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Credit card debt rises yet again, personal bankruptcy matches pattern of federal spending

by [Mike Adams](#)

Once again, credit card delinquencies have reached another peak. U.S. families are finding themselves deeper and deeper in personal debt, and yet they are encouraged to keep on spending to "help the economy." It's faulty logic: spiraling debt ultimately helps no one, but don't look to Washington for any wisdom on the subject: federal spending, too, is out of control.

So what's to blame? A culture of spending, mostly, but part of the equation also rests on the messages from the media (which is supported by advertisers, of course, and simply must pound home the "buy more" message in order to keep ad revenues flowing) and the ridiculous urgings from Washington to keep on spending, regardless of your present financial situation.

But there will be consequences. At both the personal and federal level, we are in serious need of debt counseling and restructuring. The entire nation, it seems, needs an education on the downside of out of control spending, and we need to start sending messages that saving money is OK, too.

Spending may be good for [the economy](#) in the near term, but a burden of debt crushes economic growth in the long term. Too bad we have few national leaders who can see past the next election.

WASHINGTON (Reuters) - The weak U.S. job market helped nudge credit card delinquencies to a record high in the third quarter of 2003, a banking trade association said in a report released on Tuesday. The U.S. economy has shed 2 million jobs since the start of 2001 and businesses have not yet begun to hire many workers even though conditions have improved and profits picked up. "The strong third quarter GDP may signal a shift of the winds and a more positive outlook for jobs and financial health," he said. Delinquency rates for direct auto loans and home equity loans also rose, the ABA said.

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