

## Finance Tips for New College Students

With college move-in days right around the corner, students living away from home for the first time may need to brush up on some financial dos and don'ts as they prepare for the college experience. Here are some basic reminders on how to avoid financial pitfalls during the transition from high school to college.

### **Understand how your credit card works.**

The average credit card debt for consumers between the ages of 18 and 24 is \$2,000. Nearly 90 percent of student cardholders carry a balance from month to month, and fewer than 10 percent know their card's interest rate or what the fees are for going over their limit or making late payments. Having a credit card during college is a great way to have easy access to cash for emergencies and to begin building up a credit history, which is very important for obtaining a mortgage or car loan.

However, students should make sure to read the fine print when they apply for a credit card. Knowing how much you'll need to pay and when is critical to avoiding the slippery slope of making minimum payments. Always make the monthly payment on time and try to avoid keeping a balance on the card from month to month. One way to ensure you can pay off the full balance is to treat the credit card like it's a check or debit card; only spend the money if you already have it in your account.

### **Protect yourself against fraud.**

According to a recent study it takes young adults nearly twice as long to detect fraud when compared to other age groups and they are also more likely to fall victim to fraud and identify theft by people they know. College dorm rooms are easily accessed by other students, who may take advantage of any credit cards or sensitive financial documents left lying around. Consider investing in a safe or forwarding important mail to your parents' home.

One convenient way for college students to monitor their accounts, which are often at a financial institution in a different city from where they're attending school, is to use online bank statements and mobile banking alerts. Most banks today offer online or emailed account statements, which should be reviewed monthly for suspicious activity. Some banks also offer mobile alerts. If you sign up for this service, you'll receive text or email alerts when your account balance reaches a certain limit or unusually large purchases are made. This type of service allows for nearly real-time monitoring of your accounts.

### **Look for discounts.**

Finally, take advantage of your status as a student! Many restaurants and retail stores offer student discounts, so always ask. Most college and university campuses also offer free or inexpensive entertainment options, too. Look around and see what you can find to keep your monthly expenses down.



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