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# Advantages and Disadvantages of Credit Cards



## Advantages and Disadvantages of Credit Cards

Advantages	Disadvantages
<p><b>Convenience</b>--Credit cards can save you time and trouble--no searching for an ATM or keeping cash on-hand.</p>	<p><b>Overuse</b>--Revolving credit makes it easy to spend beyond your means.</p>
<p><b>Record keeping</b>--Credit card statements can help you track your expenses. Some cards even provide year-end summaries that really help out at tax time.</p>	<p><b>Paperwork</b>--You'll need to save your receipts and check them against your statement each month. This is a good way to ensure that you haven't been overcharged.</p>
<p><b>Low-cost loans</b>--You can use revolving credit to save today (e.g., at a one-day sale), when available cash is a week away.</p>	<p><b>High-cost fees</b>--Your purchase will suddenly become much more expensive if you carry a balance or miss a payment.</p>
<p><b>Instant cash</b>--Cash advances are quick and convenient, putting cash in your hand when you need it.</p>	<p><b>Unexpected fees</b>--Typically, you'll pay between 2 and 4 percent just to get the cash advance; also cash advances usually carry high interest rates.</p>
<p><b>Perks</b>--From frequent flier miles to discounts on automobiles, there is a program out there for everyone. Many credit card companies offer incentive programs based on the amount of purchases you make.</p>	<p><b>No free lunch</b>--The high interest rates and annual fees associated with credit cards often outweigh the benefits received. Savings offered by credit cards can often be obtained elsewhere.</p>
<p><b>Build positive credit</b>--Controlled use of a credit card can help you establish credit for the first time or rebuild credit if you've had problems in the past--as long as you stay within your means and pay your bills on time.</p>	<p><b>Deepening your debt</b>--Consumers are using credit more than ever before. If you charge freely, you may quickly find yourself in over your head--as your balance increases, so do your monthly minimum payments.</p>
<p><b>Purchase protection</b>--Most credit card companies will handle disputes for you. If a merchant won't take back a defective product, check with your credit card company.</p>	<p><b>Homework</b>--It's up to you to make sure you receive proper credit for incorrect or fraudulent charges.</p>
<p><b>Balance surfing</b>--Many credit card companies offer low introductory interest rates. These offers allow you to move balances to lower-rate cards.</p>	<p><b>Teaser rates</b>--Low introductory rates may be an attractive option, but they last only for a limited time. When the teaser rate expires, the interest rate charged on your balance can jump dramatically.</p>

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Securities Offered Through Securities Equity Group

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