

Best cash-back credit cards of February 2020

Last Updated, February 20, 2020



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List of Top Picks



Every serious credit card rewards strategy should involve a cash-back credit card. In fact, a recent CardRatings survey showed that credit card holders across the country overwhelmingly chose a card that puts cash back in their pocket versus a card that earns points or miles. That's because these cards essentially offer you a way to earn cash-back rewards on every purchase you make and, in some cases, that cash back percentage is substantial (think as high as 6% on your grocery purchases, for instance). Furthermore, a number of the best cash-back cards from our partners also happen to be no-annual-fee cards. The key with these cards, as with any credit card, is to ensure that you're using them smartly AND that you've selected a card that aligns with your spending habits, financial goals and credit history. Let us help you understand what a cash-back credit card is (and isn't) as well as how to use that card. The average American credit card holder has four credit cards in his/her wallet, and there are literally hundreds of options out there. So is it worth getting a cash-back credit card? We think so, and if you're looking to add a cash-back credit card to your portfolio, we can help. We can even offer some guidance on how to use more than one cash-back credit card to maximize your rewards. So what are the best cash-back credit cards of 2020? We reviewed several of our favorite cash-back credit cards for small businesses and consumers, taking a look at their reward structures, credit score needed, best features, potential drawbacks and more to help you understand which credit cards give the most cash back, and which ones could be the right fit for your lifestyle. We've narrowed down the options for you to some of

the top picks on the market right now. BEST CASH-BACK CREDIT CARDS TIERED REWARDS | FLAT-RATE | ROTATING CATEGORIES | CARDHOLDER'S CHOICE REWARDS | SMALL BUSINESS | NO FOREIGN TRANSACTION FEES | FAIR CREDIT | BAD CREDIT | STUDENTS Still have questions? Reach us at editors@cardratings.com. FEATURED CREDIT CARDS

FEATURED CREDIT CARDS

	<p>Consumer: Bank of America® Cash Rewards credit card</p>	<p>Business: Ink Business Cash™ Credit Card</p>
	 <p></p>	 <p></p>
Annual Fee	\$0	\$0
New Cardholder Bonus Offer	Earn \$200 online cash rewards after spending \$1,000 on purchases in the first 90 days of account opening	New cardholders earn a \$500 cash bonus after spending \$3,000 in the first three months
Rewards	Earn 3% cash back in a category of your choice from the following list: gas (the default), online shopping, dining, travel, drug stores or home improvement/furnishings and 2% back at grocery stores and wholesale clubs (up to \$2,500 in combined choice category/grocery store/wholesale club quarterly purchases). Earn an unlimited 1% back on all other purchases and the bonus categories after reaching the cap. You can update your choice category once each calendar month using the mobile banking app or online banking, or do nothing and it remains unchanged.	Earn 3% cash back on your purchases at office supply stores and on your internet, cable and phone services (up to \$25,000 in combined spending each account anniversary year). Earn 2% back on the first \$25,000 you spend each account anniversary year on combined purchases at gas stations and restaurants. You'll earn 1% back on all your other purchases as well as in the bonus categories once you reach the spending cap.
Why We Like It	With all the online shopping people do these days, it was past time for a credit card to offer bonus rewards for online shopping. This card offers just that and so much more, including bonus cash back if you're a Preferred Rewards client of the bank (details below).	Earning up to 3% cash back in popular business categories is always nice; it's even nicer when you can do it without having to budget for an annual fee. Plus, you can combine the Ultimate Rewards® from this card with rewards earned through other Chase products (details below).

TIERED REWARDS CASH-BACK CREDIT CARDS

[Capital One® Savor® Cash Rewards Credit Card](#)



[Apply Now](#)

Why We Like It: Finally! A tiered cash-back card that rewards you well for both dining out and cooking at home. Plus, a \$300 bonus after spending \$3,000 on purchases in the first three months, there are no foreign transaction fees to worry about and the annual fee is comparably reasonable and waived the first year.

Bonus: Earn a \$300 cash-back bonus after you spend \$3,000 on purchases within your first three months of account opening.

Annual Fee: \$0 intro for first year; \$95 after that

Rewards Rate: Earn an unlimited 4% back on all your dining and entertainment purchases, 2% back at grocery stores, and 1% back on all your other purchases. Plus, enjoy 8% cash back on tickets at Vivid Seats through May 2020.

Read our full [Capital One® Savor® Cash Rewards Credit Card review](#).

Credit Needed: Excellent, Good

EDITOR'S NOTE

If you don't want to pay an annual fee, you might consider the [Capital One® SavorOne® Cash Rewards Credit Card](#). You'll earn 3% cash back on dining and entertainment, 2% back at grocery stores and 1% back on everything else. There are no annual fee or foreign transaction fees, and you can earn a one-time \$150 bonus after you spend \$500 on purchases in the first three months.

[Blue Cash Preferred® Card from American Express](#)



[Apply Now](#)

[See Rates and Fees](#)

Why We Like It: This card rewards you handsomely for living your everyday life – U.S. supermarket, select U.S. streaming subscriptions, U.S. gas station and eligible transit purchases all earn bonus cash back. (American Express is a CardRatings advertiser)

Welcome Offer: Earn a \$250 statement credit after you spend \$1,000 within the first three months.

