MUST READ

WINNING THE CREDIT CARD GAME

DUANE_THEWEALTHCONNECTOR

Credits cards have been the blessing and the burden of our culture for many years.

The history of the credit card is interesting to me. In 1850 American express is founded as a comperitor to the u.s. postal service. In 1887 Edward bellamy coins the term "credit card" in his novel, "locking backward". In the late 1800's credit accounts are regularly used by merchants with trusted customers.

In the early 1900's oil companies and department stores use first credit cards.

In 1946 Biggins bank introduces the charg-it card, to be used at brooklyn merchants.

All this led to the first national usage of a credit card.

in 1950 frank mcnamara launches the diners club charge card anfter forgetting his wallet when out to eat.

In 1958 American express launches its first charge card. in the same year visa is founded under the bankamericard brand name.

In 1959 revolving credit card balances are first allowed.

When the Diners Club card came into existance only about 200 friends and family members of founder frank mcnamara got the cards and they were accepted at 27 new york city restaurants. Users were required to pay their bill in full, at the end of the month, in order to continue using them.

By 1951, Diners club had roughly 42,000 members and had begun charging a $5 annual fee. They offered their first plastic credit card in 1961 and surpassed 1 million members in the early 1960's.

Bank Americard was the first credit card to offer revolving credit. In September 1958, Bank of America invented credit card mass-mailing, sending 60,000 unsolicited active cards to consumers in the Fresno, California area. The next year, the company expanded to the San Francisco, Sacramento and Los Angeles markets - ultimately dispersing more than two million cards - usable at over 20,000 merchants - across the states.

But while Bank of America expected that roughly 4% of accounts would prove to be delinquent on payment, the actual figure was around 22%.

That, coupled with public outrage over the fact that cardholders would be held responsible for unauthorized charges, ultimately led to the company losing an estimated $20 million on this initial launch.

Only 51% of households had a credit card in 1970, but that number has grown to 83% in 2021, which is a testament to how much Americans have embraced credit cards over time. We've seen monstrous growth even since the turn of the centry, too. In 1999, there were around 365 million credit card accounts open. In 2020, there were over 511 million account. That's around a 40% increase.

Our credit card debt has skyrocketed, too. In 2017, U.S. consumers hit $1 trillion in credit card debt for the first time, and despite somepayoffs, we've stayed close to the number ever since.

I don't know where you are in your credit experience, but what I do know is that you cannot afford to be ignorant of the ways of this huge system.

Ignorance of any system, impacting your life, will lead to you spending more or being charged more by that system.

I have written this E-book to help you understand the Credit Card System and how to operate effectively in it.

Once you read this ebook and begin to put to practice what I will share, you will experience, the true benefits that can come through this system.

Duane_thewealthconnector

A credit card can help you build credit if you understand how to make the payments and deal with your everyday expenses.

Getting an understanding of how credit cards work can teach you about the benefits of having one over a debit card. Knowing how credit cards work will provide great insights on managing your debt more responsibly.

Credit cards offer you a line of credit that can be used to make purchases, balance tranfers and/or cash advances and requiring that you pay back the loan amount in the future. When using a credit card, you will need to make at least the minimum payment every month by the due date on the balance. If the full balance for purchases is not paid off, interest charges will be applied.

Interest charges will be applied from the date of the transaction for balance transfers and/or cash advances.

Debit cards offer you a convenient way to withdraw money directly from your checking account. This money is not a loan, and no interest is charged. You will not have to make any minimum monthly payments. However, you must be careful not to charge more money than you have available in your checking account.

Credit cards may have an annual fee or an introductory annual fee associated with it. The fee amount depends on the card and can vary after an introductory period. If you make a late payment, you may be charged a late fee.

Certain credit cards may also have other fees associated with them depending on the activity. These may include cash advance fees, balance transfer fees, and foreign transaction fees.

Most debit cards do not charge annual fees, they may carry overdraft fees if there are insufficient funds in the associated checking account. What makes debit cards convenient is that there are no monthly payments on a balance and consequently, no late fees.

Unlike debit cards, credit cards can be used to improve your credit score. A credit card issuer will report each monthly payment that you make to the three credit reporting agencies. With every monthly bill that you pay, you will be contributing to the successful rating of your credit score. Regularly using credit cards responsibly allows you to build credit because it shows lenders that you can manage credit and cashflows.

Making credit card payments on time to lower the credit-debt- ratio that you currently have will work to reduce your debt and improve your credit score. In managing your monthly credit card bill, it is vital to make at least the minimum monthly payment on or before the due date.

