

CREDIT CARD CRUNCH

According to a top student loan originator, credit card companies are relentless and will seize every opportunity to recruit new borrowers, especially 18- to 24-year-old impulse buyers.

An incoming freshman who has zero debt today can expect to be more than \$3,000 in the red by the end of the academic year. While a little over half of the money owed is for education loans--or “good debt”--the remaining \$1,500 or so is credit card debt.

A 2004 Credit Card Usage Study, states that college students, on average, graduate more than \$20,000 in debt, and over 15 percent of that is owed to credit card companies.

A report prepared by the California State University system, indicates that students receiving a bachelors degree in 2003-2004 graduated with an average of \$13,386 of debt.

In January 2002, the Student Financial Responsibility Act (AB 521), now Education Code section 99030, took effect. This bill mandates that “credit card and debt education and counseling sessions shall become a regular part of campus orientation of new students” at all California State University System schools. For more information, visit www.cscce.com