

Green Credit Cards ???

By Paul Tick

In March, 2007, Bank of American announced plans for an eco-friendly credit. For each dollar consumers spend with this card, Bank of America would contribute to helping the environment. It stated that existing credit card holders, could, <http://www.creditcards.com/reward.php> under its airline travel incentive programs, turn in their earned points for cash for environmental programs. Other banks announced similar plans including Wells Fargo, Citibank and Bright Planet, a Vermont company that introduced Bright Card to benefit clean-energy projects

While the banks claim they are interested in supporting the environment, Robert McKinley, CEO of online publisher CardWeb.com. stated that their interest was in public relations. Congress was, at the time reviewing, credit card fee practices and this was an effort to make the companies look more consumers friendly. Also, there are now so many credit cards with so many reward programs, banks are looking for new ways to get new customers.

As you read the name "Bank of America" you probably realize that this bank and many of these other banks are the same ones that got countless billions of our tax dollars for bailouts. They also pour countless millions into lobbying against our interests as consumers. Yet, most of us have credit cards issues by banks that work against us.

Green American has organized quite a bit of information about credit card companies and is summarized below. As our nation's banking institutions are currently changing very rapidly, some of these banks may have already merged or been taken over by even bigger banks.

Bank of America, Capital One, MBNA, Citigroup, Morgan Stanley (Discover), USAA, Wachovia, and Wells Fargo have made huge contributions to Republicans. JP Morgan Chase's huge political contributions were balanced between Republicans and Democrats. Washington Mutual's contributions were weighted toward Democrats. These contributions do not come from the pockets of the CEOs or stock holders, but from our consumer dollars and then are used to work against us.

A few years ago, JP Morgan Chase and Citigroup agreed to pay a combined \$236 million for legal charges related to the Enron scandal. The Rainforest Action Network is targeting Wachovia, Wells Fargo, Merrill Lynch, Morgan Stanley (owner of Discover Card) and Credit Suisse First Boston. It has a separate action aimed at Wells Fargo for financing illegal logging in Indonesia and Credit Suisse First Boston for funding an environmentally destructive oil pipeline project.

We have all read about those losing their savings and even their homes due to credit card debt. High fees and interest rates, often hidden when you sign up for a card, are key issues that brought U.S. households an average of \$14,000 debt. The average American has or 7 - 8 credit cards.

Some feel better using an “affinity card.” There are credit cards that are issued by major banks but have a logo of nonprofit on it. Many believe that using these credit cards is an important help for their favorite non-profits. They usually don’t realize the average contribution to the nonprofit is only one-half cent on every dollar the consumer spends. Further the banks don’t readily make it known that interest rates are often higher on these cards and that they usually charge annual fees that other cards don’t have..

Working Assets Visa card is perhaps the most well-known and greenest of the major cards. It donates ten cents of every purchase to social change and nonprofits voted on by the consumers. It has a lower interest rate than many others and no annual fee. Working Assets has been an impressive force for social change, generating millions of letters, e-mails, petitions, etc. to policy makers over the years. Still, consumers need be aware that Working Assets Visa is issued by MBNA (see above). MBNA bought the program from the other bank Working Assets had used for many years that had been more in line with its goals.

Bank of America is the bank through which my wife and I were getting our Visa card. It is the same bank that we spent countless hours with trying to get them to do what they promised in their various incentive programs. We are now happy to say that we no longer use their credit card and switched to a local credit union instead. The credit union was easy to work with and we actually did everything in person. The Woodstock Institute states “Credit cards issued by credit unions have similar purchase interest rates but come with fewer fees, lower fees, lower default rates, and conditions that are much clearer.” Local credit unions include Capital Communications Federal Credit Union and State Employees Federal Credit Union.

Besides using a local credit union for our credit card, my wife and I are also are going back, as much as possible, to the much simpler way of doing business that we used most of our lives—cash. We will shop locally when we can, support businesses that support our interests and also look for a little barter along the way.

For more information:

Green America’s report on credit cards:

<http://www.coopamerica.org/pubs/realmoney/articles/creditcards.cfm>

Woodstock study: www.woodstockinst.org.

Rainforest Action Network report on credit cards:

http://ran.org/media_center/news_article/?uid=4165

Capital Communications: 458-2195

SEFCU: 452-8183