



## Why Now Is the Time to Get a New Credit Card and Invest

### Description

I don't know about you, but until recently, I was still using the same credit card I'd had since university. At the time, it made sense. It offered me cheap fees, because I was in school, with student discounts.

Fast forward over a decade later, and I'm still using this card. Why? I have no reason. And, to be honest, there were no benefits from a card that doesn't take into consideration my new lifestyle, earnings, or what's important to me.

What's even more important? I was missing out on *huge* deals — deals I can use to save money and invest.

### The deals

Look at any major credit card company or banking institution. Each will have a page dedicated to promotions and deals. These deals will inevitably include a credit card or two. What usually happens is these credit cards will offer a number of rewards points if you spend a certain amount of money on them in the first three to six months — usually around \$3,000.

But it gets better. Because they want you to sign up to *their* card, they'll usually offer you a bunch of extras. That could include a year with no fees, the ability to collect more points from purchases, purchase protection, extended warranties, and more.

How many points are we talking? I've been able to find a few that offer anywhere between 55,000 and 70,000 reward points if you manage to spend that \$3,000 in a just a few months.

### Isn't spending a lot?

If you're just buying here and there, \$3,000 in three months could be difficult. That is why you should put *everything* on a credit card — big or small; do it all: bills, gas, groceries, and even your coffee. This will help reach those numbers and guarantee you get not only a welcome bonus but the highest

number of rewards you can.

You can then use those rewards for anything you want! It could be travel, hotels, rentals, even paying down your credit card in the first place! But you can also use it to help you with investments.

If you have a Tax-Free Savings Account, it's possible to use your reward points to pay for commission fees. That's \$10 you save each and every time you make a trade. And now is a great time to consider that with share prices so low. But where to invest? And what card should you buy?

## Go BMO

**BMO** ([TSX:BMO](#))([NYSE:BMO](#)) offers some of the best options out there right now for both investing and credit cards. As of writing, there are three BMO credit cards offering welcome bonuses and waiving the annual fee for the first year. Those points can be between 60,000 and 90,000 points! Or you can even choose the cash-back option.

As for investing, there are a lot of great exchange-traded funds (ETF) that BMO offers, but I would choose the bank itself. The [Big Six banks](#) have provisions for loan losses to help it through a recession. Yet shares are down 7% year to date. That means you can lock in this stock and its 4.48% dividend yield and look forward to growth.

How much growth? BMO stock is up 746% in the last two decades. That's a compound annual growth rate (CAGR) 11.26% as of writing.

## Bottom line

We could all use a method of [saving money](#). While you definitely need to be responsible when it comes to signing on to new credit cards, there's nothing stopping you from taking advantage of promotions. You can suddenly go from a \$120 annual fee to \$0. You can collect tens of thousands in rewards that you can use to save cash. And you can use those rewards to help you invest at a time when you otherwise may not have been able to afford it.

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