Annual Fee: \$95.

Rewards Rate: Earn 6% back on up to \$6,000 in purchases at U.S. supermarkets annually (then, 1%) and on select U.S. streaming subscriptions; earn 3% back at U.S. gas stations and on transit including rideshares, train fares, tolls, parking and more; earn 1% back on all other purchases. Plus, enjoy 0% intro APR for 12 months on purchases and balance transfers, then 14.49% - 25.49% Variable.

Read our full [Blue Cash Preferred® Card from American Express review](#).

Credit Needed: Good, Excellent.

[Blue Cash Everyday® Card from American Express](#)



Apply Now 

[See Rates and Fees](#)

Why We Like It: This no-annual-fee credit card offers you excellent cash back earning across a number of everyday categories. Why wouldn't you want to earn cash-back rewards on purchases that just get you through the day? Furthermore, this card offers you an introductory 15 months no interest on purchases and balance transfers (then, 14.49% - 25.49% Variable). (American Express is a CardRatings advertiser)

Welcome Offer: Earn a \$150 statement credit after you spend \$1,000 within the first three months of opening your account.


Annual Fee: \$0 **Rewards Rate:** Earn 3% back on up to \$6,000 in purchases at U.S. supermarkets annually (then, 1%); earn 2% cash back at U.S. gas stations and at select U.S. department stores; earn 1% on your other purchases.

Read our full [Blue Cash Everyday® Card from American Express review](#). Credit Needed: Good, Excellent

FLAT-RATE CASH-BACK CREDIT CARDS

[Citi® Double Cash Card - 18 month BT offer](#)



Apply Now 

Why We Like It: With no annual fee and a simple earning structure that allows you to earn more than the typical flat-rate cash-back rewards credit card, this is a winner. (Citi is a CardRatings advertiser)

Bonus: There's not a traditional bonus, per se, but this card does have an introductory offer of 18 months of no interest on balance transfers (then, 15.49% – 25.49% (Variable)), which could be "bonus" enough if you're currently paying hefty interest charges on a balance you're carrying on another card. **Annual Fee:** \$0

Rewards Rate: You'll earn 1% back when you make your purchases and another 1% back when you pay your bill on time (at least the minimum balance due), for a possible total of 2% cash back on all your purchases, a nice lift over the typical 1.5% cash back offered by many flat-rate cash-back rewards credit cards.

Read our full [Citi® Double Cash Card - 18 month BT offer review](#).

Credit Needed: Excellent, Good

Capital One® Quicksilver® Cash Rewards Credit Card



Apply Now 

Why We Like It: Flat-rate cash-back rewards cards are great for the "I just want to earn but don't want to think about it" crowd. This particular card also happens to be good for anyone who wants that mindset while traveling abroad as it doesn't charge foreign transaction fees – a relatively rare feature among cash-back credit cards, especially one with no annual fee.

Bonus: Jump start your cash back earning with a \$150 bonus after spending just \$500 on purchases during the first three months of card membership.

Annual Fee: \$0

Rewards Rate: Earn 1.5% cash back on all your purchases without worrying about categories or spending caps. Plus, if you're looking for a 0% intro offer, this card has you covered with an introductory 15 months no interest on purchases and balance transfers (then, 15.49% - 25.49% (Variable)). If you're thinking about a balance transfer, take special note of that welcome bonus opportunity mentioned above – it could go a long way to helping you offset your balance transfer fee.

Read our full [Capital One® Quicksilver® Cash Rewards Credit Card review](#).

Credit Needed: Excellent, Good

Chase Freedom Unlimited®



Apply Now 

Why We Like It: The convenience of a flat-rate rewards card along with the flexibility and value of Ultimate Rewards® points goes a long way in our book, making this a strong contender for a best cash-back credit card.

Bonus: New cardholders can earn \$150 cash back once spending \$500 within the first three months of opening an account. Plus, take advantage of an intro offer of 15 months no interest on purchases and balance transfers (balance transfer fee applies). After the intro period, the rate jumps to 16.49% - 25.24% Variable.

Annual Fee: \$0


Rewards Rate: Earn a flat and unlimited 1.5% back on all your purchases.

Read our full [Chase Freedom Unlimited® review](#).

Credit Needed: Excellent, Good

Wells Fargo Cash Wise Visa® card



Apply Now 

Why We Like It: This is a flat-rate cash-back option that offers the added perk of cell phone protection that covers you against eligible damage and theft to your phone when you pay your cellular bill with your card. Additionally, you can redeem your cash rewards directly from a Wells Fargo ATM.

Bonus: Earn a \$150 bonus after you spend \$500 in the first three months. Plus, earn 1.8% cash back on qualifying digital wallet purchases, like those with Google Pay™ or Apple Pay®, during the first 12 months.

Annual Fee: \$0 **Rewards Rate:** Earn an unlimited 1.5% back on all your purchases.

Read our full [Wells Fargo Cash Wise Visa® card review](#).

