

## INTERACTIVE: What Interest Rates Are People Paying on Their Credit Cards?

Interactive: [NPR Credit Card Interest Rate Tool](#)

The interest rates on revolving lines of credit can be very high. [This interactive](#) shows what interest rate people have been paying on their credit cards between 2001 and 2013. It can also be used to see the number of cardholders who pay off their balance in a given month.

*Hint: there is a slider bar at the top of the first chart that allows you to see how the distribution of interest rates has changed from 2001-2013.*

### Part I: Recall or Research

1. What is a credit score?

2. Explain how a positive AND negative credit score can impact your financial life.

3. How does your credit score impact your APR on your credit card?

### Part II: Analyze the Graphs

4. Take a look at the graph of credit card interest rates and analyze the range. Why do you think is there such a wide variation in interest rates on credit cards?

5. In 2013, there were approximately 6 million consumers paying a 0% APR on their credit card. Why do you think credit card companies offer a 0% APR? How do they make money by doing this?

6. Compare and contrast the interest rates from 2001 and 2013. What APR were most consumers paying in 2001? 2013? What changed in this time frame for most credit card interest rates?

7. Some consumers pay between 22-30% APR on their credit card. Why do you think credit card companies charge these higher rates to these consumers?

8. Scroll down to the second chart. Describe the relationship between credit score and the percentage of people who pay off their monthly balance on their credit card each month.

9. For each category of credit scores below, predict what APR you think consumers are receiving on their credit cards.

Credit Score: 470-530	Credit Score: 660-710
Credit Score: 540-590	Credit Score: 720-770
Credit Score: 600-650	Credit Score: 780+

10. Based on what you learned from this interactive, what advice would you give yourself for the future regarding interest rates on credit cards?