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## Using Credit Cards in College: Manage Your College Finances without Destroying Your Financial Future

*By Gitanjali Hazarika*

While there are many resources for those considering taking out student loans, there are few warnings available to students about the cardinal sins that credit card users inadvertently commit and end up repenting later. Read on for some important advice on using credit cards in college.

At college campuses across the United States, credit card companies have established intrusive presences, setting up prominent booths advertising 0% APR offers and giving away “free” gifts to students who complete applications. Although it may be tempting to indulge in a few pleasures bought with plastic, the resulting debt can end up becoming overwhelming and destructive.

As their credit card bills pile up, students may be forced to work longer hours just to make their minimum payments, leaving them with little time to study. And the stress of credit card debt alone is enough to make any student’s life miserable. Before they even realize it, students who have relied too heavily on their credit cards can end up begging friends and family to lend them money to meet their basic expenses.

Credit cards continue to be one of the biggest sources of financial angst for college students, even though many students are well aware of their financial matters and personal banking habits. If you pay off your balance each month, using a credit card can help you raise your credit score. However, credit cards can quickly turn into money-sucking monsters when their users stop paying attention to how frequently they’re relying on them.

The best way to avoid staggering credit card debt is to spend within your means and keep track of every credit card purchase made. A good credit rating will help you in the future if you want to take out a loan for a car or a home, so it’s understandable that as a college student you might want to start establishing credit through wise credit card use. Below are 10 tips to help you navigate the credit card jungle while building, rather than destroying, your credit.

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## 10 Rules Credit Card Users Always Need to Keep in Mind

1. A credit card is not an indulgent wealthy relative.
2. Every time you swipe your credit card, you take out a loan from the credit card company. Carefully consider whether each purchase is worth it before reaching for your wallet.
3. When using your credit card, always keep in mind how much you can afford to pay back to the credit card company at the end of the month. If you can't pay off your credit card balance each month, interest will quickly compound and continue to increase your debt as you scramble to make an even larger payment the following month.
4. Exercise financial discipline to keep up with your credit card payments.
5. Each week or month create a budget based on the amount of money that will be coming in and the expenses you will have to pay for. Try to find ways to maximize your income while minimizing how much you spend. Creating a budget will also force you to scrutinize how you spend money.
6. Try to save some money every month and deposit it in a savings account. When you're tempted to swipe your credit card for a small reward that you feel you've earned, remember that you'll be able to buy yourself a better reward once the amount of money in your savings account has grown and earned interest.
7. Develop smart spending habits by only using credit cards for major essential purchases whose worth you have carefully evaluated.
8. Read the contract before you sign up for a credit card. Don't get lured by false promises that will desert you halfway through college.
9. Remember: every missed credit card payment is a negative mark on your credit history.
10. How you use credit cards in college will significantly affect your financial future. If you handle your college finances wisely, you will not be burdened with debt and regret once you graduate.