Credit Needed: Excellent, Good

CASH-BACK CREDIT CARDS WITH ROTATING CATEGORIES

[Chase Freedom®](#)



[Apply Now](#)

Why We Like It: Get the most out of 5% cash back in multiple categories. The categories rotate quarterly, but being strategic with your spending can mean big bucks. Plus Chase Ultimate Rewards® points are highly useful and can be combined in a single pot if you happen to have other Chase cards that operate on the Ultimate Rewards® system.

Bonus: Earn a \$150 bonus after you spend \$500 in the first three months. Plus, enjoy 0% intro APR for 15 months from account opening on purchases and balance transfers, then 16.49% - 25.24% Variable.

Read our full [Chase Freedom® review](#).

Annual Fee: \$0 **Rewards Rate:** Earn 5% back on up to \$1,500 in purchases in quarterly bonus categories when you sign up (then 1%). Earn 1% on all your other purchases. Check out the current 5% bonus categories.

Credit Needed: Excellent, Good

PRO TIP:

Don't be afraid to carry both this card AND Discover it® Cash Back. The 5% categories will likely be different each quarter, so having both can be your ticket to getting 5% cash back on more of your purchases!

[Discover it® Cash Back](#)



[Learn More](#)

Why We Like It: What's not to love about a no-annual-fee card with which you effectively earn up to 10% back during your first year as a cardholder? Discover MATCHES ALL CASH BACK EARNED during the first year (more below), so your 5% back is effectively worth 10% back in that first year.

Bonus: Here's what that "first-year match" means: Cardholders earn 5% cash back in quarterly rotating categories each quarter you activate (up to \$1,500 spent quarterly). At the end of your first year, Discover MATCHES that 5% —effectively meaning you earn 10% cash back in those categories. You also earn 1% back on all your other purchases so, with the first-year match, you effectively earn 2% back. Most flat-rate cash-back cards offer 1.5% back, so the first year rewards here really can't be beat.

Annual Fee: \$0.

Rewards Rate: Each quarter you activate you'll earn 5% back on the first \$1,500 spent in that quarter's categories. Earn 1% back on all your other purchases and on any purchases over the cap in the bonus categories. If you max out your spending in the bonus categories each quarter, you'll earn \$75 cash back on those purchases alone. Thanks to the first-year match, that means you would earn \$150 cash back each quarter that you activate and max out your spending during your first year.

Read our full [Discover it® Cash Back review](#).

Credit Needed: Excellent, Good

CASH-BACK CREDIT CARDS WITH CARDHOLDER'S CHOICE REWARDS

[Bank of America® Cash Rewards credit card](#)



[Apply Now](#)

Why We Like It: This card has a lot going for it including no annual fee, the option to choose your top rewards category from a list of six, solid rewards for everyday spending beyond that top category and even the opportunity to up your cash back earning by 25%-75% more on each purchase.

Bonus: Earn \$200 in online cash rewards after making \$1,000 in purchases in the first 90 days of account opening.

Annual Fee: \$0

Rewards Rate: Earn 3% cash back in your choice category (gas, online shopping, dining, travel, drug stores or home improvement/furnishing) and 2% back at grocery stores and wholesale clubs (up to \$2,500 in combined choice category/grocery store/wholesale club quarterly purchases), and earn an unlimited 1% back on all other purchases. Update your choice category for future purchases once each calendar month using the mobile banking app or online banking, or do nothing and it stays the same.

Additional Details: As a Preferred Rewards client (membership and tiers are based on a three-month average balance across your eligible Bank of America accounts) you can earn 25%-75% more cash back on each purchase depending on your tier. Bank of America also offers BankAmericards® through which you select deals from an ever-changing list of retailers, restaurants and websites, pay for your product or service with an eligible Bank of America credit or debit card, and earn the listed cash back directly into your linked account. The Bank of America® Cash Rewards credit card is among the bank's credit cards that are eligible for the program.

Read our full [Bank of America® Cash Rewards credit card review](#).

Credit Needed: Excellent/Good

[U.S. Bank Cash+™ Visa Signature® Card](#)



Apply Now

[See Rates and Fees](#)

Why We Like It: Cardholders have the power to decide where they'll earn the highest percentage of cash back, which means you can truly tailor this card to perfectly fit your spending habits – and you can change your mind quarterly. All with no annual fee.

Welcome Offer: Receive a \$150 cash-back bonus after you use your card to make \$500 in purchases within the first 90 days.

Annual Fee: \$0*

Rewards Rate: Earn 5% back on \$2,000-worth of combined purchases in two categories that you select quarterly; earn 2% back in one "everyday" category you select quarterly, such as gas or groceries; earn 1% back on everything else.

Credit Needed: Good, Excellent

BEST CASH-BACK CREDIT CARDS FOR SMALL BUSINESSES

[Ink Business CashSM Credit Card](#)



Apply Now

Why We Like It: We mentioned in the featured card spot above that this no-annual-fee card is tops when it comes to excellent earning for small businesses as well as flexible rewards that can be combined with other Chase Ultimate Rewards® earned through other cards.

Bonus: New cardholders earn a bonus of \$500 after spend you \$3,000 within the first three months of card membership.

