Eagle Lake Headlight

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Holiday Gift Guide 2009

Tips For Wise Credit Use For The Holidays

Holiday shopping has seemingly taken on a life of its own over the years. While gifts under the tree has been a holiday tradition as long as most of us can remember, come the day after Thanksgiving, the race is officially on.

Shoppers trek to the mall in droves, and stores advertise super sales in the hopes of beating their competitors for the all important holiday dollar.

For many shoppers, however, the dollar bill doesn't exactly come into the equation.

Oftentimes, plastic is the payment method holiday shoppers use most, and that's more out of necessity than personal choice.

While many shoppers would prefer to avoid swiping their credit cards this holiday season, as long as they use their cards wisely they can avoid the pitfalls commonly associated with paying with plastic.

* Shop for the right credit card. Not all credit cards are the same, and shoppers should comparison shop for the right card much like they would shop for the right deal on a gift. Ideally, shoppers should find the card with the lowest interest rate.

A credit card is essentially a loan, and the longer the balance goes without being fully paid off, the more you'll be paying in interest charges.

Therefore, the lower the interest rate, the less you'll be paying, just like a regular loan.

While it's ideal to pay balances off immediately, for many people that's not an option. So shop around for the credit card that offers the best interest rate, and use that for holiday purchases.

* Use credit cards for travel expenses. Anyone who has traveled during the holiday season knows that it's rare travel plans go off without a hitch.

Flight cancellations and delays have become the norm during the holiday travel season. Travelers can do themselves a favor and make hotel reservations and book airline tickets with their credit card.

That's because many companies offer insurance or protection for such purchases, so if anything goes awry at least you'll be covered.

* Learn about credit card rules overseas. Many people prefer to use credit cars when traveling overseas.

While this is convenient and a good way to keep track of how much you've spent, it can also be more expensive.

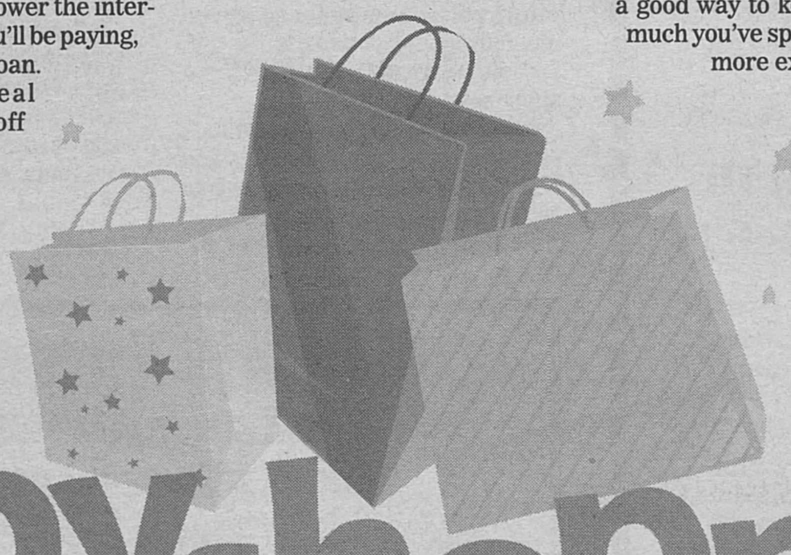
Inquire with your credit card company about foreign currency transaction charges. Such charges can be very expensive, negating the convenience of using cards abroad and stretching your budget.

This is something you might not even realize until returning home and getting the bill in the mail. Avoid that shock by inquiring beforehand.

* Use cards that make it worth your while. In an effort to get people to use their credit cards more often, many cards now offer benefits to users.

Bonus points that earn you discounts on hotel reservations or airline tickets are offered by some cards, while others offer cash back each time you make a purchase.

If you must use credit cards this holiday season, why not get something out of it by using cards that offer something back with each purchase?



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