

How to avoid the high interest rate credit card trap on campus

The hot and hazy days of summer will be coming to an end soon, signalling the start of thousands of college and university students heading back to school. Students will be trading their beach-ready flip-flops for sneakers. However, heading to campus also means a higher risk of racking up hundreds to thousands of dollars of high interest rate credit card debt.

When students head back to campus, they will be greeted by various credit-card issuers incentivizing them with free gifts – all of which can appear harmless at first. However, university and college students are the cream of the crop to credit-card companies. How so? These students make a lot of expensive purchases for tuition, books, clothing and food. Most of these purchases are on a high interest rate credit card. And because many students do not have a sense of financial literacy, they end up treating their credit card as free money, instead of thinking of credit as a loan which needs to be paid back.

“Campus life is filled with many opportunities from getting involved in a variety of extracurriculars to making everlasting friendships,” says Jeffrey Schwartz, executive director, Consolidated Credit Counseling Services of Canada. “The dark side is when students accept offers from high interest rate credit card issuers without considering the repercussions of living on credit.”

“Don’t get me wrong, having a credit card is not a bad thing,” he says. “If you use your credit card responsibly, you can establish a good credit history, which is a plus when you go to apply for a car loan or mortgage many years down the road.”

Although there are many benefits to credit cards, students on college and university campuses need to think: “is credit really necessary? Can a student live without a credit card?”

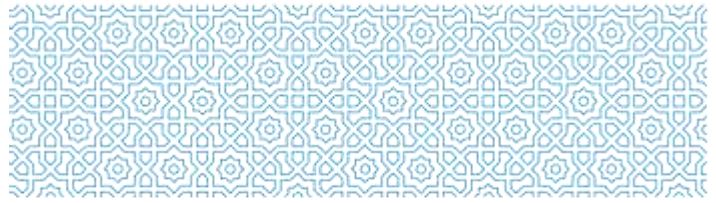
“Higher learning can be expensive; however, it will present you the key to your future,” says Schwartz. “While you are in school on a limited income, it is important to not take on more debt than you already have. Maybe now is a good time to adapt a cash-only lifestyle and live frugally.”

Consolidated Credit Counseling Services of Canada understands the financial burdens college and university students are under. To help students manage their debt while pursuing a higher education, students can use the following tips to stay ahead of the class:

Shop around

Don’t fall for the incentives and freebies. It may cost you in the long run if your interest rate is sky high. Instead look around for a credit card with a low interest rate and low fees.





Read the fine print

Behind the bells and whistles, you have an interest rate to be aware of. Understand your credit card agreement and the penalties involved for missed payments. Missed payments will affect your credit score.

Take it all off

Pay off your credit card balance on a monthly basis. When you leave a balance, interest will be applied to it. Remember that awesome deal you charged to your credit card? It will end up costing you more the longer you carry the balance on your credit card. Not much of a deal, now, is it?

When are you due?

It is always a good idea to pay your credit card bills four to five days prior to the due date. This way your payment will arrive on time and not two days after it's due.

Get help and plan for a better financial future!

Seek the guidance of a qualified financial coach. They will help you create a budget to live within your means.

[KOFE](#) (Knowledge of Financial Education), a web-based financial education centre has been set up exclusively for our Jamat through Consolidated Credit Counselling Services of Canada, a national non-profit organization. [KOFE](#) offers unbiased & confidential debt-counselling service and offers alternatives to help people get their debts under control. A dedicated toll free number **(844) 329-3834** has been set up for our national Jamat, where they can privately and confidentially speak to the companies qualified credit counsellor in English, French, Farsi, Dari or Arabic.

Through this website the Jamat has access to information on various tools and calculators, a variety of educational resources like interactive courses, informative videos, publications and webinars. More importantly, the Jamat will have access to their own qualified financial coach to help with debt management, budgeting, tips on how to save money and answer any financial questions and much more to improve the Jamat's financial understanding.

Register today (only username & e-mail required) with [KOFE](#) to access all the free services to help you build a strong financial future.

Other useful links: [Financial Fitness Test](#), [iiCanada Financial Literacy](#) and [Money and Finances - Canada.ca](#)