Annual Fee: \$0

Rewards Rate: Earn 5% cash back on purchases at office supply stores and purchases of internet, cable and phone services (up to \$25,000 in combined spending each account anniversary year). Additionally, earn 2% back on the combined \$25,000 spending each account year on gas station and restaurant purchases. Earn 1% back on your other purchases as well as in the bonus categories once you reach the spending cap.

Read our full [Ink Business CashSM Credit Card review](#).

Additional Info: This card's cash back rewards accumulate as Chase Ultimate Rewards® points, which means you can decide to use the rewards as cash back or redeem them for travel. Furthermore, you can combine points you earn with this card with points you've earned through other Ultimate Rewards® cards, such as the Ink Business PreferredSM Credit Card, in order to make your points add up more quickly and possibly be worth more. Ink Business Preferred® cardholders receive 25% more value when they redeem points for travel through the Ultimate Rewards® portal.

Credit Needed: Excellent, Good

[Capital One® Spark® Cash for Business](#)



Apply Now 

Why We Like It: An easy-to-understand rewards structure lends itself well to busy business owners who just want to earn rewards with a cash-back credit card but don't want to jump through a bunch of hoops to do it.

Bonus: Earn a one-time \$500 cash bonus once you spend \$4,500 on purchases within three months from account opening.

Annual Fee: \$0 intro for first year; \$95 after that

Rewards Rate: Earn an unlimited 2% cash back on every purchase, every day.

Read our full [Capital One® Spark® Cash for Business review](#).

Credit Needed: Excellent, Good

EDITOR'S NOTE

Like what you read about the card above, but don't want to budget for an annual fee? [Consider Capital One® Spark® Cash Select for Business](#). With this card, you'll earn 1.5% cash back on every purchase, every day, but you won't have to pay an annual fee to do it. And there's still a nice bonus offer opportunity: Earn a \$200 cash bonus after you spend \$3,000 on purchases within the first three months from account opening.

[American Express® Blue Business Cash Card](#)



Apply Now 

[See Rates and Fees](#)

Why We Like It: Simplicity is such a nice feature when it comes to cash-back credit cards and this one has it in abundance. Furthermore, it's a solid no-annual-fee option.

Bonus: There's not a traditional bonus right now, but there is a special introductory offer of 0% interest on purchases and balance transfers for the first 12 months you're a cardholder (then, 14.74% - 20.74% Variable).

Annual Fee: No annual fee

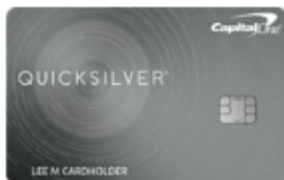
Rewards Rate: Earn 2% cash back on the first \$50,000 you spend each year, then 1% after you reach that spending cap. Adding to the simplicity, your cash-back rewards are automatically credited to your statement.

Read our full [American Express® Blue Business Cash Card review](#).

Credit Needed: Good, Excellent

BEST CASH-BACK CREDIT CARDS WITH NO FOREIGN TRANSACTION FEES

[Capital One® Quicksilver® Cash Rewards Credit Card](#)



Apply Now 

Why We Like It: As we mentioned above, this card is the rare cash-back rewards card that won't hit you with fees (usually in the 3% range) each time you use it while traveling abroad. That, combined with its solid flat-rate cash-back rewards rate, makes it a winner.

Bonus: Earn a \$150 bonus after spending \$500 on purchases within your first three months as a cardholder.

Annual Fee: \$0

Rewards Rate: Earn 1.5% cash back on all your purchases. There are no categories or spending caps to think about. Additionally, you can take advantage of an introductory 15 months no interest on purchases and balance transfers (then, 15.49% - 25.49% (Variable)). Remember, too, that the

bonus opportunity could help you significantly offset a balance transfer fee should you choose to take advantage of that intro 0% on balance transfers. Read our full [Capital One® Quicksilver® Cash Rewards Credit Card review](#). Credit Needed: Excellent, Good

[Discover it® Cash Back](#)



[Learn More](#)

Why We Like It: It's not often that you'll find a cash-back credit card that doesn't charge a foreign transaction fee. What's great about this card though, is not only is it excellent for traveling abroad, but it's a great fit for anyone looking for a bit of a bonus at the end of their first year as a cardholder, as this card automatically matches all the cash back you earn during your first year. With that said, the 5% back you can earn with this card is effectively worth 10% during the first year. That plus no annual or foreign transaction fees makes this card hard to beat.

Bonus: Earn 5% cash back in quarterly rotating categories each quarter you activate (up to \$1,500 spent quarterly). At the end of your first year, Discover matches that 5%, effectively meaning you earn 10% cash back in those categories. You also earn 1% back on all your other purchases so, with the first-year match, you effectively earn 2% back. Most flat-rate cash-back cards offer 1.5% back, so the first year rewards here are really difficult to beat. **Annual Fee:** \$0.

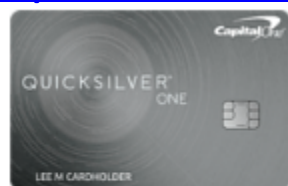
Rewards Rate: Each quarter you activate you'll earn 5% back on the first \$1,500 spent in that quarter's categories. Earn 1% back on all your other purchases and on any purchases over the cap in the bonus categories. If you max out your spending in the bonus categories each quarter, you'll earn \$75 cash back on those purchases alone. Thanks to the first-year match, that means you would earn \$150 cash back each quarter that you activate and max out your spending during your first year.


