

## Should Our Kids Drink Suze's Kool-Aid? – Debt Expert Says Some Advice Will Increase Debtabetes(tm)

COLUMBUS, OH – April 25 (SEND2PRESS NEWSWIRE) – Jon Hanson, author and debt expert of GoodDebt.com ([www.GoodDebt.com](http://www.GoodDebt.com)), says people are drowning in debt because of their small daily choices, called habits. After reading financial expert Suze Orman's newest book, "Young, Fabulous, and Broke," in which Orman contends that we live in unprecedented times that call for unprecedented advice, Hanson says Orman should re-watch "Casablanca," if only to be reminded that the fundamental things do apply, as time goes by.



Send2Press® Newswire

*Caption: book jacket for "Good Debt, Bad Debt" by Jon Hanson.*

"The laws of economics, like the laws of physics, simply don't change," says Hanson. "To suggest otherwise to young people, especially regarding the use of consumer debt, is bad for our children's financial health. Follow certain parts of the advice in 'Young, Broke and Fabulous,' and you may end up old, broke and in debt."

Hanson, author of the new book, "Good Debt, Bad Debt" (Penguin-Portfolio 2005 ISBN 1-59184-073-2) believes in keeping the use of consumer debt to an absolute minimum, no matter the circumstances. "Credit cards are the crack cocaine of consumer debt. For Ms. Orman to claim that credit card debt can be

good for young people just starting out is dangerous advice. Forty-three percent of all credit card users pay the minimum or only slightly more on their accounts, guaranteeing them a lifetime on the debt treadmill. To think that today's young people are different than their parents – that somehow circumstances today have turned young people into prudent and responsible borrowers – is wishful thinking.”

Back to Financial Phonics

Hanson believes that Ms. Orman's contention that young adults operate under a new economic paradigm is just plain wrong. “In ‘Good Debt, Bad Debt,’” he says, “‘The past is the past, unless you still owe for it.’ Many are suffering from Debtabetes(tm), the inability to break down and eliminate debt.”

“The only thing that's different today is the wide availability of credit to untested borrowers. The speed and ease of debt accumulation has increased exponentially. But the fundamental fact that financial success lies in discipline, deferral, and discernment in money matters is unchanged. Wealth comes through accumulation. Borrowing for consumption is always bad debt, calling it a ‘good use,’ does not make it good debt.”

Hanson likens Orman's paradigm shift to what happened with reading during the 1950's when phonics gave way to the Look Say method of reading. “‘Young, Fabulous, and Broke’ seems to be saying ‘hey, kids, you don't need to follow the rules of Financial Phonics anymore.’ When Orman says ‘this is not your parents' money book,’ she means it. If Ms. Orman is leading the charge for Look Say Finance, put me down as the guy sticking with Financial Phonics.”

Orman is right, Hanson believes, to encourage kids to follow their passion early in life. “I am all for preferring the low-paying job you love over one you hate, but only if you are not mortgaging your future to do so. If you're making \$30,000 a year and borrowing one percent of your annual income each month to bridge a low salary in your dream job, as Orman recommends, you've borrowed \$7,200 in just two years.” Make the minimum payments (most increase the balance) and it will take you between 33 to 52 years to pay it back. By which time you won't be so young, things won't look so fabulous, and you'll still be broke – as time goes by.

More information: [www.GoodDebt.com](http://www.GoodDebt.com)

All trademarks acknowledged.

News issued by: GoodDebt.com / Jon Hanson

# # #

Original Story ID: (301) :: 2005-04-0425-001

Original Keywords: Good Debt, Bad Debt, Jon Hanson, Penguin-Portfolio, ISBN 1-59184-073-2, credit card debt, personal finance, financial phonics, Suze Orman, Young Fabulous and Broke, good debt, gooddebt.com, money book, health, Columbus, Ohio news, Debtabetes, book, author, writer, tips, broke, expert, advice GoodDebt.com / Jon Hanson