



Credit Abuse Resistance Education

CARE

TOP 10

Financial Tips for High School & College Students

- 1. CREATE A BUDGET.** Call it a Spending and Savings Plan if you wish, but a realistic budget will identify exactly what you are spending your money on and your “needs” versus your “wants.” It will also show you if you have any extra money to spend on your “wants” or the repayment of any debt you may decide to incur. There is a great College Budget Article on the CARE Program Web site.
- 2. OPEN A SAVINGS ACCOUNT.** You will need savings, not only for emergencies, but for the expenses you know you are going to have, like that extra book your college professor will assign or repairs for your car that’s out of warranty. You will go broke relying on high interest rate credit card loans to pay for these.
- 3. LOOK FOR WAYS TO SAVE MONEY.** Buying at shopping clubs and with coupons, looking for the cheapest gas price in the immediate area, going to discount movie theaters and taking advantage of student discounts will mean extra money for the things you “want” or to add to your savings account.
- 4. USE CASH, A DEBIT CARD OR A CHECKING ACCOUNT INSTEAD OF A CREDIT CARD.** People who use cash for their purchases spend less, so if it’s under \$20 or you can eat it or drink it, use cash. Don’t totally buy in to the myth of the “plastic society” because even if you use a debit or credit card responsibly, you will tend to spend more than if you use cash.
- 5. AVOID CREDIT CARD DEBT.** Remember that the best way to manage debt is to avoid it. Credit card debt at high interest rates and the likelihood that you will pay some exorbitant fees like late payment and over-limit fees means that you will pay significantly more for everything you do and buy. Credit cards are not new money, free money or more money. They are just a loan you have to pay back. **If you don’t have any extra money in your budget to repay it within a reasonable time with interest, you can’t afford to incur the debt.**
- 6. PAY YOUR BILLS ON TIME.** One of the worst things you can do to your credit rating is to pay your bills late. This includes not only your credit card bill, but your rent, telephone, utility and cell phone bills.
- 7. ALWAYS PAY ANY DEBT OFF AS QUICKLY AS POSSIBLE.** You should have only one credit card. Research the best card for rates and fees and then don’t charge anything on it that you can’t pay for at the end of the month. If for some reason you don’t pay off your credit card bill in full, pay at least 10% of the balance. Never make just the minimum payment and stop charging until you have paid off your balance.
- 8. MINIMIZE YOUR STUDENT LOAN DEBT.** Before choosing a college and course of study, ask yourself if the job you are likely to get after college justifies the student loan debt you will incur for the degree you will get at that institution. Try to keep your student loan debt to a minimum. Drawing down the full amount of the student loan you may be eligible for in order to maintain a more expensive lifestyle than you need to (like living off campus or going on a spring break vacation every year) may be something you will regret after graduation when you have to pay those extra amounts back.
- 9. AVOID RISKY OR IMPULSIVE BEHAVIOR.** This includes impulse shopping on the internet, expensive behaviors like gambling and drugs, opening multiple store charge accounts (you will spend more than if you use your debit card or even a major credit card), taking out more than three-year car loans, accounts pawn shops/rent-to-own/payday loan establishments, and all those solicitations to open credit card accounts to get “free stuff.” Those open accounts will hurt your credit rating even if you never activate or use them.
- 10. REMEMBER THE CONSEQUENCES OF ABUSING CREDIT CARDS AND OTHER CONSUMER DEBT.** Don’t lose out on a job, student loan, admission to graduate school, apartment or car loan because of too much credit card or other consumer debt. Today everyone is pulling credit checks and using them to make decisions about your future.

For more great financial information, check out the Credit Abuse Resistance Education (CARE) Program Website now....

[WWW.CAREPROGRAM.US](http://WWW.CAREPROGRAM.US)