Read our full [Discover it® Cash Back review](#).

Credit Needed: Excellent, Good

BEST CASH-BACK CREDIT CARDS FOR FAIR CREDIT

[Capital One® QuicksilverOne® Cash Rewards Credit Card](#)



[Apply Now](#) 

Why We Like It: The best cash-back rewards credit cards are often reserved for people with excellent credit. This card, however, is available to people with average, fair, limited credit and it offers a solid percentage of cash back for a modest annual fee.

Bonus: There isn't a traditional bonus with this card, but a cash-back rewards card for people with average, fair, limited credit is fairly unique, so let's think of the bonus as your opportunity to earn cash-back rewards while you work on moving your credit score into the good/excellent range.

Annual Fee: \$39

Rewards Rate: Earn 1.5% back on all your purchases without having to worry about rotating categories or spending caps. In addition, if you make your first five monthly payments on time, you'll receive access to a higher credit line.

Read our full [Capital One® QuicksilverOne® Cash Rewards Credit Card review](#).

Credit Needed: Average, Fair, Limited

BEST CASH-BACK CREDIT CARDS FOR BAD OR LIMITED CREDIT

[Credit One Bank® Unsecured Platinum Visa®](#)



[Apply Now](#) 

Why We Like It: There's no need to come up with a hefty security deposit with this card AND it offers you the opportunity to earn cash-back rewards in the form of statement credit, an excellent way to encourage you along your path to building your credit.

Bonus: There isn't a traditional bonus on this card, which is typical for a card available to people working to build or rebuild their credit. Remember, though, that your card, if used responsibly, can help you build or rebuild your credit so you can qualify for cards in the fair, good or excellent credit range down the road.

Annual Fee: \$0 - \$99

Rewards Rate: Earn 1% back, in the form of statement credits, on your grocery store and gas station purchases. Note that purchases at Walma rt, Target or wholesale clubs will not qualify for rewards.

Read our full [Credit One Bank® Unsecured Platinum Visa® review](#).

Credit Needed: Poor

[Discover it® Secured](#)



[Learn More](#)

Why We Like It: It's not easy to find a card that will help you rebuild your credit while still allowing you to earn cash-back rewards. Not only does this card do that, it also offers a nice introductory bonus as well.

Bonus: At the end of your first year, Discover will MATCH dollar-for-dollar all the cash back you've earned in that first year. That effectively means that earning \$200 in cash back in your first year is actually worth \$400.

Annual Fee: \$0. You must make a security deposit of at least \$200 to establish your line of credit.

Rewards Rate: Earn 2% cash back on \$1,000 in combined purchases at gas stations and restaurants each quarter, then 1%. You'll also earn an unlimited 1% cash back on all your other purchases.

Read our full [Discover it® Secured review](#).

BEST CASH-BACK CREDIT CARDS FOR STUDENTS

[Journey® Student Rewards from Capital One®](#)



[Apply Now](#) 

Why We Like It: The Journey® Student Rewards from Capital One® is a great card for students who are trying to build credit, and who want to e arn rewards while doing so. Because it rewards good behavior, it should also help new cardholders develop healthy, life long financial habits. (Just don't carry a balance; the card has a 26.99% (Variable) APR on purchases and balance transfers.) Another nice thing about the card is that you can set up your account so that you receive text alerts and email reminders to help you keep track of your spending.

Bonus: Get access to a higher line of credit after making your first five monthly payments on time.

Annual Fee: \$0

Rewards Rate: Earn unlimited 1% cash back on all purchases, or 1.25% cash back when you pay your monthly bill on time.

Credit Needed: Average, Fair, Limited

[Citi Rewards+SM Student Card](#)



[Apply Now](#) 

Why We Like It: We all like getting something for nothing, right? Especially as students. This card automatically rounds to the nearest 10 po ints for every purchase you make, plus, you'll receive 10% of your points back for the first 100,000 points you redeem each year, so you're basically getting extra points for free each time you purchase/redeem.

The Bonus: Earn 2,500 bonus ThankYou® Points after spending \$500 within the first three months of opening an account. Plus, take advanta ge of seven months no interest on purchases; after the intro period, the APR will become 15.99% - 25.99% (Variable).

Annual Fee: \$0

Rewards Rate: Busy students need to eat and they need a trip home (or a road trip with friends) from time to time, so we like that this card offers two ThankYou® Points per \$1 at supermarkets and gas stations (up to \$6,000 spent each year), and offers one ThankYou® Point per \$1 on all other purchases.

Credit Needed: Good

[Discover it® Student Cash Back](#)



[Learn More](#)

Why We Like It: Thanks to 5% cash back each quarter in rotating categories, 1% on all other purchases, and a dollar-for-dollar match on all the cash back you've earned at the end of your first year, this card makes it easy for students to put more money in their pockets for school expenses or to treat themselves to the things they love. Plus, this card charges no fee for foreign transactions, making it a great option for students looking to spend a summer or semester abroad.

The Bonus: Get a dollar-for-dollar match on all the cash back you've earned at the end of your first year, automatically, plus, a Good Grades Reward of \$20 statement credit each school year your GPA is 3.0 or higher for up to five years.

