

# Credit Cards & College Students

---

You will have access to credit cards as a college student. While credit cards are useful when used appropriately, the temptation to overspend can lead to expenses that could destroy your budget as well as your financial independence. Students sometimes wisely use credit cards to pay for unexpected expenses such as medical emergencies, with the full understanding that it costs money to borrow money if the credit card balance is not paid in full each month.

Your credit record begins when you establish credit in your name, and a history of repayment is recorded by credit reporting agencies. Your credit rating follows you wherever you go, and a bad credit rating can affect your ability to get a job or buy a car or house.

## **CREDIT CARD TIPS FOR COLLEGE STUDENTS**

- Set a credit card limit and stick to it. When possible, pay off credit card balances each month.
- If you pay only the minimum balance on credit cards each month, you will pay interest on the use of the money, and it will take time to pay off the total debt.
- Comparison shop for credit cards. On credit applications, compare the annual percentage rate (APR) including finance charges, methods used to compute charges, the grace period, annual fees, penalties for late payments, and other charges.

Your credit limit may increase when you pay your bills on time. To avoid overspending, make buying decisions based on a careful analysis of your financial condition rather than on the credit limit on your credit cards.

### **ARC/EOP Student Success Series**

Information gathered from *Becoming A Master Student*, by Dave Ellis. Tenth Edition.

For additional information set up an appointment. Contact us at:

### **Advising Resource Center/EOP**

Bayramian Hall 210

818.677.2108

[arceop@csun.edu](mailto:arceop@csun.edu)

