# The Basics:

# Credit Cards on Your Financial Journey



The average amount of credit card debt per American has been steadily rising since 2015.

Understanding the history of credit cards—and when to use them—can help ensure that you reap their rewards, rather than simply rack up debt.

Here's a look at the basics of credits cards and why they should be part of your financial road trip kit.

## **MODERN CREDIT CARDS, THEN AND NOW**









1958

1950

After forgetting his wallet during a business lunch

Frank McNamara introduces the first credit card for widespread travel & entertainment purchases-The Diner's Club Card

BankAmericard becomes the first general-use credit card, changing the nature of personal credit in the U.S. by not limiting by location

or type of purchase. ii

#### NOW

Credit cards are a common, at times preferred, form of payment.iii iv

**61%** of Americans have a credit card

4 credit cards

The average person has 26% of people prefer to use credit cards to make purchases







#### **NAVIGATING CREDIT CARDS**



#### **Fuel for the Road**

On-time credit card payments make up 35% of FICO credit scores v vi

KeyBank graduated 30% of Secured Credit Card customers after less than one year by helping boost their credit scores

### **Potential Speedbumps**

The late fees on American's delinquent credit card payments top \$3 billion vii

KeyBank's Financial Wellness Review finds that 49% of credit cardholders don't pay off or add to their balance each month, racking up interest charges



80% of credit cardholders redeem their rewards as cash back, boosting their savings and day-to-day spending

Key Cashback<sup>SM</sup> credit cardholders have earned \$3 million in less than six months since card launched

#### **HOW CREDIT CARDS CAN PROTECT YOU**



### Cell Phones:

Some credit cards offer coverage for phone replacements or repairs to cardholders whose device has been stolen or is broken.



#### **Identity Theft:**

Many credit cards offer identity theft monitoring for free and will alert you if your personal information has been compromised.



#### Fraud:

Often, when credit card companies have identified a fraudulent purchase, they'll contact you immediately and, in many cases, refund the costs.

# WHEN TO BUY WITH CREDIT CARDS

#### If You're New to Credit Cards...

Consider a secured credit card to help establish a strong foundation for good credit.

#### If You're Balancing Credit Card Debt...

Choose credit cards with low interest rates that can help you make progress toward paying down debt.

#### If You're Experienced with Credit Cards...

Research credit card reward options that boost your lifestyle and put money back in your pocket.

- TransUnion Industry Insights Report
- CreditCards.com "The History of Credit Cards" Experian State of Credit Cards Report
- TSYS 2018 U.S. Consumer Payment Study (1)
  NerdWallet "Using a Credit Card to Build Your Credit"
  TSYS 2018 U.S. Consumer Payment Study (2)
- vii NerdWallet 2019 Consumer Credit Card Report viii U.S. Consumer Financial Protection Bureau 2018 Consumer Credit Card Market Report