

## **Social media copy:**

### **Slide 1:**

Owning a credit card is an opportunity as well as a responsibility.

### **Slide 2:**

Used correctly it can help you build the future you've always wanted.

### **Slide 3:**

Used incorrectly it can help you build a mountain of unwanted debt.

### **Slide 4:**

Make sure you know all the facts about credit cards so you can use them optimally.

### **Slide 5:**

Our crash course in credit cards will guide you from A to Z.

#spot #spotmoney #creditcard #creditcards #creditcardguide #credit

## **Emailer copy:**

### **Title ideas:**

- [Name], need a credit card? Check out our crash course.
- Be a credit card warrior - here's our guide to credit cards.
- Get 'accredited' with our crash course in credit cards.
- [Name], here are the facts you need about credit cards in one place.

Banner copy:

**Get accredited with the ins and outs of owning a credit card.**

Hi [first name],

Signing up for a credit card is a big decision – and it's not one to take lightly. There are a lot of things to consider when deciding whether a credit card is right for you as well as picking the ideal type of card to suit your needs and lifestyle.

To make things a little easier, we've created a back-to-basics crash course in everything you need to know about credit cards. We hope it will help guide you to making the best decisions for your financial future – whatever your goals might be.

Check out everything you need to know about signing up for your first credit card, broken down so it's easy to understand.

**CTA: Become a Credit Card Warrior** [\[link to post\]](#)

Blog post copy

Word count: 1585

# A Crash Course in Credit Cards

So you've got the job down and are acting it – nice! Your place is all set up and you're covering your monthly expenses. Kudos to you, you're doing all the right things. There's just one thing missing from your list of serious adulting wins – a credit card.

Credit cards are kind of a double-edged sword though. Use them wisely and they can help you build a strong financial future and achieve those important life goals

like owning a car or home one day. Use them irresponsibly and you could be looking up the slope of a mountain of debt – one that you'll struggle to repay for years.

Hot water is something we all want to stay out of, so never fear – here's everything you need to know about credit cards so you can build responsible credit habits from the get-go!

## What's The Difference Between a Debit And a Credit Card?

Very often, we tend to associate debit and credit cards as the same thing. It's understandable, given that both cards perform similar functions – they can be swiped for payments and require a unique pin to work.

But it's essential to remember – ***credit cards are not the same as debit cards.***

Debit card payments come off your banking account – it's your money that you're spending and it's limited to the amount in your account.

Credit card payments are made using credit that you have to repay later – sometimes with interest.

This makes all the difference in the world. With a debit card, you're paying with money you already have. With a credit card, you're paying with a loan extended to you by your bank each time – and you need to pay it back by a certain date each time.

## Are You Ready For a Credit Card?

There's no shame in asking yourself this question – it's the responsible thing to do and it's something *everyone* should be asking before committing to a credit card!

As with everything else, owning a credit card is a responsibility. Credit cards come with terms and conditions and fees (quite often, several fees) that you need to pay, as well as certain penalties for late or missed repayments.

Before deciding if a credit card is right for you, ask yourself some key questions:

What do you want to use your credit card for?

The golden rule of credit cards is to use them to **build a better credit profile** – not as an easy line of credit (remember credit is not the same as money in the bank).

You should be using a credit card to make responsible payments on necessities, not luxury items that will get you into potentially months of debt that you'll keep having to pay off (while accruing more interest the longer you take).

Use your credit card in the event of actual emergencies (a spa day doesn't count as an emergency – as much as we wish!) or to pay for essential expenses like monthly groceries – and make sure you have the means to pay the amount back at the end of the month.

Are you disciplined when it comes to spending money?

Keep in mind that we can all learn to be disciplined when it comes to spending – it's not a superpower only granted to an elite few. However, you'll want to be sure it's a superpower you've *already mastered* before applying for a credit card.

Having easy access to a line of credit requires discipline otherwise you'll be tempted to spend left, right and centre under the "treat yourself" guise. That can lead to you landing in serious debt and will hurt your long-term [credit score](#).

**Make sure you can rein it in and work with the finances you already have.** Having an established budget is a good place to start.

