



Impact of Credit

Positive	Negative
• Increased Purchasing Power • Financial Flexibility • Access to Better Financial Products • Rewards and Perks • Lower Interest Rates	• Debt Accumulation • Higher Interest Payments • Credit Score Damage • Financial Dependency • Mental and Emotional Stress • Bankruptcy Risk

Credit can offer both valuable opportunities and significant risks. On the positive side, it increases purchasing power, provides financial flexibility, and allows consumers to build strong credit histories that can unlock better financial products and lower interest rates. Additionally, credit cards often offer rewards, cashback, and travel benefits, enhancing the user experience. However, the misuse or overextension of credit can lead to negative consequences, including debt accumulation, high interest payments, and damage to credit scores. Financial dependency on credit may create long-term instability, and in severe cases, lead to bankruptcy. Understanding these impacts is essential for using credit responsibly and maximizing its benefits while minimizing potential pitfalls.

