



NEW YORK STATE SENATOR

William Larkin

College Students And Credit Cards

[WILLIAM J. LARKIN JR.](#) September 7, 2005

Right now, many college students throughout New York State are making their final preparations to begin a new semester at school. Some are traveling far, some will be close to home. Some are returning to their familiar campuses, some are first-time freshmen. Many will find themselves in serious credit card debt if they are not careful.

"Within the first year of being a credit card holder, one in five college freshmen owe more than \$10,000," commented Senator Larkin. "The average college student holds at least three credit cards. For a young person who is relatively inexperienced in money management, the college years can be a very dangerous time. Americans under the age of 25 are filing for bankruptcy faster than any other age group."

With 78% of all college students owning credit cards, each year many of them end up owing thousands of dollars to credit card companies because they didn't or couldn't pay their monthly bill on time. Many will spend their twenties and thirties trying to straighten out the financial mess they created as teenagers. Bad marks on an individual's credit history can hinder getting credit in the future, getting a job, insurance, and even a place to live. These bad marks can only be eliminated if good credit is maintained at a high level for many years.

Some useful tips for students:

- * One card is enough.
- * Look for NO annual fee.
- * Low interest rates or finance charges.
- * Start out with a PREPAID card ("Smart Card").
- * Get a card with a limited line of credit.
- * NEVER use a credit card to get a cash advance.
- * Charge only what you have in your account to pay back.
- * Use credit for EMERGENCIES only.
- * Remember it will take 12 years to pay off a \$1,000 bill if you only pay the minimum payment!