



CIBC Costco Mastercard vs. Gold Star Executive Costco Membership: Which Will Be Better?

Description

Many Canadians understand the benefit of a basic Costco membership (the so-called Gold Star Membership). For a small annual fee, you have access to a massive warehouse of goods and services. If you shop there enough, you'll save more than the cost of the \$60 membership itself, and you can enjoy some poutine-smothered fries while you're at it.

But what about Costco's most prestigious membership, the Gold Star Executive? Is the Gold Star Executive worth the cost, and better yet — can the new CIBC Costco Mastercard be *better* than Costco's most elite membership? Let's take a deeper dive and find out.

Perks of a Gold Star Executive Costco Membership

The Gold Star Executive Costco Membership costs a flat annual fee of \$120. Like the Gold Star, a Gold Star Executive card allows you to shop at Costco stores. But, unlike the more basic membership, the Gold Star Executive allows you to earn cash back.

With a Gold Star Executive Membership, you'll earn 2% back on most Costco purchases, up to a maximum of \$1,000 earned (or \$50,000 spent). That's a pretty good deal, especially if you can spend enough to cover the \$120 membership, which would be around \$6,000.

In addition to the earn rate, you'll also get special offers on certain Costco services, such as life and health insurance and mortgage refinancing programs.

Is it worth the upgrade?

I'd say the Gold Star Executive Costco Membership is worth the price if you can spend the \$6,000 to earn \$120 in cashback rewards. If you don't think you'll spend that much, then the Gold Star Executive membership is probably not worth the cost.

Can the CIBC Costco Mastercard beat the Gold Star Executive Costco Membership?

There's no doubt in my mind that the new CIBC Costco Mastercard has the potential to offer more benefits and cashback opportunities than its upper-tier membership card.

For one, if the CIBC Costco Mastercard is anything like the Capital One Costco Mastercard, then your credit card will come with a slew of free insurance. You'll get price protection, extended warranties, and purchase protection, not to mention the travel insurance on flights and booked accommodations.

In addition to these benefits, a CIBC Costco Mastercard will likely come with heftier earn rates than the Gold Star Executive. In its current form, the Capital One Costco Mastercard earns 3% on dining and 2% on gas stations (note: the 2% earn rate on the Gold Star Executive doesn't apply to gas bought at Costco gas stations). On top of that, your earnings have no cap. So, unlike the Gold Star Executive membership, you won't have a limit on how much you can earn.

What would *really* make the CIBC Costco Mastercard excel, however, would be an earn rate on Costco purchases, too. Right now, the Capital One Costco Mastercard will earn you a measly .5% back on any Costco goods or services (1% after you spend \$1,000). If that base rate transfers to the CIBC Costco Mastercard, the Gold Star Executive Membership would have a leg up on the Costco credit card.

Of course, this doesn't have to be an either-or scenario. In fact, if the CIBC Costco Mastercard ends up being the same as the current credit card, you could easily use both on Costco purchases. This is a classic case of "double-dipping" your credit card rewards, using your Gold Star Executive Membership to earn 2% back on Costco purchases, while also using your Costco credit card to earn cashback through Mastercard's program.

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