



Financial Tips For Credit Card-Smart College Freshmen

For incoming freshmen, college means one thing: freedom. It also is usually a person's first experience with credit cards. According to a recent study by Student Monitor, a publisher of nationally syndicated market research of college students, nearly two-thirds of college undergraduates acquire their first credit card before age 19. Eighty-seven percent of those are freshmen.

While college is full of exciting and new adventures, Family Foundations wants to remind college freshmen that these years are critical to one's financial future, too. Realizing that a credit card is often an essential part of college life, Family Foundations suggests the following credit card tips:

- **Shop around for the best card.** Not all credit cards are the same. Don't select a credit card company on a whim, or simply because they have a booth set up at your college. Research which one is best for your circumstances, spending habits and paying ability. Five things to investigate when shopping for a credit card include
 - the annual APR (annual percentage rate),
 - if an annual fee is assessed,
 - the length of the grace period,
 - the dollar amount of penalty fees,
 - the balance calculation method.
- **Set up a budget.** Always be aware of how much money is in your checking and/or savings account(s), as well as how much you're obligated to pay when the credit card bill arrives. A good way to keep track of spending is to record all purchases in your checkbook as though you've written a check, deducting the amount of each purchase. When you've exhausted the money in your checking account, it's time to stop charging.
- **Use prepaid cards or a debit card whenever possible to avoid spending money that is not readily available and accessible.** Make sure to record all debit charges to avoid overdraft fees.
- **Do not take advantage of the card, or let the card take advantage of you.** It is very easy to let charging get out of control. Never max out your credit card. If possible, use the credit card for emergencies only.
- **Be aware of the risks of credit fraud.** Know that identity theft and credit card fraud are serious issues, but there are ways to protect yourself. Never let someone else borrow your credit card. Do not leave your card or receipts lying around for anyone to see. Also, never give out your credit number unless you know it is legitimate company or organization. When in doubt, don't give it out.
- **Establishing and maintaining good credit is very important.** How you handle credit today will affect your access to credit later. Banks, prospective employers, credit card companies, most utility companies and property management companies run credit reports when you apply for a credit card or loan, apply for a job, purchase a home or a car, rent an apartment or sign up for utilities. Paying bills on time is a great start to establishing good credit.
- **Know what's on your credit report.** All U.S. consumers are entitled to a free copy of their credit report every 12 months. The report can be ordered online at www.annualcreditreport.com or by calling 1-877-322-8228.

- **Help is available.** Remember, to prevent a financial crisis, or if you find yourself with questions about your personal financial situation, affordable and reliable financial help is only a phone call away. To schedule a confidential appointment, contact Family Foundations.

Family Foundations stands ready to help. To reach us, call (904) 396-4846 or go online to www.familyfoundations.org.

About Family Foundations

You don't have to solve your financial problems alone. Family Foundations has trained and certified credit counselors who offer financial management and debt reduction services. Family Foundations is a nonprofit, community-based organization and a Member of the National Foundations for Credit Counseling (NFCC). For more information on Family Foundations, call (904) 396-4846 or visit www.familyfoundations.org.