Annual Fee: \$0

Rewards Rate: When you activate quarterly, earn 5% cash back on up to \$1,500 spent each quarter in rotating categories like gas stations, restaurants, Amazon.com, or wholesale clubs. Earn 1% cash back on all other purchases and on purchases above the quarterly cap.

Credit Needed: Fair, New to Credit

TYPES OF CASH-BACK CREDIT CARDS

Before jumping into a credit card application, it's important to take the time to understand the three different types of cash-back credit cards:

- **Flat-rate cash-back credit cards**

Receive a static percentage cash back on your purchases regardless of amount or spending category. For example, the [Capital One® Quicksilver® Cash Rewards Credit Card](#) offers an unlimited 1.5% cash back on every purchase.

- **Tiered rewards cash-back credit cards**

Your amount of cash back varies depending on the spending category, but those categories are constant. For instance, the [Blue Cash Preferred® Card from American Express](#) offers 6% cash back on U.S. supermarket purchases (up to \$6,000 spent annually, then 1%) as well as on select U.S. streaming services, 3% back at U.S. gas stations and on transit purchases and 1% back on all other purchases.

- **Cash-back credit cards with rotating categories**

These cards offer a flat rate across all purchases, but also offer bonus cash back on purchases made in particular categories that change each quarter. Cardholders generally must activate quarterly in order to receive the bonus cash back, which is usually capped at a certain level of spending. An example of this type of cash-back credit card is [Chase Freedom®](#), which offers 5% back on the first \$1,500 you spend in the quarterly bonus category when you activate and 1% back on your other purchases.

- **Cash-back credit cards with cardholder's choice rewards**

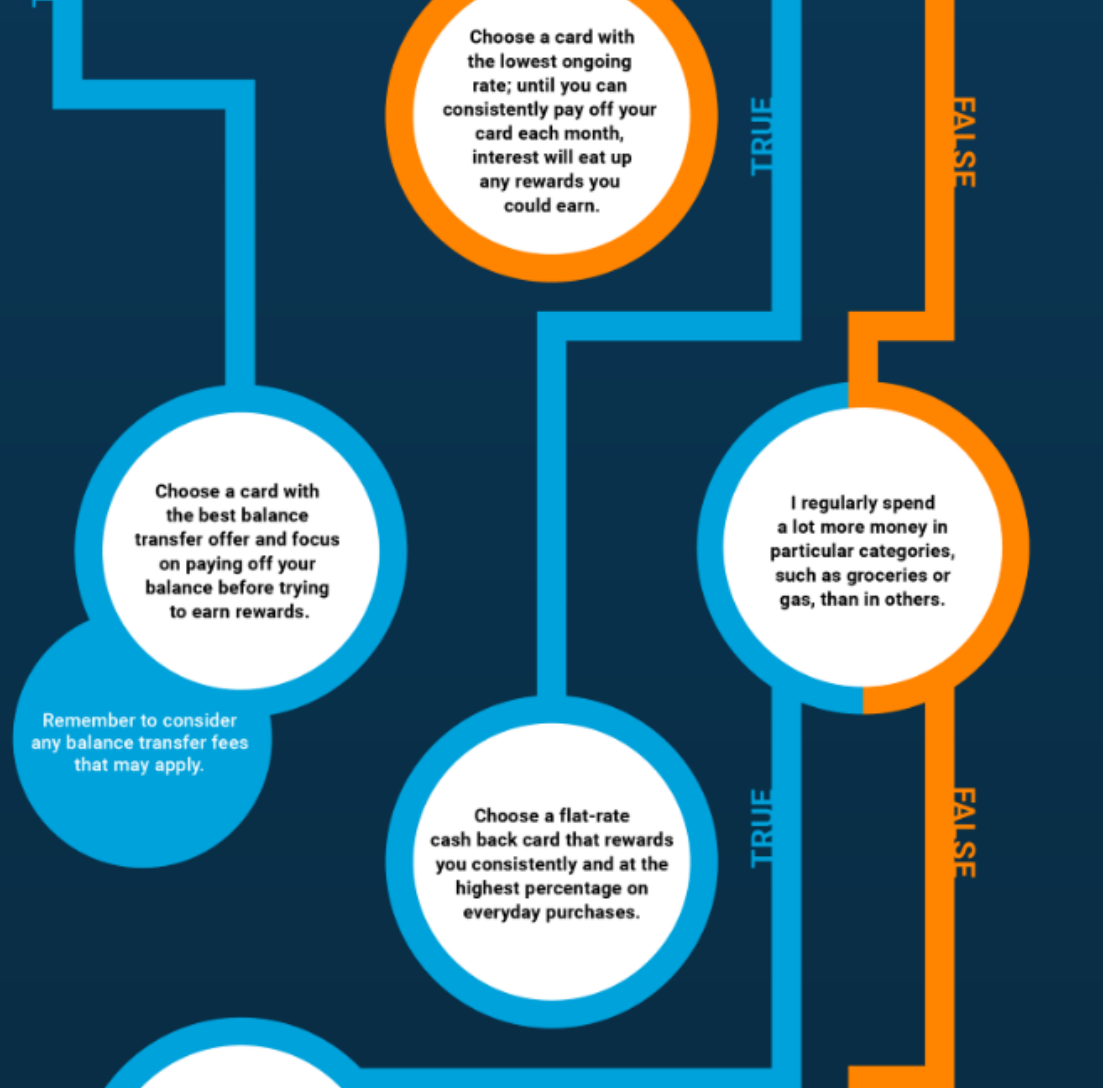
These cards are rare, but you might see more of them in the future. Think of them as a sort of combination tiered rewards meets rotating categories with a dash of customer choice thrown in. The rewards structure generally involves tiers of some kind, along with the spending caps you see with traditional tiered cards. In addition, the cardholder gets to decide a category or two in which you'll earn rewards and you can change that category periodically. An example of this card is the [Bank of America® Cash Rewards credit card](#), which allows cardholders to choose from among six categories where they'll earn 3% cash back along with 2% back at grocery store and wholesale club purchases (3% and 2% rewards apply to the first \$2,500 spent in combined choice category/grocery store/wholesale club purchases each quarter) and 1% on all other purchases. Cardholders can change their choice category once each calendar month.