A secured crdit card maintains a security deposit which will be deposited in an interest-bearing U.S. Bank Secured Savings Account under your name. After providing the deposit, your application will be reviewed, and once approved, you will be sent a card with a line of credit determined by your deposit amount. Your monthly payments will still be reported to the three major credit bureaus every month, so it is important to keep current in order to avoid impacting your credit score.

A credit card is tied to a credit account with a financial institution. You use a credit card to purchase goods or services with any merchant that accepts credit cards. Some cards also let you get a cash advance, although this isn't recommended because of the high fees involved.

The amount you owe on a credit card is called the "Balance". If you make a $100 purchase, your card's balance would increase by $100.

Each credit card has a "Credit Limit, which is the maximum amount you can owe the bank at one time. For example, if your card's credit limit is $1200, then the balance can't exceed that amount.

The difference between your credit limit and your balance is known as your "Available Credit". Continuing the example above, if your card has a $1200 credit limit and a $100 balance, the available credit would be $1100

After you make a payment, you have more available credit to borrow again. For that reason, a credit card is considered a "revolving line of credit. You can keep using it and borrowing from it, as long as you pay your bill and have credit available.

APR

APR, stands for annual percentage rate and is the annual cost of borrowing money with a credit card. It's the interest rate the card issuer charges on any outstanding balance on your statement date.

Fortunately, you can avoid interest charges by paying off your card's full statement balance. If you do that, you won't need to pay any interest on purchases you make.

Here's an example of how APR works:

Your credit card has an APR of 20%
You have a balance of $1000
If you leave that balance on the card and don't incur any fees, then it would grow to $1200 after one year. (20% of $1000 = $200, added to the amount you owed originally)
If you pay off the full $1000 balance by the due date, there won't be any interest charges.

Just an example cause you have to make minimum payments.

After you are approved for a credit card, it's important to use the card in a way that will improve your credit score. There are several things you need to know about using credit cards effectively.

I have talked with hundreds of clients and thousands of others about the credit card system, trying to help them use their credit cards in such a way that it would increase credit scores, qualify them for increased credit limits, and allow them to build wealth.

The Credit Card system is a game that you must understand if you plan to see increase.

This game requires you to know the goal of the creator. This credit system has one goal and that is to get as much money out your pockets as possible.

Once you understand the goal you then have to understand the system that has been designed to accomplish the goal.

When is comes to the Credit Card System there are 4 things you must understand about your Credit Cards.

1. **Billing Cycle**

The Billing cycle is the approximately one-month period between your last statements' closing date and your current statements' closing date. It is also called a billing period or statement period, your new transactions during this time will impact your next credit card bill.

You can find your credit card billing cycle listed on your monthly statement.

You will notice the start and end dates for your billing period are typically located on the first page of your statement. Your card issuer may list the number of days in your billing cycle, or you will have to count them.

2. Statement Closing Date

At the end of a billing cycle, your transactions from the billing period and previous balances are added together to determine your statement balance.

Three things happen on your Statement closing date. **The first thing** that happens is your credit card company prints your bill and sends it to you. There are several things listed on your Bill. You will find 1. A summary of account activity 2. Payment information 3. Late Payment warning 4. Minimum payment warning 5. Notice for changes in interest rates 6. Transactions 7. Fees and interest 8. Year-to-date totals 9. Interest charge calculation.

The second thing that happens on your statement closing date is you are charged interest on your balance.

The Third thing that happens on your statement closing date is your credit card company reports your balance and payments to the credit bureau. This report may happen within a day or two, but becasue they report based on your statement closing date, the report typically will not agree with your true balance.

3. Grace Period

The Grace period begins the day after your statement closing date and ends the day before your due date. Credit card companies give you a grace period so that you have time to pay your balance in full before any interest charges kick in on the current billing cycle.

This is very important to know because the ability to make payments and impact interest prior to it being put on the card is wisdom.

Now I want to be very clear in this area. If you are going to pay your credit cards off every month, paying on the due date is still going to prevent interest. However, if you will make a partial or minimum payment, paying on the due date will not impact interest like paying in the grace period. I will discuss this more later.

4. Due Date

The last thing you need to know about your credit cards is the due date. This is the date you must make a payment by so you are not charged a late fee.

This is the date that is talked about in most credit card circles, and therefore it is a diversionary tactic to get money out your pocket.

Due dates or not the essential dates but they are the dates focused on by the industry, whose goal is to get as much money out your pockets as possible.

I will now share with you how you will use these 4 things about your credit cards to experience increase.

The Statement Date

The statement date is the most important date if you want to win the credit game. The reason this is the case is because of the 3 things that happen on this date.

Let's break them down!

1. Your Credit Card company will print your bill and mail to you.

The fact that they are printing our bill on this date shows us that what we have in the way of balances on this date matters greatly.

