

Getting a credit card is an essential step toward a solid first credit score and, ultimately, reaching excellent credit. You just have to make sure to use it responsibly, which above all else means paying your bill on time every month. For help with that, make sure to check out WalletHub's [8 Tips For Never Missing A Due Date](#).

## Ask the Experts



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### **Robert Brooks**

*Professor of Finance and Wallace D. Malone, Jr. Endowed Chair of Financial Management and Director of the Master of Science in Finance at University of Alabama*

### **Is it important for people with no credit to get a credit card?**

Financial transactions are easier if one has a good credit score. Interestingly, it is difficult (impossible?) to get a good credit score unless you have debt. Hence, if you are prudent and always pay cash, you may not have a credit score, even if you are a multimillionaire.

### **Why are some people with no credit hesitant to apply for a credit card?**

One reason, rarely identified by those promoting credit cards, is people's lack of financial discipline. What these people need is not more financial education, rather they need a financial coach. By analogy, if I need to get into better physical shape, I might hire a personal trainer at a gym. The financial industry needs to create personal financial trainers. The hesitation is legitimate - people know they will not manage the credit card prudently.

### **If you have no credit, is it better to be an authorized user before getting your own credit card?**

The owner of the credit card has to perform credit analysis for the authorized user - a task that many people are not qualified to perform. Thus, it is unwise to allow someone else to be an authorized

user on your card. Let the financial professionals at financial institutions make these types of decisions.

### What tips do you have for someone filling out a credit card application for the first time?

Think grabbing a falling knife - be extremely cautious. Why not just use a debit card for your whole life?

### Is it better to work with a bank or a credit union when you have no credit?

They understand how to appraise the credit risk. Friends and family do not. Before encumbering friends and family with your credit problems, think which would you rather have, the money or the friends and family. Also, the optimal amount of family debt is different: Bank's optimum for your family is dramatically higher than your family's optimum. Thus, whatever the bank allows a family to borrow, the family would likely be better served by at least cutting that number in half.

## Community Discussion

Ask a question or help others by sharing some tips.

Add a Comment...

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@pragna\_sastry  
October 11, 2016

I just finished grad school and started working 1 month back. I have never had a credit card and so want to get one to build my credit score. I'm 27. Do you have any suggestions?

Reply



@sdotson1897  
October 11, 2016

I'm trying to apply for a credit card, don't have any credit but I'm trying to build. Capital One keeps saying they can't approve me. How come?

Reply (1)



@WalletHub  
November 15, 2016

Every issuer has its own approval standards, so it's hard to say with any certainty. Nevertheless, your best bet is to apply for a secured credit card. Secured cards are able to essentially guarantee approval regardless of your credit history or income