

Credit Cards: What You Should Know

1 WHAT IS A CREDIT CARD?

A credit card is basically a loan. You borrow money from a credit card company and promise to pay them back.



2 WHY GET ONE?

Many people use credit cards to first start building their *credit score*. A credit score shows your ability to pay back bills and loans. A high credit score makes lenders like banks and companies more likely to give you better deals in the future because they can trust you.

A lot of people also use credit cards just in case of an emergency.



3 HOW DO I QUALIFY?

You have to prove that you have income sufficient to pay back the company. Know how much income you get (not only from jobs, but also from scholarships, loans, etc.) and how much you spend in expenses.



4 HOW DO I GET STARTED?

You can either get a card by yourself, or ask a family member to become an authorized user on their account.

5 WHAT ARE THE DANGERS?

Credit cards usually have a high interest rate, meaning you end up paying way more than you spent in the first place. If you can't pay, they can take you to court or have collections legally garnish your wages.



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