

For Immediate Release

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College Student's Credit Card Debt Grows on Small Purchases ACCC Unveils Guidelines to help college students avoid credit card debt

September 21, 2004—American Consumer Credit Counseling (ACCC) released the highlights of their Responsible Credit for College Students Program today in response to persistent societal concern over college student credit card debt. College students continue to succumb to credit card debt due to industry's aggressive marketing tactics. An incoming freshman with zero debt can expect to be over \$3,000 in debt in their first year. Only half of this is in the form of school loans—half of a college student's credit card debt is not for education but for impulsive small purchases such as t-shirts, DVD's, and pizza according to a recent study by Nellie Mae, a leading provider of student loans. Upon graduation the same student will likely be over \$20,000 in debt and owe 15% of that to credit card companies for those same small purchases.

"Personal finance management is sorely needed but generally not part of the typical college student's education. Many university curricula adequately cover the formal education but neglect to develop kids' life management skills," said Steve Trumble, president of American Consumer Credit Counseling (ACCC). "It's important that non-profit consumer credit organizations fill the gaps in student education," Trumble continued.

According to the Nellie Mae study, credit card companies pursue college students because they are the least likely to pay off their monthly balance in full, thus fattening credit company's pockets with huge and continuous finance charges. Credit card companies employ targeted marketing tactics to solicit students, renting tables on campus, stuffing offers in textbooks and soliciting them through physical and electronic mail. Many studies, such as "College Student Performance and Credit Card Usage" published by the *Journal of College Student Development*, have revealed that numerous universities have multi-million dollar partnerships with credit card companies that encourage students to apply.

ACCC has released the following guidelines to help protect college students from the effects of credit card debt and a subsequent bad credit history with high-interest credit card payments.

- Pay at least the minimum payment on all bills before the due date.
- Keep a budget. Record all income and record all outgoings for at least two months so you know where your money is going.
- Avoid borrowing money to pay off other creditors.
- Only carry as much cash as your weekly budget allows.

American Consumer Credit Counseling (ACCC) is a national non-profit (501)(c3) organization specializing in professional education and credit counseling services. ACCC provides individuals with practical solutions for solving financial problems and recognizes that consumers' financial difficulties are often not the result of poor spending habits but more frequently from extenuating circumstances beyond their control. ACCC strives to empower consumers to regain control of the quality of their lives through education and money management. ACCC's experience has led to success in serving thousands of consumers who are debt-free or on the road to financial independence. ACCC's web site provides students with an enormous amount of financial resources. They can find information on personal money management, the proper use of credit, and how to get out of debt. All of this information can be accessed through an online self-paced interactive money management certification program, Money, Debt and Credit that is free of charge. For more information please visit www.consumercredit.com