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Don't Let Increasing Interest Rates Get You Down: These Low-APR Credit Cards Can Help

by Jocelyn Baird March 21, 2018

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Up and up the federal interest rate has been climbing in recent years, thanks to strong economic growth. While some industries and consumer products, such as [CDs and savings accounts](#), benefit from these rate hikes, increasing interest rates can spell bad news for [credit card owners](#) who see their variable interest rates go up. The good news is that if you're worried about paying more interest in the coming months, you don't have to be. Whether it's an outstanding balance that

has you tossing and turning at night, or you simply want to avoid paying more interest on your purchases, you're in luck because a number of great [low APR credit cards](#) are waiting to help. Don't believe us? Keep reading to get the full scoop on this week's rate hike as well as which credit cards will help you steer clear of increasing interest rates.

The Fed voted on another rate increase

After a two-day meeting between March 20 and 21, the Federal Reserve Committee voted unanimously 8-0 in favor of raising the rate by a quarter of a percentage point, bringing the benchmark federal funds rate to a range of 1.5% to 1.75%. Increasing interest rates are the name of the game in a strong economy, and this rate hike is the first of three planned rate increases in 2018, followed by more in [2019 and 2020](#). It is also possible there will be a fourth added this year. This was chairman Jerome Powell's first meeting since taking his position, and in its post-meeting press release, the committee stated that, "The economic outlook has strengthened in recent months." This marks the [sixth time](#) overall since 2015 that the rate has increased.

How can you escape increasing interest rates?

As we've [written about](#) in the past, a Fed rate hike generally means positive things for savers, as the amount of interest their savings account generates increases, but it's not so great for anyone with a variable-rate credit account with an outstanding balance, since their APRs will undoubtedly increase. The good news is, you can sidestep potential problems by ditching your high-APR credit card for one that has a long 0% intro APR or a low ongoing APR. To help you out, here are some of the best options for [low-APR credit cards](#).

If you want to avoid interest for a long time ...

Wells Fargo Platinum Visa Card



The [Wells Fargo Platinum Visa Card](#) offers an outstanding **18-month 0% intro APR** on both purchases and balance transfers (with an intro balance transfer fee of 3% for the first 18 months, then it's 5%), which means you won't have to worry about any future rate hikes until 2020. This card also features no annual fee and provides cardholders with their FICO credit score via Wells Fargo Online. Cardholders will also appreciate one of our favorite unexpected credit card perks — **mobile phone protection**. If you pay your cell phone bill with your Wells Fargo Platinum Card, you can get up to \$600 in covered damage or theft (with a \$25 deductible and a maximum of 2 claims per year). Additionally, the card is available to those with good to excellent credit (usually considered a credit score of 700 or higher).

If you want to earn rewards while you save on interest ...

Citi Double Cash Card

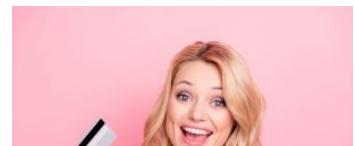


The [Citi Double Cash Card](#) (a NextAdvisor advertiser) is another strong cash back credit card that adds a creative twist your earnings — you'll get 1% cash back on your purchases when you make them, then an additional 1% cash back when you pay them off. This adds up to an **effective 2% cash back on every purchase**. In

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addition, there's also an impressive **18-month 0% intro APR on balance transfers** with this card, though you'll want to be aware of the 3% or \$5 balance transfer fee (whichever is greater). It should also be noted that unlike the other cards on this list, the Citi Double Cash Card does not have a 0% intro APR on purchases. No annual fee, perks like travel insurance and Citi's Price Rewind feature that automates the process of making sure you get the best price on your purchases and free monthly Equifax FICO credit scores make this a terrific card to have in your wallet. You can redeem your rewards for a check, a statement credit, a direct deposit into your bank account or gift cards. Note that you need good to excellent credit (usually considered a credit score of 700 or higher) to be approved for this credit card.

If you have average credit ...

Discover it Cash Back



Wondering what low-APR credit card options are left for someone with average to excellent credit (typically scores of 670 or higher)? Never fear, [Discover it Cash Back](#) is here! Balance transfers as well as purchases are covered with a **14-month 0% intro APR** with this card, and you'll pay a reasonable 3% balance transfer fee for any transfers you make (after the 0% intro APR expires, a go-to variable rate applies). Cash back is earned at a rate of **5% for purchases made in specific categories** that change every quarter (up to the quarterly maximum, currently \$1,500, then it's 1%) and 1% cash back on everything else. You're required to activate the 5% cash back every month, but Discover will remind you when it's time to do so. Categories for 2018 include gas stations and wholesale clubs from January to March, grocery stores from April to June, restaurants from July to September, and Amazon.com and wholesale clubs from October to December. As special bonus, all the cash back earned in your first year with this card will be matched by Discover at the end of your first year – this means if you earn \$300 in your first year, Discover will match that \$300 to give you a total of \$600 back. There's no annual fee for this credit card, and you'll get to enjoy a whole host of Discover user perks like [40+ unique card designs](#) and [identity theft protection](#).

Don't see a credit card that calls to you on this list? Rest assured that there are plenty more [low-APR credit cards](#) out there to help you combat increasing interest rates.

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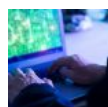
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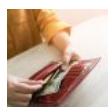
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Jocelyn is a NextAdvisor.com writer with a love for coffee, reading and all things personal security. She currently covers identity theft, credit monitoring and credit cards. She has been a guest on several radio shows nationwide and her cybersecurity and personal finance expertise have been featured by Forbes, USA Today, Kiplinger's Personal Finance, The Huffington Post and more. She is a graduate of Syracuse University with a dual degree in Writing and Rhetorical Studies and Anthropology. Follow her on Twitter @JocelynAdvisor.



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