

To Market, To Market

Comparison Shopping for a Credit Card



Directions:

Read credit card brochures and disclosure statements, make phone calls, or go online to compare credit card offers. A good rule is always to *compare* four or more credit cards before applying for one.

- ☛ Read all the small print on brochures or disclosure statements before you complete the chart.

Credit Card (Name of Company)	Sponsoring Organization	Annual Fee	Credit Limit (if listed)	APR	Minimum Payment	Grace Period
<i>Examples:</i> Citibank Visa Capital One Mastercard	<i>Examples:</i> National Wildlife Federation Working Assets United Airlines					
1.						
2.						
3.						
4.						

List other types of terms and conditions you discovered while “shopping for a credit card.”

Calculating the Cost of Credit Card Purchases



Directions:

- 1 Use the interest rate of 18% and an annual fee of \$49 to complete this chart. In month 1, there was a balance due of \$3,000. The borrower will make a monthly payment of \$200 and keep new purchases of goods and services at \$115 per month for the year.
- 2 Calculate the interest for each month (balance x 1.5%). To obtain the balance for the next month, *subtract* the payment from the balance and *add* cost of new purchases plus monthly interest and fee. For example: $\$3,000 - \$200 = \$2800 + \$115 + \$94 = \$3,009$. (NOTE: The annual fee of \$49 is paid once each year.)

Interest rate: 18% (APR); 1.5% monthly

Annual fee: \$49

Month	Balance	Payments	Purchases	Interest & Fee	Interest & Fee (Cumulative)
1	\$3,000	\$200	\$115	\$49 \$45	\$94
2	\$3,009	\$200	\$115	\$45.14	\$139.14
3	\$2,969.14				
4					
5					
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10					
11					
12					