

Credit cards

Family



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Credit Cards Credit cards started out simple and standard, and each producer issued one card with one set of features. Currently, credit cards come in multiple levels with different interest rates, fees, and reward programs, so before you apply for one, it is crucial to know which will best suit your financial needs.

The following is a table showing the differences of three common types of credit cards.

Feature

Standard credit cards

Credit cards with rewards programs

Students credit cards

Grace period

25 days

25 days

21 days

Interest rate

Low-interest rate

3.5%

18.9 percent per annum

Annual fee

Introductory APR of 0 percent

Vary from \$50 to \$100

No annual fees

Over the limit fee

Depends on the individual's history

Subject to individual's financial status

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Subject to status

Late fee

2. 5%

6% of Past Due Amount per month

13. 68%

Cash advances rate fee

22. 99 percent

22. 99 percent

23. 6 percent per annum

Transfer rate fee

3. 5%

3%

2. 9 percent of balance transferred

Being a student credit card can be a very useful first step toward financial independence. It is a way of building the kind of credit that can help secure my loans, housing, even employment in future. I also need immediate communication on my spending without necessarily travelling. A credit card can also be the step number one toward the kind of debt that leads to collection calls and sleepless night. Therefore, I have to make a wise decision to meet the above basic needs and within the shortest time possible. As a student and a young adult, I want to establish a credit history.

Therefore, given a chance to make a decision on which credit card type to apply, I will certainly go for a student credit card. This card will allow me as a student to use my time in college to build up credit so that once I graduate I will have a good credit foundation. A student credit card can be from the same institution where I have access; I can check my account anytime. All

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my financial information is in one place, and payment becomes an easy task of transferring fund between accounts.

In addition, just like other credit cards, a student credit card reduces the need of me carrying cash and checks this, therefore, avoids the risk losing it. If I make an unplanned, large purchase, a student credit allows me to buy it at once and settle later. It also gives me the opportunity to spread the cost of a large payment over a long period. It also gives me an opportunity to make purchases abroad without having to worry about local currency.

Work cited

Manning, Robert D. Credit Card Nation: The Consequences of Americas Addiction to Credit. New York: Basic Books, 2000. Print.