

## Multiple Credit Cards: How many cards are enough?

While there is no set number of credit cards that you should or should not have, the key is to having a manageable amount that works for best you. Two or three cards is a generally good number to have allowing you to stay on top of the current interest rates and fees, and any rewards or bonuses offered.

### But how many cards are too much?

There really is no magic number. However, the single most important thing to remember is that it's not the number of credit cards that you have, it's your outstanding balances and the number of years that your accounts have been opened.

You should aim for an outstanding balance between 25-50% of the available credit, though paying balances in full each month is recommended to avoid finance charges.

An outstanding debt of 50 percent or more of your available credit is seen negatively to creditors who may question your ability to repay the balance if you are faced with a major financial obstacle.

### Things to consider:

1. **Reward payments.** Many credit cards only pay out rewards when you have reached a certain spending threshold. If you use too many cards, you may never reach the annual threshold.
2. **Time management.** If you have more cards, you'll spend more time reviewing credit card statements, paying bills, etc.
3. **Budgeting.** It's easier to set a budget and keep to it if you use only one or two credit cards. You can see how much you're spending and set limits.
4. **Backup.** If you lose a credit card, or it gets stolen, having a backup card is useful.

5. **Maximize rewards.** Many cards offer higher rewards based on what you purchase. Some, for example, give better rewards for gas, or groceries, or even dining out. So carrying multiple cards and using them wisely can give you good reward benefits.
6. **Expense tracking.** Allocating different credit cards for different types of expenses makes tracking your spending convenient and easy.

So remember, the number of credit cards you carry is your personal choice. Take into consideration that your outstanding balances and the number of years that your accounts have been opened can be the most important factor in your decision-making process.