



HOW SHOULD I PAY?

With all of the convenient payment options available to us now, the days of using cash to pay for everything are long gone. But which card – **debit or credit** – is best for making purchases? Well, the answer is, *it depends*.

Paying with debit is like spending cash.

Paying with credit is like borrowing money.

You have the option to pay off your balance over time with interest.

When should you use a debit card?

When should you use a credit card?

When you want to avoid **GETTING INTO DEBT**

When you are **TRAVELING**



When you're traveling, using a credit card is the ideal payment method. This goes for everything from booking the trip to paying for your hotel and car rental.

Why? ...

If you don't have any debt, using a debit card is a great way to stay out of it. Since your debit card is connected to a checking account, you can only spend what is in the account. A debit card can provide the same convenience of a credit card without the worry of accumulating debt.

No liability for fraudulent charges in the case of a lost/stolen card.

Most good rewards cards like the CVCU Premier Rewards American Express Card, offer travel insurance.

Better foreign exchange fees than buying currency with American dollars and using it in the country you're in.

CVCU's Premier Rewards American Express Card has no foreign transaction fees at all - and nice perks for making travel purchases.

Many car rental agencies and hotels only accept credit cards or, if they do accept debit cards, they will put a temporary hold on a portion of your funds as a "deposit," which freezes up money in your account.

When you want to **PAY FOR EVERYDAY PURCHASES CONVENIENTLY**

When you are **SHOPPING ONLINE**



Everyday purchases like gas, groceries, and eating out are relatively small purchases, and you don't want to worry about them breaking the bank. A debit card is a convenient way to pay for these everyday items without having to carry a lot of cash.

Credit cards provide the best protection of any payment option out there.

When you need help **STAYING WITHIN YOUR BUDGET**

- No liability for fraudulent charges
 - Quick disputes and reversals for disputed charges
 - Ability to use convenient online payment tools.
- *If your debit card information is stolen, it gives the thief access to your bank account.*



When you are **MAKING LARGE PURCHASES**

If you know you might be tempted to overspend, a debit card is definitely the best option for you. When you use your debit card, the money comes right out of your checking account, so you can control where you spend your cash without having to worry about racking up a massive bill that you can't afford at the end of the month.

Many credit cards offer warranty protection that goes beyond the manufacturer's warranty. This is really useful when you buy electronics, appliances or other large purchases. In addition, most debit cards have a fairly low daily spending limit, so chances are, you'll have to call your financial institution to request a temporary increase when using a debit card to make large purchases.

Have questions or want to learn more about CVCU's debit or credit card options? Give us a call, we're here to help.

When you want to **EARN REWARDS**

If you have a credit card that earns rewards, you can turn your everyday expenses like gas and groceries into a positive. Just remember to pay off the total amount when you get your statement each month. Redeeming rewards can be a way to extend your budget for everyday or special items.

When you want to **PAY IN ADVANCE**

Say you are getting your annual performance bonus in a few weeks, and you want to use it to purchase a large item. You can charge the item to your credit card, then pay off when your bonus arrives. This is a good plan if you're sure your bonus is coming, your spending doesn't exceed the bonus, and your credit card has a high enough limit for the item.

When you want to **MANAGE YOUR EXPENSES**

Many people use credit cards as a convenient way to track spending and make purchases without using cash or checks. This is a good option for people who are disciplined and will not spend more than they can pay off each month. Be sure to pay your balance each month to avoid paying interest.