

Should You Get a Second Credit Card?

What are the advantages of having a second credit card?

This article will cover:

- What the best second credit card is for you
- Does getting a second credit card hurt credit score
- Tips for choosing another card

You've finally started to [rebuild your credit score](#). Things are going great. And then you see it in the mailbox: An [offer for a brand new credit card](#)!

You've been pre-approved or pre-selected to receive a whole new line of credit. But [is that wise](#)? Will it help? You immediately wonder, "Should I get another credit card?"



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This educational resource starts by covering the [basics of getting a second card](#). No matter your reason for considering another credit card, the benefits of doing so all come down to the same couple of pros:

- According to [creditcard.com](#), the most important reason is a second card, **if managed properly**, can [improve your credit score](#) and have a long term positive impact on your credit history.
- The next most often cited reason is that another card can act as a backup to your primary card in case of an

emergency.

- And the third most common reason for getting a second card is it can diversify your credit pool.



How a Second Card Improves Your Credit Score

There are potential benefits to having more cards. Having two or more cards is a strong signal to credit card marketers that you can manage your debt, personal finances and credit successfully.

Showing you can manage your finances and establishing a good payment history gives credit card servicers confidence and that may lead to favorable opportunities, such as [credit limit increases](#).

Also, if you manage to pay down your balance on both cards, you will automatically improve your credit score by the next month it gets calculated. This improvement happens because you [improve your credit utilization ratio](#).



How a Second Card Helps in Emergencies

This may seem obvious, but it's still an important feature. If you have multiple cards, then you have an emergency option if something happens to your primary card.

This really comes in handy when you travel. A lost card when you are on vacation can create a personal finance crisis. But having that other option can tide you over until your credit card servicer gets you a replacement plastic.



How a Second Card Helps Diversify Your Credit

One benefit of a second credit card that should not be overlooked is the diversity it brings to your credit history.

Most of the time people get caught up in the details. They're looking at a card's interest rate or its annual fee or its foreign transactions fees.

But having a second card has the ability to provide diversity to your credit report. Having a variety of types of credit, including travel rewards cards, cash back rewards programs, and [charge cards](#), shows a credit servicer that you can maintain good spending habits through a variety of different lending channels.



What are the Pitfalls of a Second Credit Card?

Now that you know how a second card can benefit you, take a moment before jumping at that credit card offer in your mailbox to consider the problems a second card can create.

The offers you receive in the mail, even with transparent advertiser disclosures, may not be telling you the whole story. There are some valid reasons you should avoid getting a second or third or even fourth credit card.

According to [creditcards.com](#), those reasons include:

- Another card can create problems paying your bills on time.
- Another card can create more debt problems after you balance transfer card debt.

- Another card can create obstacles when you are looking to make a major purchase like a car or home.



How Another Card Creates Problems with Bills

Remember how above we spoke about how that second and third card can help with your credit utilization because it gives you more available credit? The opposite can also be true.

Multiple credit cards can create problems for you because you have more available credit and if you use that credit up, you may sink further into debt.

A lower credit limit means your ability to consistently pay off your credit balance is easier. Sometimes less really is more!



How Another Card Creates Debt Problems

Some of these credit card offers you receive in the mail may contain very tempting terms, including a low introductory rate or 0 percent interest for a period of time. That's when you start considering taking your debt on one card, and transferring the balance to this new card.

But as with the previous obstacle, if you can't pay down that debt before that term's period of time ends, you're run the risk of being [stuck with more debt](#) than before.



How Another Card Creates Purchase

Problems

If you're looking to make a big purchase, such as a new automobile or a new home, you should be wary of adding new credit cards to your finances. The bigger purchases will show up as new lines of credit on your credit report and will take up a very big chunk of your credit history moving forward.

It might work better for you if you wait a year before opening a new line of credit. That big purchase may no longer be seen as a new line of credit by that time.



What is the Best Second Card to Choose?

You have a lot of options in front of you. It could be [a Surge Card](#), or a FIT Mastercard, or a Discover It Card that you are trying to decide between.

First of all realize there's no one single correct answer. According to [U.S. News](#), you should choose your second credit card carefully. What you want to do is **choose the card that is best for you and your personal finances**. So what you can do is you take the offers, put them in a pile and start looking at what terms you are being offered.

Tips to Help You Choose a Second Card

- **Have a goal in mind.** You want to know what your expectations are. Determine what you are looking to achieve by having a second card. That will help you define which offer is best.
- **Pay attention to the APR and annual fees.** Fees are a big part of how credit card servicers make their money day in and day out. But if you pay attention to your terms

and conditions there is a good chance you will be able to find a second card that has better fees and terms than your previous card.

- **Consider any rewards programs you were offered.** If you have raised your credit score diligently over the period you had your first card, your second card could come with a variety of options including travel rewards and cash back bonus rewards. Even at 1% to 3% rates, a cash back bonus program can help you save each month on your bills including groceries, gas, and restaurant purchases.
- **Create a relationship with a new financial institution or lender.** A second card can be obtained through a completely different bank or credit card servicer. And that can give you a chance to create a positive credit history with a brand new group.

In Conclusion

Getting multiple credit cards can help you build your credit and improve your score. But you need to make the decision very carefully and then use your second card wisely. Remember that you are managing your debt and your finances no matter how many pieces of plastic you have in your wallet.

Stay diligent and be responsible with your bills and your purchases.

If you stick to the path that you were when you started your credit building journey, then a second card will help you achieve even better results as you grow your credit score.



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