

Debit vs. Credit Card Answer Key

DEBIT CARD

Available on all checking accounts.

Typically must be at least 13 years old to get one.

Money spent comes directly from your account.

No interest payments.

Does not build credit.

If fraudulent activity occurs, you often must wait for a money refund.

Usually requires a Personal Identification Number (PIN).

A plastic card you can get from a bank.

Often comes with overdraft and out-of-network fees.

Sometimes offers cash back as a reward.

CREDIT CARD

Typically must be 21+ to get one, but younger people can sometimes get one if they have a cosigner.

Must pay interest on any unpaid balance.

Builds credit.

Often easier to dispute fraudulent claims.

Offers rewards like cash back or miles.

Plastic card you can get from a bank or another institution.

Can be used to make purchases even if you do not have cash on hand.

Often comes with fees such as late, return payment, balance transfer, cash advance, or foreign transaction fees.

Considered risky because you can accrue debt.

Money spent is borrowed and must be repaid.