



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Money Tips for College Students: How to Make It, Use It and Save It

Use credit cards wisely

After you turn 18, you may be eligible for a credit card. But remember — it's important to compare credit card offers. Some charge an annual fee, while others require a deposit equal to the amount of credit you have available — not a bad idea, since you can't charge over this limit.

You may get in over your head with bills you can't pay by charging too much on your credit card. Administrators say more students drop out of college because they are forced to work to pay their credit card bills than from failing grades.

Not paying more than the minimum balance each month or missing a payment can severely damage your credit score. If you find yourself unable to pay, that's a black eye on your credit report for up to seven years.

Paying more than the minimum payment is a must. If you charge \$1,500 on your credit card and make a minimum monthly payment of \$25, it will take you 11 years to pay off your charges if your interest rate is 16.8 percent. According to credit experts, you should make at least twice the minimum payment due each month if you are unable to pay the entire balance.

To learn how to plan and prepare for higher education, visit www.gotocollege.ky.gov. For more information about student financial aid, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, ext. 6-7372.

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