

CREDIT CARDS

Credit cards: rewards only count after costs

Choose a card around how you actually pay. If you carry debt, borrowing cost usually matters more than points. If you consistently pay the statement balance in full and preserve the purchase grace period, rewards can become a useful secondary benefit.

Two different decisions

Pay in full every month: compare rewards on your real spending, annual fees, redemption rules and protections. **Carry a balance:** prioritize the offered APR, fees, payoff timeline and hardship options. A credit-union low-rate card can beat a famous rewards card even with fewer perks.

A credit card is not extra income. Your budget should already contain the purchases you charge. Do not spend more merely to qualify for a bonus.

Know the four numbers

Statement balance: amount at the close of a billing cycle. **Current balance:** may include later activity. **Minimum payment:** amount required to avoid being past due, not a payoff strategy. **APR:** annualized borrowing rate; different transaction types may have different rates.

Read the issuer's rates-and-fees disclosure. Check annual, late, cash-advance, foreign-transaction and balance-transfer fees. Verify whether the rate is variable and what happens after a promotion.

Interest can swallow rewards

A hypothetical $3,000 carried balance at 28% APR costs roughly $70 in one month using APR/12 and a constant balance. At 15%, it is roughly $37.50. Actual interest uses the agreement's calculation and daily balances. A 2% reward on $3,000 of purchases is $60 once; interest can repeat month after month.

That is why the “best points” card can be the wrong card for someone financing purchases. Carrying interest-bearing debt is not necessary to build credit.

Reviewed October 3, 2026. This shortlist is based on use case, not a comprehensive market ranking. Rates, rewards and promotions change; approval and offered APR depend on eligibility and creditworthiness. Read current terms before applying.



Shortlist: lower borrowing costs

Navy Federal Platinum

Review Platinum and current rates. A useful comparison for eligible members prioritizing interest cost over rewards. The page reviewed advertised a variable purchase/balance-transfer APR range of **10.24%-18.00%**, separate from promotional terms. Confirm the rate on your actual offer.

Membership eligibility is restricted; check qualifying military, veteran, Department of Defense and family/household connections directly. A lower rate reduces cost but does not make an unaffordable balance affordable.

PenFed Gold Visa

Review Gold Visa terms. Another low-rate comparison candidate. Check the currently displayed purchase APR, any introductory offer, transfer fee and post-promotion terms. Do not assume an advertised promotional rate applies to every transaction. Membership and credit approval requirements apply.

Your own credit union

Ask for its lowest ongoing purchase APR card, not just the most heavily promoted rewards product. Request the written rate/fee disclosure and compare it with your bank's offer. A federal credit union may benefit from the NCUA's general loan-rate ceiling, but that is not a universal cap for every credit union or every product.

The NCUA notice extends the general federal-credit-union 18% loan interest-rate ceiling through September 10, 2027, subject to regulatory details and exceptions. State-chartered institutions follow different rules. Fees and promotions still need review.

A balance transfer can help only with a payoff plan

For a hypothetical $4,000 transfer with a 3% fee, the new amount is $4,120. Paying it off over 15 interest-free months requires about $275 monthly, assuming no new purchases or other charges. Check eligibility, transfer deadline, fee, promotional expiration and the rate afterward.

Continue paying the old card until the transfer posts. Avoid new purchases on the transfer card unless you understand grace-period consequences. A lower rate is a tool for repayment, not permission to rebuild the old balance.



Shortlist: rewards for people who pay in full

Simple cash back: Citi Double Cash

Review Citi Double Cash. Its core structure earns 1% when buying and 1% as you pay, subject to terms. Useful as a straightforward comparison for everyday spending. Check current annual fee, APR, exclusions and how cash redemption works.

A flat reward can be easier to use than many rotating categories. Do not assume a payment made with rewards counts the same way as every other payment; review program rules.

Travel categories: Chase Sapphire Preferred

Review Sapphire Preferred. A candidate for travelers who can use its categories and transfer/redemption options. The reviewed page includes 3x dining, 5x eligible Chase Travel purchases and other category rules; its annual fee is $95. Verify exclusions and current benefits.

