

# Don't Let Credit Cards Fool You While in College

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by [Dr. James Ewers](#)

I received my first credit card while I was in college. It was a gas credit card. Interestingly, I did not apply for it. The company sent it to my college post office box.

Of course, I already knew about the dangers of credit cards because my dad had given me a credit lecture while I was in high school. Succinctly put, he gave me the advantages and disadvantages of credit card use. The biggest thing that he told me was not to go into debt using a credit card because it was easy to do. The second thing that he told me was that your credit history would affect your ability to make major purchases such as houses and cars. He said that if you had bad credit your chances of purchasing the aforementioned were not good. Another thing that he told me was if you use the credit card pay it off before the interest increases the amount owed.

As I have grown wiser through the years, I have come to realize what sage advice he gave me. So I was prepared the day I received my first credit card while I was a student at Johnson C. Smith University.

As we know college students are getting more opportunities to establish credit. Department stores, car dealers and lending agencies are giving members of this generation a chance to be real contributors to the GNP (Gross National Product). Zero percent financing for one year and no credit checks are some strategies used to entice people, ages 18-25, to buy now and pay later. They can now secure a loan without much collateral. They are so eager to get the money that

they forget that, if payments are late, then you must pay the principal plus the late fee.

Car companies are also trying to seal the deal. They are making low interest rates and lease options more attractive than ever. So, in some cases, it is not surprising to see the very young in the very new.

Times have changed so we must all adjust as best we can. The one thing that has not changed is your credit history. If our credit is good and we pay our bills on time, then creditors will see us as a good risk. If we don't pay our bills on time, then it will be much like having a lamp without a light bulb; creditors will not see us as a good risk.

The credit card industry is getting rich on college-age students. Some consumer groups are critical of the tactics used by credit card companies to "hook" college students. They argue that the marketing of credit cards to college students is out of control. Fortunately, there are fewer and fewer credit card companies on college campuses today. Some colleges have taken the bold step to ban them from campus. Now banks and credit unions will come to a campus and talk about all of their services. And of course one of those services is credit cards.

In addition some schools will also include credit counselors who will talk with students about how to establish good credit. Many of these initiatives are being implemented during new student orientation programs while parents and grandparents are still on campus. Young adults not in college face some of the same challenges when they go to the mall. The temptation to sign on the dotted line is great. The slogans are tricky so don't shop impulsively. Remember at the end of the month those credit card bills are due.

Some studies showed that more than half of students at four-year colleges have at least one credit card and an average debt of about \$2,000. Students must be careful not to let credit card debt interrupt their college education. It is clear that giving a credit card to some young people can create financial ruin. If you are a

new or returning college student make sure that you have the credit card conversation with your family. It will make your college experience a lot better.

You don't need to worry about credit card bills while you are in college. Your purpose there is to graduate not to be in the latest fashion or automobile. Don't fall victim to immediate gratification. Planning and saving money are still good things to do, even today. There are many things that we can control in life and going in debt is one of them. Practice self-control in spending.

What you want will still be in the store tomorrow.