campus tables; the details are lost in the clamor for free food and gifts. They may find out later that the interest rate was only a "teaser" and that the terms and fees are not as attractive as they thought.

Ideally, parents and older teens should work together to choose the credit card best suited for their needs. A study by the U.S. Public Interest Research Group (U.S. PIRG), Washington, D.C., found that fewer students applied for credit cards at campus tables if their parents either co-signed their credit card or helped with payments.

In their search for the best credit card, parents and students should stop first at their credit union. Not only do credit unions offering cards typically charge lower interest rates than banks, they often have programs specifically for young adults.

Or, a student could apply for a secured credit card. A student deposits, say, $500, in a savings account; that $500 establishes the credit limit. A secured credit card enables teens to build a good payment history without being overextended.

Credit counseling

The U.S. PIRG study offers this advice to students ready to charge:

- *Stick with one card.* One national credit card—paid on time—is sufficient for building a credit record.
- *Pay off the full balance on time.* Always pay as much of the balance as possible, and mail checks early.
- *Keep a low limit.* Issuers are likely to reward conscientious customers with a higher credit limit. Decline it. Keep credit limits low to avoid temptation.
- *Avoid cash advances.* The interest rate on these is higher than on straight purchases.

As with other rites of passage, your first credit card is an acceptance of an adult responsibility. If you take that responsibility seriously, you can establish a solid credit record that will serve you well down the road.

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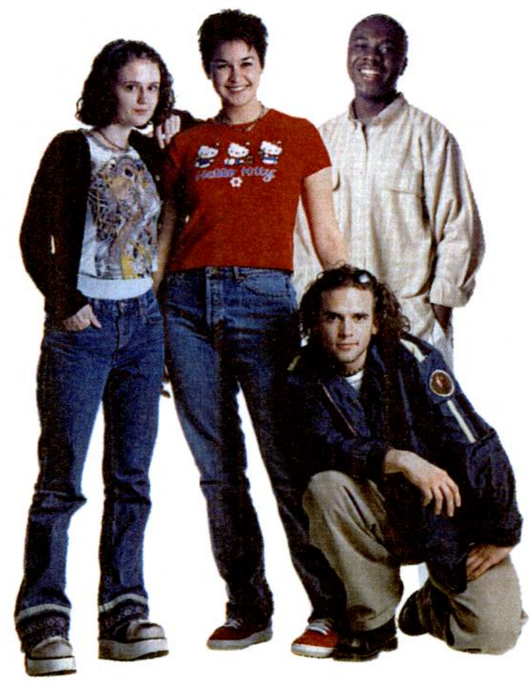
The Credit Card Push on Campus



Step right up, college students, and sign up for what may be the worst deal of your life. Apply for a credit card at one of the countless campus table promotions, and you'll not only take home a T-shirt or coffee mug but a credit line you may not be able to afford and may not know how to manage.

As credit card companies compete to enroll every student on college campuses, it's easy to give in to the desire for instant gratification—and a $500 credit line. Some students are acquiring more cards and racking up more debt than they can afford. In the process, they're putting their credit records at risk and jeopardizing their long-term financial prospects.

Orientation

"It has become a rite of passage for every college freshman to get his or her first credit card," says Judith Stevens, education specialist at Consumer Credit Counseling of Denver.

The numbers back her up. According to the 1998 Credit Card Fact Sheet compiled by Nellie Mae (New England Educational Loan Marketing Corp.) of Braintree, Mass., 67% of undergraduate college students have at least one credit card. Just more than one-quarter of undergrads have four or more cards.

And those students are having trouble paying off their cards. Nellie Mae's survey found that undergrads carried an average balance of $1,879; 10% of students had more than $7,000 in credit card debt.

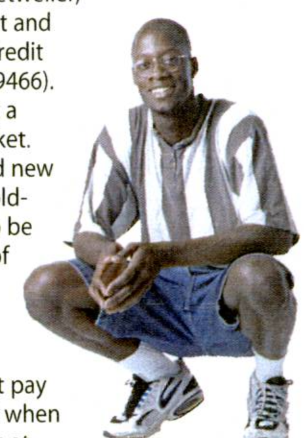
Misspent youth

Uninformed consumers are more likely to pull what author Janet Bodnar describes as the "top three stupid college tricks" in her book "Mom, Can I Have That?: Dr. Tightwad Answers Your Kids' Questions About Money," Kiplinger Books (ISBN 0812927540).

- *Treating the gang.* Out for dinner with friends, they pick up the tab on their credit card and collect each person's share in cash—then spend the cash rather than pay off the credit card bill.
- *Digging a hole.* They rack up a big balance and then make only the minimum payment—a surefire way never to get out of debt.
- *Letting things slide.* They're afraid to confess they can't make payments on time. Unknown to the student, their late payments can stay on their credit report for years and hurt their ability to get additional loans or land a job.

Credit where not due

Why are 18-year-olds with no reliable income being offered credit cards? For card issuers, they're fresh blood in a tired market. "It's hard for issuers to find new customers who don't already have a lot of credit cards," says Gerri Detweiler, credit and debt consultant and author of "The Ultimate Credit Handbook" (ISBN 0452269466). "College students present a potentially attractive market. Every year, there's a brand new group of potential cardholders. Also, students tend to be more loyal to the [issuer of the] first card they get."



Before you sign

Some students may not pay attention to the fine print when they apply for credit cards at