Catch phrases like ` Cheap Sale, Stock Clearance Sale, Merdeka Sales and Price Crash' emblazoned on banners often can be seen at the shopping centres all over the nation, tempting people to spend.

The hype doesn't stop there. Such advertisements are even splashed prominently in the newspapers and magazines. The sales promotion is definitely tempting, what more when more than one million government servants are expected to receive a substantial pay rise effective July.

The pay rise circular states that the Highest Management group (VU7-VU1, VK7-VK5) will enjoy a pay rise of 7.5 percent, Management and Professional (Grade 41-54) a 15 percent increase, Support Group I (Grade 17-40) a 25 percent increase while Support Group II (Grade 1-16) a 35 percent hike.

For example, a civil servant in the Support Group II who is earning a basic salary of RM1,000 monthly, will receive RM1,350 following the pay rise.

The government's generosity is partly to attract and retain those who are qualified, motivated and perform well in the civil service.
</p><p align="justify"><font face="Verdana" size="1"><p align="justify">THE HUMAN DESIRE IS LIMITLESS

Though that is the sincere hope of the government, the pay rise has set off a big excitement for civil servants. It is nothing strange since civil servants are only human and have desires. With the pay rise, there are some who will do something positive like continuing with their education as a future investment.

There are also those who are contemplating on making purchases they have long wished for but did not have the financial resources. With more in their purse now and backed up by credit cards, they may not be able to control the temptation to spend beyond their means and may end up in a financial muddle.

While its not wrong to spend on necessities and to occassionaly pamper oneself, money splashed out without hesitation and beyond one's means definitely invite problems.

At the end of the day not only is the spendrift caught in the `debt trap', the family too will be affected and the situation gets worse if legal action and the debtor is declared a bankrupt.

BURDENED BY CREDIT CARDS

According to Bank Negara Malaysia (BNM), financial institutions have issued about 8.8 million credit cards with an average card owner having three cards.

Based on the October 2006 statistic, about 60 percent of credit card owners in the country paid up in time but the rest owe RM18.6 billion.

It all starts with the consumer culture especially prevalent among those living in urban areas.

In big towns there are many shopping centres and entertainment outlets that lure people with comfort like an air-conditioned environment, piped music and cheap sales.

But consumers may not be aware of the trap behind all these. The same holds true for mesmerising sales pitch like hefty discounts, gifts, 'buy-two-get-one-free', free travel and lucky draws.

Stock clearance sales, festive season sales and year-end sales are never ending. Even if there is an economic downturn, the sales are still on and the public are enticed to spend.

In the 1970s, one would feel embarass buying on credit, it would be done discreetly with the shop owner. But now, in the wake of the consumer culture, the 'buy now and pay later' anthem is the 'in' thing of which there is nothing to be shy about.

THE CREDIT CARD

If someone flashes a credit card today, the first impression is that the person must be someone of good financial standing.

What more if the card is an American Express Gold or Platinum that boasts of high credit limits.

A lifestyle of `enjoy now, pay later' is obvious nowadays with big businesses, boutiques, hotels, restaurants and exclusive nightclubs splashing clearly at their entrance, their acceptance of these credit cards.

That's not all, the credit card issuers themselves are enticing

spenders through discounts on products and services in hand with retail outlets.

THE CHALLENGES FACED BY CONSUMERS

At the end of the day it is the clever marketing strategy of the businesses that taps on the consumer's buying power. Taking advantage of the consumers' unlimited desire for new products, advertisers and retailers have upped the ante that turned many into `shopaholics'.

Brand loyalty is instilled in the minds of the consumers and the end result is that consumers are driven to spend beyond their means and lose their ability to make the right choice.

Due to the thrill of shopping, more often than not, the products or services acquired serve no purpose. A culture of wastage and losses has emerged.

All businesses want consumers to spend big so that they can gain more profits.

GUIDE TO CAREFUL SPENDING

Therefore, there are some good habits that one has to learn by heart to control spending, never mind using cash or credit cards:

+ Restrict the credit limit and decide yourself the limit for each of your card;

+ Compare prices before making any purchase. This will enable you find a good bargain;

+ Know your needs. List down the products that you intend to purchase and their prices. This can help curb unnecessary spending;

+ If you find that you can't control your spending, why not bring a friend who can guide you in making the right choice;

+ Get a basket if you are not buying much. Avoid using trolleys, as it will only entice you to buy more;

+ Make sure that the monthly groceries are sufficient and avoid visiting the supermarket often as it will disrupt your spending pattern;

+ To prevent yourself from being `overwhelmed', don't go to the corners with things that you don't need. Go straight to the section where the things you want to buy are located;

+ Record all your spending.

-- BERNAMA</p>

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