<p>This article is written under the assumption that you understand how to responsibly use credit cards. If you can use a credit card responsibly, there’s really no reason not to use one.</p>

<p><strong>MORE: </strong><a href='https://www.getmoneystaybummy.com/post/3/how-to-responsibly-use-credit-cards'>How To Responsibly Use Credit Cards</a></p>

<p>There are a lot of benefits to using credit cards over debit/cash. If you are not utilizing credit cards, you are essentially leaving money on the table. Now, we are not saying using credit cards will make you rich. In fact, they will not. But when you consider the little effort it takes to use a credit card, there’s really no reason not to use one. Here’s why you should be using credit cards.</p>

<h1>Building Credit History</h1>

<p>Every month, credit card issuers report to the three national credit bureaus: Equifax, Experian and TransUnion. By building a history of responsible credit card usage, you show that you are a responsible credit user with low risk of defaulting (not paying back). This might not seem significant now, but when it comes time to apply for big loans (think mortgages, car loans, business loans) you will be able to save tremendously by qualifying for better terms and interest rates.</p>

<h1>Sign Up Bonuses</h1>

<p>Almost every credit card offers a sign up bonus. Commonly seen in the form of “spend X dollars within the first few months and earn a reward of Y dollars/points”.As long as you use your credit card responsibly and don’t overspend to fulfill the sign up bonus requirement, then you can get a lot of value from these bonuses.</p>

<h1>Rewards</h1>

<p>Credit card rewards come in different forms. Each card will have its own outlined reward system. Rewards generally fall into one of three categories: cash back, points, or miles.</p>

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<li><strong>Cash back: </strong>These credit cards give you a percentage of cash back for every qualifying purchase. These cash back percentages are usually in the range of 1% - 5%. If you use this type of credit card, you are essentially getting a discount on everything you buy. This is the most straight forward and simplest reward type available. It is best for people who want to spend as little time as possible strategizing their credit card rewards.</li>

<li><strong>Points: </strong>These credit cards earn points for every qualifying purchase. Points can be redeemed for cash back (usually not the best option), or used to make purchases from authorized reward centers. These type of credit cards can be more complex because you will need to determine what a point is worth, and how to optimize their purchasing power.</li>

<li><strong>Miles: </strong>These reward you with miles which can be redeemed for airline tickets. This can be a great choice for frequent flyers.</li>

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<p>There are also some cobranded credit cards that reward you for specific uses, such as hotel cards that will reward you for using their hotel services. Also, many retail stores offer their own credit card that will reward you when you shop at their stores. We usually don’t recommend these since the rewards can only be earned from a specific store, but there are exceptions.</p>

<h1>Benefits and Perks</h1>

<p>Many credit cards come with extra benefits in addition to cash, point, and mile rewards.</p>

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<li><strong>Purchase protection: </strong>If you purchase something with your credit card and it breaks or is not as it was described, you have the help of your credit card issuer to help get your money back. Many times, even though your item has a warranty or a return period, sellers make it hard and sometimes impossible to return items. This is where credit cards are very valuable. They become the middle man of your transaction and can help you get your return processed. For example, let’s say you went to get your car windows tinted and the shop damaged your car in the process (real story). Unfortunately, you don't notice until you get home. You call the shop and tell them, but they don’t take responsibility for what happened. If you paid with cash, you would be out of luck. But if you paid with your credit card, you can call your credit card company and file a dispute with supporting evidence such as photos and receipts. Your credit card company will then do an investigation and will help get your money back.</li>

<li><strong>Extended warranty: </strong>Many times if you purchase an item with a credit card, you will automatically be given an extended warranty. If something happens past the original warranty end date, you can file a claim with your credit card company and they will reimburse your purchase. Although many credit card issuers offer this benefit, not all do. Reference your credit card agreement to confirm.</li>

<li><strong>Car rental insurance: </strong>Some credit cards will provide you with car rental insurance when you rent a car, as long as the full cost of the car rental was charged to your card and you declined whatever insurance is offered by the rental company. But before you rely on this, make sure that the type of car rental you are getting qualifies.</li>

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<p>This is not a complete list of benefits and perks available. These are just some of the most commonly offered across all credit cards. Each credit card will be unique in what it offers. A lot of people over look these benefits and they go unused. So make sure you read your credit card agreement and note all the benefits offered. If more convenient, you can call your credit card’s customer support line and ask them to list out your benefits.</p>

<h2>”A lot of people over look these benefits and they go unused”</h2>

<h1>Convenience</h1>

<p>With all major credit card providers being widely accepted, it makes more sense now than ever to use credit cards for nearly everything. With credit cards, you won’t need to carry around a wallet full of bills and coins. You won’t have to count your change every time you pay. At the end of the month, you will have full documentation of where your money went. Sometimes this documentation even comes with organized graphs and tools that help you see where you are spending your money.</p>

<h1>Safety</h1>

<p>Carrying around a credit card is far safer than the alternatives. If you lose cash, you’re unlikely to get it back. If you lose a debit card, someone potentially has access to your entire checking account. If there is fraudulent activity on a debit card, it can be a lengthy (and sometimes impossible) process to get your money back. If you lose a credit card, someone potentially has access to your available credit (aka not your money, but the credit card company’s). As long as it’s reported in a timely matter, none of your money is lost. And any fraudulent activity that may appear on your card will be the credit card issuer’s responsibility. The key difference is that with a debit card a thief has direct access to your money, but with a credit card a thief has access to only the credit card company’s money; hence a credit card is safer to carry around.</p>