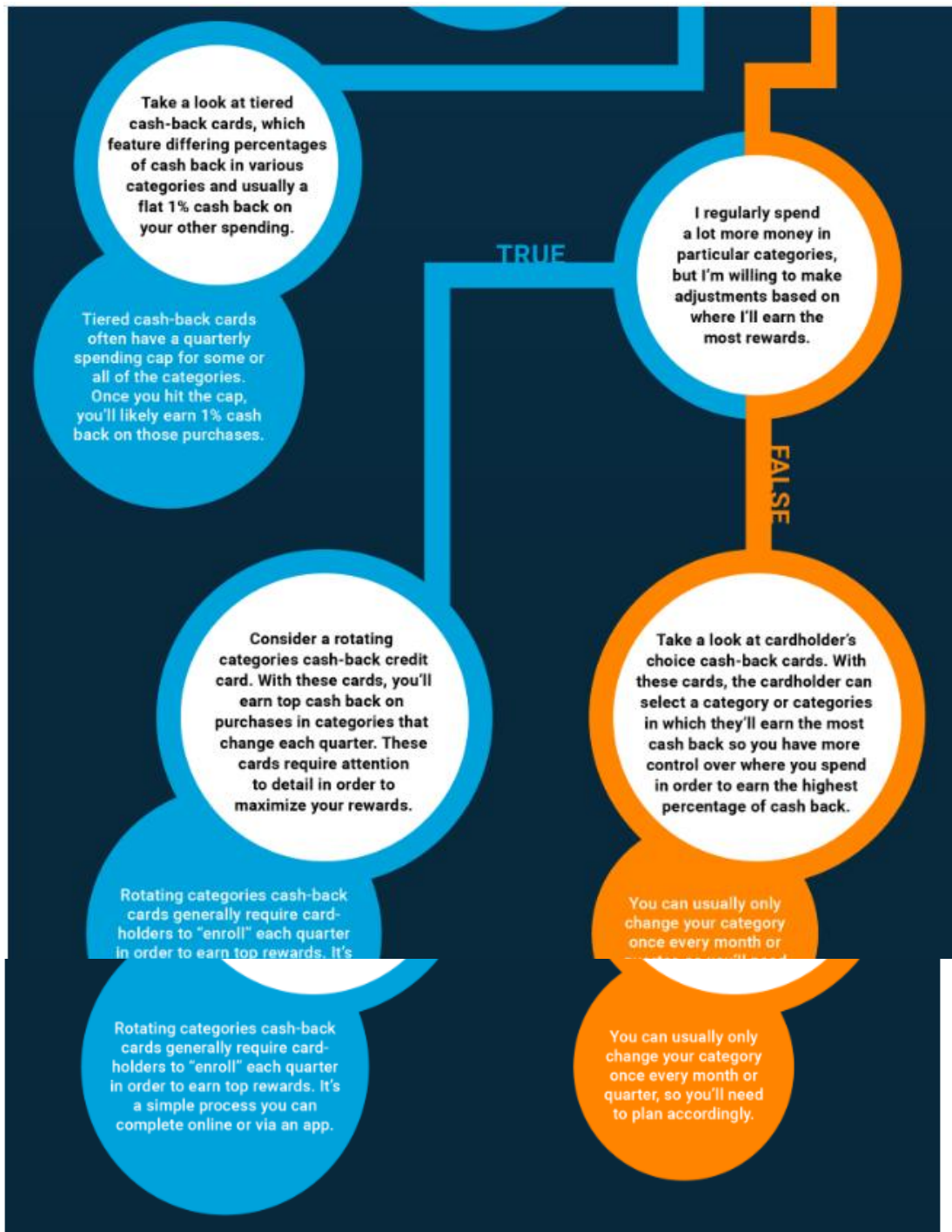
HOW TO CHOOSE THE RIGHT CASH-BACK CARD? Now that you know more about the types of cash-back rewards cards out there as well as some of the best ones currently available on the market, it's time to figure out how to choose the best card for you. Take a look at our chart below to help you narrow down the specific type of card. Then return to our list of best cash-back cards and look at the specific category you landed on in the chart below:

HOW TO CHOOSE THE RIGHT CASH-BACK CARD?

