Retailers often dangle enticing offers in front of customers at check-out to sign up for store credit cards. One common enticement is a 10 to 15% discount on purchases made that day. Other offers include zero-interest financing for a limited time, free-shipping, or even a cash bonus just for signing up for the card. These enticements are usually offered when customers are under pressure at the check-out.

THE “HOOK”
You spent your lunch hour pacing the store agonizing over holiday gifts for your family. When you finally make it to the checkout your stomach is growling as you anxiously watch the total on the register jump past the limit you gave yourself. Just then the cashier asks if you're interested in saving 15% on your purchase by signing up for the store credit card. It’s fast and easy, he says, and you’ll earn loyalty points with each purchase you make. You are teetering on the edge of the decision, thinking: I can sign up, take the savings, pay off the balance and cancel the card. Easy, right?

Did you know that opening up too many credit cards can hurt your credit score? Applying for a new credit card creates a hard inquiry on your credit report and also lowers the average age of your available credit which can make it appear that you are in financial need; both of these factors will likely knock a few points off your credit score. Losing a few points on your credit score may or may not be a major concern depending on your current score and your near-term financial plans. But if you are considering a major loan (a home purchase, for example) a few points on your credit score can result in a higher interest rate that ends up costing thousands of dollars over your lifetime.

And what happens if for some reason you are not able to pay off your balance right away? Maybe you don't receive that birthday check this year, or maybe you just overlook the credit card bill and miss the payment date. Interest rates on store cards often exceed 22% and can be twice as high as what you would pay with traditional credit cards. While some cards come with no-interest teaser rates, those terms usually disappear if you miss a principal payment.

THE LESSON
Don’t feel pressured to say “yes” to the store credit card offer at the check-out counter. Is the one-time savings worth the risks? If you still think so, consider bringing your receipt back later in the day after you’ve eaten lunch, done some research, and thought it over. Most stores will still sign you up and give you the savings.

A thoughtfully chosen card with incentives has its place in the savvy and responsible consumer’s wallet. Use free non-biased online resources to help you research the best credit card offers (for example, search for “credit cards” on consumerreports.org). Take your time and think long term; your future self will thank you.

Information obtained to write this article can be found at:
https://www.consumerreports.org/cro/store-credit-cards/buying-guide