You cannot afford to ignore the statement closing date balance, because everything will be based upon this number. This number will impact your score and interest and payments due.

2. Your Credit Card company will charge you interest on this date.

This is critical because the interest you are charged is not done on the due date balance, but the balances you have had prior along with the current billing cycle.

This means you must know what you have going on here because this interest impact, can negatively impact your credit scores as well.

3. Your credit card company will report you to the 3 major credit bureaus very close to this date, if not on it.

This matters because your credit utilization on this date will be the utilization reported to the credit bureaus.

The credit card system tells you that you want credit utilization under 30%, but does not tell you when it needs to be there.

Let me tell you that a 30% credit card utilization on your statement date is giving away too much money in interest and will not help your credit scores go up.

If you want to see your scores rise and you are not paying your credit cards off on the due date, you need to have your credit utilization below 9% on your statement closing date.

95% of credit card holders carry some balance into the next cycle. Since this is the case, **I am telling the 95% to be below 9% on your statement date.**

When you use your credit cards this way you will always see your scores increasing. The key is to keep balances below 9% and not increasing on your statement closing date.

The system wants your money and they are coming to get it on the statement closing date, unless you pay the credit cards off by the due date.

Let's move on to when you should pay your credit cards

When should I pay my Credit Card?.

Your credit card payment date matters greatly because of what the grace period means.

The grace period allows you

to eliminate any interest on the current billing cycle. Remember, during the grace period you will not be charged any interest on current billing cycle.

When you make a payment, while not being charged interest, you will be hacking the credit card system, which knows that most people pay on the due date and use minimum payments.

Every time you pay on the due date and do not pay the balances off, you are allow the credit card company to charge you interest on the CURRENT billing cycle. They will already be charging you interest on any prior balances, but the current billing cycle joins this list on the due date.

My recommendation for credit card payments for people not paying balances off monthly is to use the 15/3 method.

The 15/3 method will mean that you break the payment you plan to make this month into 2 halfs.

15 days before the due date you will pay 50% of your planned payment.

3 days before your due date you will pay the other 50% of your planned payment.

Both payments will be in the GRACE period and will impact their ability to charge you interest and will impact the compound interest you are being charged on prior billing cycles.

Winning the Credit game will require you to know what the industry is up to.

Here is the deal. They simply love it when you buy on credit, which increases your debt, and pay interest on top of interest monthly.

This makes the industry and the Rich even richer. They are getting rich off your lack of understanding.

However, when you realize what the system is doing you can use their rules to get higher credit scores, higher credit limits, and build wealth using other peoples money.

Things to Remember:

NEVER PAY YOUR CREDIT CARDS ON THE DUE DATE UNLESS YOU ARE PAYING THE FULL BALANCE.

HAVE YOUR UTILIZATION NUMBER BETWEEN 1 AND 9% ON THE STATEMENT CLOSING DATE AND NO HIGHER!

PAY YOUR CREDIT CARDS USING THE 15/3 METHOD AND NO OTHER METHOD UNLESS YOU ARE PAYING THE BALANCE IN FULL!

NEVER USE AUTO PAY UNLESS YOU ARE PAYING THE BALANCE IN FULL. AUTO PAY WILL PAY MINIMUM ON DUE DATE AND COST YOU INTEREST.

ONLY APPLY FOR CREDIT CARDS ONCE A QUARTER. IF YOU ARE APPROVED WAIT 6 MONTHS TO APPLY AGAIN OR ASK FOR CREDIT INCREASES.

I hope you got it and you get it. The Credit Card System is designed to take money out your pockets.

The design works to the degree you are ignorant of how the system works.

I believe your goal needs to be to leave a little as possible on your personal credit cards. This way you pay little in interest.

The wise person learns to use other peoples money to buy assets that build wealth. Once you see the credit card right, you too, can build wealth.

There is no reason to charge up a card for things you cannot afford to pay for. Credit cards, when used properly, give you access to wealth that will allow you to have assets on your balance sheet that keep producing the income necessary to sustain your life and prepare generations to come.

If you take this serious and apply what was shared, you will see your credit scores increase, and your credit limits too.

As I was writing this I got a 10k increase on one card just because of how I was using it and paying it down. I got a 100k card just because I applied, after having managed the others so well.

You can do this and you should. Thanks for reading and applying it and your future thanks you.

Duane_thewealthconnector is impacting the world with his passionate style of sharing financial truths. If you want to build, live and sustain wealth, connecting with him and his message is a must.

To make this connection you will find him on all social media sharing his message of Financial Freedom. Once you connect, nothing remains the same.

He says the best move he ever made was to believe the God in him had bigger plans than the life he had gotten accustomed too. Serving others requires personal success. And the wealthy life he now lives allows him to be the blessing he once dreamed of.