Now that you know more about the types of cash-back rewards cards out there as well as some of the best ones currently available on the market, it's time to figure out how to choose the best card for you. Take a look at our chart below to help you narrow down the specific type of card. Then return to our [list of best cash-back cards](#) and look at the specific category you landed on in the chart below:







HOW DO CASH-BACK CREDIT CARDS WORK?

In short, the best cash-back cards automatically earn you cash back each time you swipe your card — it's as simple as that.

Most often you'll earn a consistent 1% cash back on all purchases made, but there are a number of cards that will earn you more than that up to a certain spending threshold, in certain categories, etc., as we've explained above. The basic idea with cash-back credit cards is that when you swipe your card, you'll earn yourself cash back each time you make your purchase. Unfortunately, spending money is just a part of everyday life— from filling up the tank with gas, to buying groceries for dinner, paying bills, purchasing school supplies, etc. You might as well earn yourself some cash back on money you'll be spending regardless.

With that said, here's some expert advice to keep in mind as you use your cash-back card to rack up rewards: **Change is constant.** When your circumstances change – and they likely will – [your card needs will likely change](#), too. Periodically review your spending situation and make sure your card (or cards) are still working for you. Don't be afraid to break up with your card if things aren't working out. Maybe you've changed jobs and your commute got much shorter – that card that offered high cash-back rewards on gas station purchases might not be right any longer. Or maybe you've gone back to school and find yourself eating a lot of meals at coffee shops and diners – a card that offers bonus rewards at restaurants could benefit you now.

Actually use it. It sounds simple, but different cards maximize different things. Be aware before you swipe and always use the best card for the situation; don't just grab Old Trusty because it's handy.

Pay off your balance each billing cycle. Nothing will offset rewards earned quite as quickly as mounting interest charges. If you're going to the effort to earn cash-back rewards, be responsible with your card and pay off your balance each month. Along the same lines, spending more than you can afford simply for the rewards is a terrible idea; you won't come out on top.

Cash rewards or miles or points cards? When it comes to card rewards, is it better to focus on cash or miles? A lot of that depends on your lifestyle and goals but in order to make an apples-to-apples decision, the trick is to come up with the dollar equivalent of a mile or point then think about your use cases. Say someone flies on United twice a month. The earning potential of getting a United Airlines branded credit card, or another points card, might allow the miles to accrue so fast that realizing rewards is a snap. Contrast that with someone else who doesn't fly or stay in hotels often. In this case, a cash-back program is the better and quicker path to getting the cash to spend on a flight or hotel stay – and allow you to spend that cash back on other things as well.

Know your goals and your spending habits before making a credit card decision. Which leads us to...

QUESTIONS TO ASK ABOUT CASH-BACK CREDIT CARDS

Jumping into the cash-back credit card world requires that you ask a few questions before you begin applying for a card. Some questions you should consider before applying for a cash-back credit card include:

1. What are your goals?

Be honest. Visualize how and when you'll use the card and whether you want to keep track of rotating categories or if you'll be best served by a "one-size-fits-all-purchases" situation.

2. What is your credit history and credit rating?

Without a solid understanding of your credit status, you could miss out on valuable intro offers by applying for a credit card with sub-par terms despite your excellent credit. Worse yet, you could even damage your credit by applying for a credit card for which you are not qualified. Know where you stand so you can match your application to your credit history.

Need help understanding what affects your credit history?



3. Can you offset an annual fee?

This is really a question of how often you expect to use the card. You'll want to use the card frequently enough to earn enough rewards to offset the annual fee, whatever it may be. There's some wiggle room here if you will use other perks offered by the card, but usually you'll only want to pay an annual fee if you can recoup that cost in rewards or features.

4. What does the fine print say?

It's no fun to sign up for big cash rewards only to be hit by fees on the back end that wipe out any potential gains. Be certain to look beyond intro offers and teaser rates.

ARE CASH-BACK CREDIT CARDS REALLY WORTH IT?

You are the best person to accurately assess whether a cash-back credit card will fit seamlessly into your lifestyle. Don't be wooed by introductory offers from cards you know won't ultimately be the best fit. Don't fall into the "I'll change my spending habits to make this card work because that intro offer is just too good to pass up" trap. Chances are, you'll just end up carrying around the wrong credit card and not reaping maximum rewards. Instead, do your research and take the time to know what you need.

With that said, however, if you're someone who wants an easy way to earn rewards, without having to think about redemption options too much, a cash-back credit card may be the way to go. Because they earn money back on each purchase made, cash-back credit cards are a simple way to put more money in your pocket. Plus, they're a safe way to make purchases, and usually come with a plethora of other benefits, like warranty protection and certain travel perks. So in short, our editors give a collaborative yes— cash-back credit cards are generally worth it.

To see the rates and fees for the American Express cards featured in this post, please visit the following links: American Express® Blue Business Cash Card (See Rates and Fees); Blue Cash Everyday® Card from American Express (See Rates and Fees); Blue Cash Preferred® Card from American Express (See Rates and Fees)

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