Compare real travel value after the fee, not a headline valuation that assumes an ideal redemption. Portal prices, award availability and transfer rules matter. Do not transfer points to a partner until you understand the booking and reversibility.

Broad travel earning: Capital One Venture

Review Venture Rewards. A comparison for people who prefer broad earning: the page reviewed advertises 2x miles on everyday purchases and 5x on eligible portal hotel/vacation-rental/car bookings. Check annual fee, travel redemption value and partner-transfer conditions.

Credit-union rewards: Navy Federal cashRewards

Review cashRewards. Eligible members can compare cash back with the institution's lower-rate Platinum option. The reviewed program distinguishes 1.5% cashRewards from 2% cashRewards Plus based on qualifying terms. Verify the version and rate actually offered.

Choose with your own spending

Write annual eligible spending by category, multiply by realistic reward value, then subtract annual fees and any interest. Do not count credits you would not otherwise use. One useful card can be better than several overlapping cards with fees and missed-payment risk.



Points math and responsible setup

Convert points into dollars

A hypothetical redemption of 20,000 points for $200 gives 1 cent per point. If a card earns 3 points per dollar at that redemption value, that is a 3% gross reward. Another redemption may have a different value. Taxes, booking fees and portal price differences can reduce the benefit.

Net value = rewards you actually redeem + credits you would naturally use - annual fees - interest - other charges. Exclude sign-up bonuses from the long-term comparison unless you deliberately evaluate year one separately.

The annual-fee break-even

If a no-fee option effectively earns 2% and a $95-fee option earns 3% on the same eligible spending, the extra 1% requires $9,500 annual spending just to cover the fee, ignoring other benefits. Do not increase spending to reach that figure.

How to open the chosen card

1. Review eligibility and the issuer's official prequalification option, if available. 2. Compare the full rates/fees disclosure. 3. Apply through the official site with accurate income and housing information. 4. Understand when a hard inquiry occurs. 5. After approval, confirm the actual APR and limit. 6. Activate securely and configure payment/transaction alerts.

Set autopay for the statement balance only if the linked account can reliably support it. Otherwise use at least minimum-payment safeguards plus a deliberate payoff plan. Verify the first automated payment and keep monitoring; autopay is not infallible.

Preserve the grace period

Where a purchase grace period applies, paying the statement balance in full by the due date generally avoids interest on purchases. Carrying a balance can remove that benefit; residual interest may appear after payoff. Cash advances often start accruing interest immediately and have fees. Ask the issuer how to restore the purchase grace period.

Read CFPB's grace-period explanation before relying on a card to float expenses.



Your card and payoff action plan

If you already carry balances

List each balance, APR, minimum and due date. Stop adding unaffordable charges. Pay all minimums and direct extra money to the highest-rate debt if minimizing interest is the goal. Compare a lower-rate card or transfer only after calculating fees and a feasible payoff schedule.

Call the issuer before missing a payment and ask about available payment arrangements. Read any proposed terms, including costs and account restrictions, before agreeing.

Monthly routine

- Reconcile purchases with your budget and report unauthorized activity promptly.
- Verify payment posted and check interest or unexpected fees.
- Compare the balance and minimum payment with the amounts in your household budget.
- Redeem rewards intentionally and check expiration or account-closure consequences.

Annual routine

Review whether benefits justify fees. Compare account costs with the rewards you actually use. Update income accurately when asked. A temporary promotional bonus does not establish the long-term value of a card.

My comparison sheet

Card / membership eligibility: _____

Actual ongoing APR / promo expiry: _____

Annual fee / transfer fee / other charges: _____

Expected annual rewards at my real spending: _____

How I will redeem: _____

Pay-in-full amount or debt-payoff date: _____

Resources

CFPB credit-card tools · NCUA consumer education · DollarsWithDad budget planner

Dad's rule: A lower interest bill is money you keep. Points are useful only when their cost does not cancel their value.