

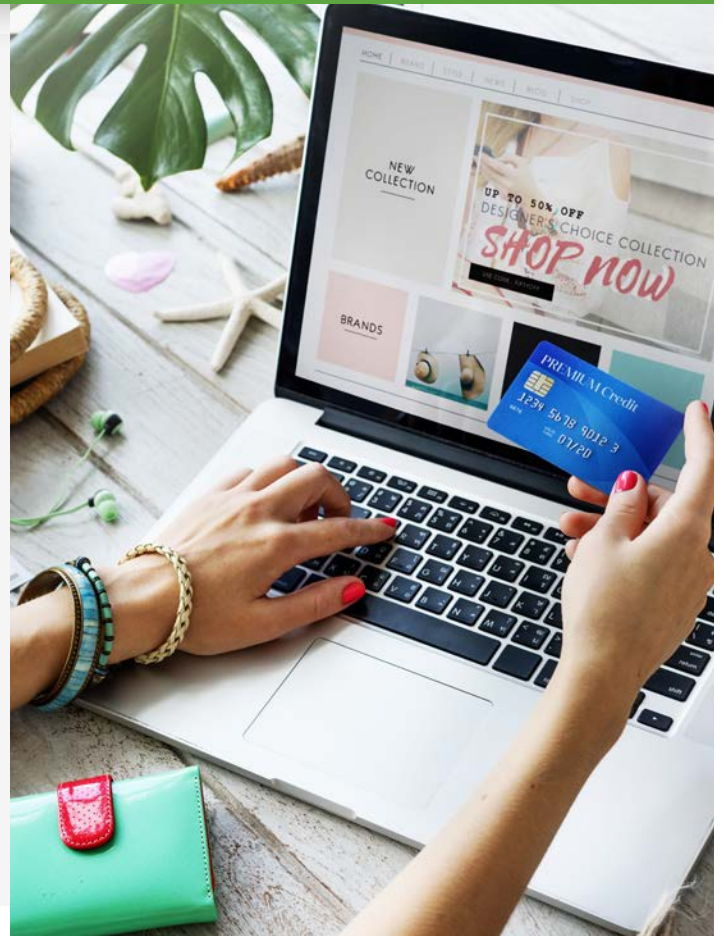
# What is the Difference Between a Credit Card and Debit Card?

## What is a debit card?

A debit card is a payment method that can be used as an alternative to cash. Most banks and credit unions issue a debit card when you open a checking account. The card is linked to your account and can be used to make purchases. When you use your card, the cost of the item you're buying is automatically deducted from your account to pay for the purchase.

## What is a credit card?

A credit card offers a [line of credit](#) that lets you borrow money to make purchases. Many credit cards also let you get cash advances or do balance transfers. When you use your card, you agree to repay the credit card company the amount you borrow, plus any interest charges you incur.



## They may look alike, but debit and credit cards work differently.

When you use a debit card to make a purchase, money is automatically debited from your bank account to pay for it.

When you use a credit card, you borrow money to buy things, then pay for them later. At the end of each billing cycle, you receive a bill for the purchases you made plus any interest or fees — and you're responsible for paying it.

Each type of card is good for different situations and different people.

The difference between a debit card and a credit card Written by: [Jennifer Brozic](#)  
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