

# Cash Back vs. Rewards Credit Cards: Which One Should You Get?

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By Annette D. Wilson

Consumers today are given more options when it comes to credit cards. There are cash back credit cards that give away rebates or points equivalent to cash while some credit cards provide bonuses by means of rewards such as free travel, free gas, charity donations, etc. With all these choices, which credit card should you get? To answer this question objectively, let's consider the advantage of both cash back credit cards as well as rewards credit cards.

## Cash-back Credit Cards

An advantage of cash back credit cards over rewards credit cards is its flexibility. With a cash back card, you automatically earn a point or a rebate with any type of purchase you make on your card. Of course, the amount of rebate depends on the credit card issuer which can be from 1% to as much as 2% rebate. Despite the low rebate points of cash back credit cards, it gives the card holder the freedom to use the card in any store he prefers and still get points from all his purchases.

## Rewards Credit Cards

Rewards credit cards generally give a higher percentage of points for its card holders. Most reward credit cards give as much as 5% from purchases. However, these rebate points are only limited if you make the purchase from a designated affiliate merchant.

For example, if you select a gas rewards credit card, you're only entitled to get rebate points each time you refuel your car from affiliate gas stations. If you use your gas rewards credit card to purchase from other establishments, no points will be counted in your account.

If you have a hotel rewards credit card, you'll earn points whenever you use your card from affiliate hotels and establishments. Usually, you will not get points if you use the card for general purchases. Additionally, you can only redeem the points you've earned from the same companies that have partnership with your credit card.

## Weighing Things

Obviously, both types of credit cards can work for your benefit if it matches your lifestyle. If you often shop at a particular store, then why not find a reward credit card that is affiliated with your favorite merchant? Or if you frequently purchase your gas from a particular station, you can also find its affiliated gas reward credit card. If you frequently travel or rent hotel accommodations, why not find a hotel or airline reward credit card that has partnership with your favorite airline or hotel as well?

If you use your credit card for different purposes or if you usually purchase from different stores then perhaps a cash back credit card will be a better choice for you. Even if it gives lower points, you still get points for all your purchases and it also allows you to redeem your points from any store you prefer.

Lastly, it is important to remember that both cash back credit cards and rewards credit card may come with higher interest. Also, bear in mind that most reward credit cards disqualify those who have outstanding balances. Thus, whichever type of credit card suits your needs, the advantages you get will still depend on how you use your credit card. By paying off your monthly credit card bills on time, you dont have to worry about being charged with a high interest. On the contrary, if youre in the habit of putting off your monthly payments on your credit card, the cash back points or the credit card rewards you earn may just go to waste.

Ann Wilson is the head writer of Credit Card Rewards - Credit Card Reward Programs - Travel Reward Credit Cards. This resource provides consumers with valuable reviews and information on the best rewards credit card programs.

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