

Learning About Cash Back Credit Cards: Good or Bad Idea?

Getting a credit card that offers cash back always sounds like a good idea. What could be better than getting cash back on all the purchases that you make with your credit card? It sounds too good to be true, doesn't it?

Well, there are cards that give you free cash, but it is usually only around 1% cash back. However, free money is free money, right? Well, sometimes.

If you like to buy a lot of things in one month, this kind of credit card probably sounds great to you. However, you need to keep in mind that they are not going to give you cash back on every purchase that you make. Even if they claim to give you cash back on every purchase, they will only give you up to a certain amount per transaction. The company also has a strict limit on the amount that they will give back to their customers. If you read the little, bitty print on the form that you signed, you will see a paragraph with their limits in the terms and agreements.

This is another way to try to draw in new customers for these companies. It is a good credit card to have and sounds great in theory, but they will have to check your credit rating before they will give you their card.

Research different credit card companies to see what they are offering. You may be surprised to find a cash back credit card that offers you just what you need and want with a high cash back percentage, few limits on the amount they will give you back, and instant cash deposits when you make each purchase with their card.

Although these credit cards seem like a great thing to have, some companies will need your credit rating to be great too. However, there are credit card companies that offer these cards to people with a low credit rating to help them rebuild their credit. Research all of your options.

What should your decision be? If you have a good credit rating, then this card is a great option for you. Research different card companies - there are cards out there that offer you up to 3% cash back and impose very few limits. If, however, you have a bad credit rating, you may want to find a credit card that will help you rebuild your credit.