

State Department Federal Credit Union

Topics of Interest

Why Do People Use Credit Cards?

Mostly for convenience and security. A credit card is a financial tool that you might use for any of the following reasons:

- To buy something you need or want when you don't have enough cash
- To avoid having to carry a lot of cash
- To guarantee reservations at a hotel or restaurant
- To buy something over the phone or through the Internet
- To use in emergencies
- To create a positive credit record
- To record your major purchases

Credit cards offer convenience-an easy way to make purchases, especially when you don't have enough cash. A credit card is easy to carry and use. However, when the monthly bill comes, it can be shockingly clear that a credit card can be too easy to use.

Some things in life are free, but credit cards aren't one of them. They're called "credit" cards because they're a source of credit. They really ought to be called "loan" cards because that's what they give you. Each credit card purchase is actually a short-term loan that you promise to pay back with interest.

When should you get a credit card? Before you graduate from high school, you'll likely receive credit card offers. You'll need to talk to your parents and decide when you have enough income and enough will power to handle a credit card wisely.