

What is a Credit Card?



Some facts about Credit Cards:

1. When you open a credit card, the bank gives you a credit limit, which tells you how much you can spend before you have to make a payment.
2. When you get your bill, you can choose to pay a minimum payment, paying the full amount of what you owe, or an amount in between.
3. Keep in mind that the less you pay each month, the longer it will take to pay your bill, which will cost you more over time in interest.
4. Credit cards can offer perks, such as cash back on purchases, travel credit, and sign-up bonuses.

A credit card is a plastic card that lets you access a line of credit offered by a bank. The money you have available on the card is borrowed from the bank, and you have to pay it back over time or at the end of the month, depending on the terms.

For example, you need to purchase something that's \$2000, but you don't have that much. A credit card allows you to purchase that item now and pay for it later.

Before getting a credit card, make sure you read the terms carefully.

<https://www.nerdwallet.com/article/credit-cards/credit-cards-101>

We believe that ALL people deserve a chance to learn and succeed.

Community Financial Education ("CFE") partners with banks and other financial services companies to provide free financial literacy education to low to moderate income households.

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