Navigating the Credit Maze: How to Find the Right Credit Card for You

Nonprofit credit counseling agency Take Charge America shares 8 tips for credit card shopping

PHOENIX – (July 13, 2016) – Credit cards are a tricky business. On one hand, we are cautioned against them and warned about debt pitfalls. On the other, you need credit to take out a mortgage or auto loan, rent a home or even secure employment.

“The key is to find the right balance – to use credit safely and conservatively,” said Mike Sullivan, a personal finance consultant with Take Charge America, a national nonprofit credit counseling and debt management agency. “Credit cards are easy, convenient and fuel our culture of instant gratification. Unfortunately, massive debt is also a part of American culture, but there are ways to build credit without accruing big debt. It starts by finding a card that meets your needs.”

Sullivan shares eight keys to credit card shopping:

1. **Know your limits.** This doesn’t just apply to your credit limit. If you’ll have trouble resisting extravagant purchases, be honest with yourself and choose your card and credit limit accordingly.

2. **Consider a secured card.** If you’re concerned you’ll be tempted to overspend, consider a secured card. Most cards are unsecured, meaning you’re not required to put up collateral to obtain credit. A secured card links directly to the collateral in your bank account, so you won’t be able to exceed your available balance.

3. **Choose your APR wisely.** Even people who pay off their credit card monthly may end up with a balance occasionally. Pick a card with a low APR to minimize interest.

4. **Read the fine print.** Many cards offer low or even no interest for an introductory period, but the rate increases after a specified time. Credit card issuers also levy penalties when you’re late on a payment or exceed your credit limit – you may be billed a fee, and your low APR may be swapped for a higher rate.

5. **Consider a balance transfer.** If you carry a balance on a card with a high APR, transfer the balance to a card with a low rate. Most creditors will charge a balance transfer fee – often three percent of the debt you’re transferring – so do the math. If you’re carrying a hefty balance you don’t expect to pay off immediately, transferring the balance may be smart if the lower rate lasts long enough and you can resist using the paid off card.

6. **Don’t pay for rewards.** Many rewards cards charge an annual fee, but don’t pay extra. There are plenty of cards that offer rewards free of charge.

7. **Apply one at a time.** Be choosy about applying for cards or you will risk getting declined, which will hurt your credit. Seek out a card designed for people with your credit rating. You can explore cards at Bankrate.com or CreditCards.com.

8. **Opt out.** If you’re overwhelmed by offers or don’t want to be tempted with more credit than you really need, opt out of marketing offers at optoutprescreen.com.

For more financial tips, visit Take Charge America.
About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit www.takechargeamerica.org or call (888) 822-9193.

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