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University student credit cards have replaced student loans as the freshman's first experience with student credit. At the actual sophomore level, out of a sample of 100 college students, over 90 are found to hold at least one college charge card. The question is - why do many students end up in a vicious cycle of debt with their college charge cards? Why are they astonished with the huge bills they receive every month? Most importantly - must it necessarily always be by doing this for a college credit card user or can there be a simpler way?

There are plenty of statistical indicators to claim that students run up credit bills regularly yet they don't pay down their card balances nearly enough. Approximately 21% of college charge card users have balances between \$3,000 and \$7,000. The amount of credit cards in an average student's possession keeps increasing - a sign that they could be acquiring new cards to pay off balances upon old ones. But this only leads inevitably for their overall credit balance increasing even faster, adding more debt to some seemingly never-ending downward spiral of debt.

## Five Steps to Avoid the College Credit debt Trap

The core reason of this pathetic plight may be the absence of a disciplined and planned system associated with spending. If you, as a student, wish to optimize using your college student credit cards, use the subsequent guidelines to plan your spending:

- Pay your bills promptly. Late fees are the most unnecessary source associated with additional credit expense. Always ensure that at the absolute minimum, you always meet the minimum payment on your own bill. Ideally, you should try to pay a lot more than the minimum amount to reduce overall charges.
- Make use of the 20/10 rule. Be careful that you never, ever borrow a lot more than 20% of your annual net income and never save money than 10% of your monthly income on your monthly obligations. In other words, balance your credit budget to prevent irregularities in monthly payments.
- Plan your credit score expenditures. With college credit cards at your fingertips, it is easy to give in to the actual temptation of impulse purchases. This can lead to increasing credit card balances over a long period. It is usually better to plan purchases using your college credit card to help you ensure you only make purchases that you know it is simple to pay off.
- Avoid cash advances. The finance charges for these are typically much higher than standard credit purchases and can be quite expensive.
- Avoid approaching your credit limit. There might be extenuating circumstances that will require you to incur unexpected expenses, but if you stay well within your borrowing limit by avoiding unnecessary charges, you can enjoy the satisfaction of knowing that you could comfortably use your card when you really require it.

## The Boon or Bane of College Credit Credit cards

If the guidelines outlined above are kept in your mind, you will find that you can live comfortably with university student credit cards. These tips are especially useful for individuals who envision needing an extra job in order to pay your off credit card debt. Ideally, a balanced credit budget and a zero

card balance is the easiest method to handle your credit card expenses. So, while college credit cards can be hugely helpful to certain individuals, they can also end up being a huge detriment to those who do not budget and intend to use them accordingly.

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The author is the owner of the information Blog a [College Credit Card Debt](#) . This Blog offers free advice on how to rebuild a [credit and manage debt](#) . This Blog also features numerous articles and news stories on credit report, credit cards and bankruptcy.

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