



Earning miles, points and free stuff with credit cards. Is it worth it?

According to Equifax, 74% of US adults use at least one credit card. Just over half pay their cards in full each month. The rest carry a balance from month to month, with an average outstanding balance of around \$6,600 paying around 20% interest as of 2019. That discounted vacation starts paying dividends to the bank, not you, when you can't pay it off in full.

Using a credit card for planned purchases you can pay off each month makes sense, but charging things you can't pay off when the bill comes due will cost you. If you pay the bill in full, a card that offers rewards may work to your advantage. Consumer surveys say that customers spend 30% more with plastic than cash, which is not in your favor.

Watch out for blackout dates, annual fees, reward limits and expiration of points or miles and PLEASE READ THE FINE PRINT.

Joseph Slife, "Credit Card Perks Can Be Attractive, But Users Beware", Sound Mind Investing, March 27, 2019,
<https://soundmindinvesting.com/articles/view/credit-card-perks-can-be-attractive-but-users-beware>