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The reward credit card tips the scales towards consumers.

by Derek Lenehan

Credit cards that have some sort of rewards offer comprise the majority of all cards available to individual consumers and small businesses. This is for two reasons, the first of which being that, while reward offering credit cards were once a category all their own, rewards are now a feature put on just about every other type of card you can think of. The second reason is because reward offers made credit cards popular. The concept behind the credit card is a little depressing when looked at it alone, you pay for things even if you don't have the money, and a bank charges you extra for it. Reward offers tip the balance a little more towards the consumer and make the idea of a credit card more palatable.

There is probably a reward offering card for any interest you could have. Airline miles, hotel points, cash, gas discounts, book discounts, movie discounts, theme park discounts, Internet website discounts □ they are a fraction of a percentage of the rewards available. Even if you can't find a particular card that suits your fancy, there are general reward offers from issuing companies that permit you to use rebates and discounts at their merchant and retail partners. Many issuing companies have 40 or 50 of these sort of partners. Odds are one of them will have something to fit your niche.

As I said before, reward offer cards aren't so much a category as they are a feature in modern times. Features get blended together to make superior cards. It's common now to have low introductory interest rates, balance transfer capability, and reward offers on your small business credit card which was obtained with instant approval. I'd be willing to bet that, with reward offers being this common, and assuming you have a credit card, you are currently racking up points for a reward offer that you may not even know about. Take a look in your wallet.

You're wondering what the catch is, which I can explain. My father once told me that all tax cuts trumpeted by politicians amount to nothing. If the federal government lowers its taxes, local and state governments will have room to nudge their taxes up. Oh, don't worry, I'm going to tie this all together, this isn't a completely unwarranted rant. Just wait. So anyway, he told me that tax cuts are usually a marketing ploy, and we as constituents might get a little back here and there, but largely we're unaffected.

The point of that is this: for the most part, reward offering credit cards work similarly. While you do get rewards, you'll also typically get a higher interest rate, or a larger overdraft fee. As with most things, it evens out in the end. But also, like most things, if you are quite aware of exactly what you are doing, you can get ahead a little.

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