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### Student Credit Cards - A lesson in money management.

by Derek Lenehan

Student credit cards can be useful. As trite as that sounds, it's the best way I can describe them, from very personal experiences. Allow me to tell you about a few things that happened to me in my freshman year, and shed some light on the foggy misconceptions of student credit.

I was not a privileged student as far as finances went. I was constantly searching for ways to acquire funds just to cover my tuition and book expenses. Other kids got to blow their parents money on liquor or ultra trendy/preppy frat apparel (pastel colored polo shirts and chino khakis galore, don't forget your \$80 sandals), while I scratched and clawed to just get to class. At one time I attempted to sustain myself by playing poker, but that proved to be a futile idea.

It got to the point that I had been kicked out of the university multiple times in both semesters of my first year. Ironically, each time I was only coming up about \$300 short of payment, though that was enough for me to have to scramble for some new plan to save my credit hours. Of course, once I made payment and was re-admitted into school, I'd be hit with a \$200 late registration fee, and the cycle would begin all over again.

While I was suffering, there was an easy solution directly in front of my face each time I passed my bank. A student credit card typically has a spending limit of about \$500 - \$1,000. It's deliberately set low so students learn to spend sparingly, and banks are protected against witless college kids spending half of their cash reserve and then failing to make payment. However, my periodic bills of \$200 and \$300 would fit snugly under that limit, and even leave enough on top for me to have enjoyed a few small luxuries.

I walked past all the signs for student credit cards without even looking because I was raised with the stigma that many college kids have, that of the parentally-installed thinking that credit cards are bad news if you're young.

I wish I hadn't thought that. I could have been spared so much trouble □ and so many late fees □ if I'd just applied for a card.

Some student credit cards also require a co-signer. Banks do this as a safety net for themselves and the student, in the event the student can not make payment, and you can't blame them for wanting to cover the symbolic rear-ends of all parties involved.

Students facing my former plight may fear the high interest rates student credit cards have compared to other cards. That's entirely understandable, and credit cards shouldn't be taken lightly. However if you're responsible enough to handle the payments, you can build good credit early, which will give you endless advantages later in life.

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