



# So, you say you want a credit card?



## Watch out!

Credit cards make it easy to overspend:

### #FOMO

Fear of Missing Out



Does social media make you feel like all of your friends are living large and spending more?

Seven in 10 people between the ages of 18 and 30 say they would make a purchase to keep up with their friends and avoid #FOMO. <sup>1</sup>



**51%**

of Canadian high school graduates between the ages of 17 and 20 are in debt. <sup>2</sup>



**25%**

of this group has credit card debt. <sup>2</sup>

## Interest can kill a good deal:

Jennifer, Meghan and Mark each bought a television for \$650 on their credit cards with an 19.99% interest rate.

### Repayment plans

### What the TV really costs

 <b>Jennifer</b> pays in full	Pays right away    \$0 in interest	\$650 0% increase	
 <b>Meghan</b> \$50/month	1 year 3 months    \$89 in interest	\$739 14% increase	
 <b>Mark</b> min. payment/ month	8 years 3 months    \$553 in interest	\$1,203 85% increase	

**Yikes! That TV probably won't last for 8 years.**

## Ready to apply?

Shop around and look for:

- No (or low) annual fee.
- Low long-term interest rate.
- Insurance and warranties.



## Spend smart!

Before swiping your card:



Read your credit contract.



Take the time to consider the purchase. Don't act on impulse.



Have a plan to pay off the credit before you use it.

## Know your limits:

**“Congratulations! You've been approved for a higher credit limit!”**



Keep in mind, just because you qualify to borrow a certain amount doesn't mean you can afford it — or need it!

## Pay on time.

What happens if I miss a payment?

- Your interest rate may go up.
- You may be charged a late payment fee.
- You may damage your credit history.



## Your credit history is a snapshot of your credit health.

If you have a bad credit history, you may not be able to borrow when you really need it. You might miss out on or end up paying more for:



Education



Travel



Car



House

