

Published based on [Choosing the Best Credit Card](#)

Choosing the Best Credit Card

Credit cards that are tailored to your individual goals and financial needs are best for you especially if you are approved to receive low interest rates. In order to find the right credit card, you should answer the following:

1. Will you be making a large purchase within the next year (i.e. appliances)?
2. Do you anticipate charging the principal of a purchase to your card for a long period of time?
3. Do plan to pay the entire balance monthly?
4. Do you plan to use this card for purchases over a short period or an extended period of time?
5. Do you presently have a total credit limit that is more than 40% of your yearly salary or outstanding card balances that are greater than 50% of your income?

If you answered yes to the first question, you need to consider a card that has a low interest rate and a high credit limit. It may seem like an obvious choice, but many people do not have these features. It may be in your best interest to get a card that offers a rewards program that you are interested in such as an airline miles card.

If you answered more than three months on the second question, you definitely need a card with a [low interest rate](#). Do not let the low credit limit discourage you; you will save money with the interest.

If you answered yes to the third question, the best choice for you is a credit card such as American Express that has 0% interest. You won't be charged interest as long as you pay your bill on time and in full each month.

If you answered that you plan to hold your card for an extended period of time in the fourth question, a card with a low interest rate and a moderate credit limit is best for you. If you answered that you plan on using your card for a short term period, find a card with an introductory 0% interest rate; this choice is best when you make plans to pay the entire balance before the introductory period ends.

If you answered yes to any part of the fifth question, it may be difficult to secure a new [credit card](#). A portion of your credit score is determined by the amount of available credit that have and the outstanding balance to credit limit ratio. If you have a low credit score, some banks are not willing to grant additional credit even if you have made timely payments. Your best option is getting a credit card that specializes in bad credit even if you are close to receiving an adequate credit rating.