Are you able to pay back what you owe?

Lastly, you've got to be sure that you'll **have the necessary finances to pay back what you owe**. Think back to what you want to use your credit card for. Will you be able to pay it back at the end of the month? If it's a larger purchase then how long will it take you to pay back all the instalments based on your current expenses and surplus income?

If it's something you really want, rather save up for it than get yourself into debt - allocate a certain amount each month to save until you can afford to pay for it.

You'll feel seriously accomplished and it also gives you more time to decide whether or not you actually want that must-have jacket or TV. Impulse purchases can seem essential in the beginning, after all.

If you're already in the red or doubt you'll be able to pay back your credit repayments, then rather avoid getting a credit card. It's just not worth the stress!

## What To Know Before Applying For a Credit Card

If you've decided that you have the means and discipline to take on a credit card, there are a few things you should assess before signing up for any cards.

### **Credit limits**

When applying for a credit card, your bank will issue you with a credit limit. This is the total amount of money your bank is willing to lend you, and it's the total amount you'll be able to spend on your card. Your credit limit is determined by things like your monthly income, existing capital and current credit score.

### **Credit card interest**

If you don't pay your balance in full at the end of the month, it carries over to the next month and your bank or credit issuer will charge interest on the outstanding balance.

The annual interest percentage rate is around 15% to 20%, but keep in mind that credit interest is compounded each month. This means you will be charged interest on the interest you owe if you allow it to roll over from month to month.

You can avoid doing this by paying your balance in full every month. That way, you won't be charged any interest because you won't have any outstanding balance that you owe. Make sure you know the exact payment date that you need to pay on so you can pay what you owe in full and avoid interest charges.

## **Credit card fees**

Credit cards tend to come with multiple fees besides any interest fees you might have to pay. These fees might include:

**An initiation fee** – a once-off fee you'll pay to open your credit account.

**Monthly account fee** – an ongoing fee you pay each month to use the account.

**Credit facility fee** – some banks charge this to cover the administrative costs of managing the credit facility.

**Rewards program fees** – your lender may offer you a more premium card that offers rewards for using your card but you'll be paying a yearly fee to access those rewards.

**International transaction fees** – often higher fees you'll have to pay for overseas transactions.

## **Minimum payments**

A minimum payment is the minimum amount due each month that you'll need to pay. Your minimum payment will usually include any interest you've accrued, potential charges for late or defaulted payments and if there's an annual fee on the credit card, a portion of this fee.

The minimum fee is based on a percentage (usually 3% to 5%) of the capital and because it's based on a percentage, the smaller your debt, the lower your minimum payment.

Keep in mind that the minimum payment is not the same as the amount you owe to your credit card – just a minimum percentage of it that you have to hit each month. You'll still need to pay what you owe on the card on top of it.

You can see there are a lot of additional considerations that come with a credit card. **Take the time to read that itty-bitty fine print to make sure you understand exactly what you'll be paying to use your card and whether a particular card is the best option for you.**

## Tips For Being a Responsible Credit Card Warrior

### Budget!

Keep your credit card spending in line with your income by setting a detailed budget. Having a clear idea of how much you can afford to spend at the end of the month will keep you from wading into debt-infested waters.

### Monitor your purchases

Track your purchases and spending throughout the month either manually or by using an app. Once you have hit your monthly spending limit, put your credit card away until you've paid off the current balance.

### Use as little of your credit limit as possible

You may be tempted to max out your credit limit but this is the worst thing you can do for building your credit score – and you'll be taking on serious debt too! Rather

limit your spending to a portion of your credit limit – a rule of thumb is not more than 30% of your total credit limit.

## Pay your bill in full each month

Your bank or credit provider may only issue you with your minimum payment to pay each month. Remember that this is not what you owe – only a percentage of it on top.

Only paying your minimum payment will keep adding interest to your outstanding balance and hike up your debt. Rather pay what you owe in full each month to avoid being trapped in a vicious cycle.

There you have it – all you need to know to become a bonafide credit card warrior! With great credit comes great responsibility – spend it wisely.