

Choosing A Credit Card That Is Best For You

In this day and age there are many credit cards available, so how do you choose the best one for you? Your spending habits and your lifestyle will bear on your choice of the best credit card. You will need to look around at the choices and decide what card works best for you so that you can find the best company and the best deal.

First, decide why you need a credit card and what you plan to do with one. Some folks use their credit card to improve cash flow. Using a credit card you can leave your paycheck and cash in your bank drawing interest and still make purchases and buy things. Your money will earn and grow while you still to buy the things you normally would. At the end of the month, pay your credit card bill and you won't incur any interest.

Some people will get a credit card and use it for instant cash purposes. In this way, they can use their credit card at an ATM to get cash. This is a convenience when traveling or going on a long and extended vacation. If this is your reason for wanting a credit card, you should look for one that has the lowest rate possible when used for instant cash transactions.

Your planned payment method may bear on the type of card you choose. Do you plan on paying the balance in full each month, or do you plan on only paying the required amount? Be sure to look at the introductory interest rates when selecting your credit card. Also look at the balance transfer rates, and other terms which may apply to new credit cards and new credit card holders. Some credit card companies will offer you some super deals when have good credit.

Another important area to look at when choosing your credit card is the incentives. There are several cards out there that will give you incentives, such as reward points and even cash back with purchases that you can use towards paying back what you owe. There are several incentives out there with credit cards, all you have to do is look around and compare.

The key area you'll need to look at and compare is the APR (Annual Percentage Rate). The APR is what you will pay on what you purchase when the incentive period runs out. APR rates will vary among credit cards, so it is always in your best interest to compare and shop around. The lower APR rate you get, the better off you'll be.

High payments may ruin your cash flow so if you do not plan to pay off your card each month then a check on minimum payment amounts are important when choosing your credit card. Minimum payment amounts are typically 3% of the outstanding balance, however some may be lower while others may be somewhat higher. Some credit cards have interest free periods and you will want to choose a card with the longest period which will keep the costs down.

When you make that final decision and choose your credit card, you should always make sure that you know exactly what you are getting. Credit cards are great to have, although they can lead to a downfall if you don't choose them carefully. If you put some time and research into choosing your credit card, you'll find the best one for you. As long as you take care of your credit card and pay the bill on time, you'll help raise your credit and eventually be able to purchase even bigger things - such as a car or even a house.

You will always get the best deals on credit when you have a good credit score. You can get a FREE copy of my Credit Score Guide, see below.

About the Author

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