

## Ways to Get Yourself Out of Credit Card Debt

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According to Nellie Mae, a student loan provider, the average college student has \$1,843 in credit card debt. The numbers get worse.

Nine percent of undergraduates are carrying balances over \$3,000 and one-fifth of college students have more than three credit cards in their name.

### *The Hows and Whys of Credit Card Debt*

It seems absurd that a person attending college would not realize the consequences of credit card debt. Why do these debtors keep racking up charges? The answer is much simpler than it seems. Most college students don't really know any better.

Dennis Meunier, vice president of marketing for United College Marketing Services simply says, "the freshmen don't know anything coming in."

One student named Malik comments on how easy it is to get caught up in debt.

"The plastic is easier to spend than cash because you don't really see it leave your pocket. It's very deceptive in the fact that hundreds of dollars can be charged, yet a small monthly fee is required and you can't get out of it at all...credit cards are dangerous when used without experience."

When credit card companies attack college campuses, they don't offer a lot of education on how to correctly handle a credit card.

Applications are all over school walls and passed out in bookstore bags. Getting approved is just as simple as signing up.

Colleges around the country are trying to ban such blatant advertising that lure unknowing undergrads into the world of easy access plastic and high annual interest rates.

Lehigh University in Bethlehem is one of those schools.

"We're not credit bashing. We're just trying to level the playing field so the student has a fighting chance," says William Stanford, director of financial aid at the university.

The introduction of House Bill HR 900, which would ban the approval of credit cards to consumers under the age of 18 and/or without provable and substantial income, will help to protect college students from the pit of credit

card debt.

One of the first questions that my fiancée asked me when I told him of my intimidating debt was, "Why not ask your parents for help?"

Actually, a lot of people ask me that. Again, it is an easy response. Most kids that get themselves into trouble are too afraid to ask their parents for help.

In many cases, their parents don't even know their kids have credit cards let alone thousands of dollars in debt.

It gets sticky for a college student living away from home to go to parents for financial help. The credit card in itself grants a kind of key to adulthood. To turn that key over to your parents can be humiliating and humbling.

Take for instance, Sean Moyer, an undergraduate at the University of Texas at Dallas.

Moyer accrued 12 credit cards in his freshman year without his

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parents ever finding out. Moyer had also racked up \$10,000 in charges on these 12 cards.

Although Moyer did tell his parents about his problem, he didn't ask for help. Instead, he committed suicide.

Moyer's story was emphasized at a national press conference in Washington, DC where a study detailing this problem was released by Dr. Robert Manning, a sociologist and professor at Georgetown University.

According to Manning, "The unrestricted marketing of credit cards on college campuses is so aggressive that it now poses a greater threat than alcohol or sexually transmitted diseases."

### ***What To Do When You're Sunk***

It's easy to get yourself into debt, but how do you get yourself out of debt? No matter how much you have to pay off, it isn't likely to be an easy matter.

Many of the students who have large credit balances don't have

full-time jobs or make enough money to make payments.

Lonnie Williams, director of Consumer Credit Counseling Service in Austin, Tex., notes that his company regularly sees students dropping courses to pick up an extra job, and sometimes even dropping out completely.

There are ways to dig yourself out of the black hole of credit card debt. Fool.com, an internet financial consultant, offers several tips for credit debt recovery.

1. Pay more than the minimum. Too many people get caught up in the idea of only paying a tiny portion of their balance, rather than large payments. This ultimately gets you nowhere.

According to bankrate.com, it would take 12 years to pay off a \$1,000 balance with an 18 percent annual percentage rate by making \$20 payments every month. Do you really want to be in debt that long because of one bad shopping spree?

2. Move your balances to a lower interest card. Consider transferring balances to the card with the lowest annual rate. Consolidate as much as possible in order to reduce the amount of payments you have to make per month.

3. Ask for help. As I mentioned before, it may be hard to approach your parents or other family members for help, but it may be worth your while.

Set up a payback plan if you don't want to just accept gifts. The bonus is that parents usually don't charge interest and are less likely to get upset over a late payment.

4. Renegotiate with your creditors. Meunier says that most students "don't realize that they have negotiating power."

A simple phone call to your creditors will likely get your interest rates reduced or a late payment fee removed. The companies will respond in order to keep your account open. If this still doesn't help, threaten bankruptcy.

Fool.com remarks that when "faced with the prospect that you may resort to such a drastic step, creditors will do what they can to protect themselves against a total loss."

Marianne, a 22-year-old undergraduate affirms this idea. "I was terrified to call at first. I thought they were going to scream at me, but they didn't. They even offered to remove the \$800 in interest charges to help me out."

If you do have some money in the bank, try using a check card instead of a credit card.

Debtwizards.com considers this a great alternative because you can only spend what you already have. It is imperative, however, to remember that every use deducts money from your card. The more "charges," the less money in the bank.

Credit counseling services are also available for a small fee. A service like this would take care of your bills for you while you write them one check a month.

If you are too afraid to renegotiate with your creditors yourself, a counseling service like Consumer Credit Counseling Services will do it for you.

So you see there is help out there somewhere. I got lucky. My fiancée doesn't have the same problem that I do, so he is helping me out for now.

Many college students, including myself, learn about bad credit the hard way. The little piece of plastic in your wallet can be helpful, but it can hurt you too. Be careful and educate yourself before trying to purchase the world on Visa.

As much as a credit card can seem handy, they can get out of hand. As one student wrote on Fool.com, "It steals from your future to pay for your present."

## Tarnhelm Comes Out

After sparking months of controversy and suspense, *Tarnhelm*, the campus literary and arts magazine, was unveiled during a reception in the Morrison Gallery on April 19.

*Tarnhelm* staff, contributors and supporters gathered to catch a first glimpse of the publication and recognize this year's award winners.

*Tarnhelm* faculty adviser, Dr. Victor Viser, congratulated co-editors Patricia Bauer and Katie Eye and the rest of the staff and turned the podium over to them to host the remainder of the reception.

Following the award presentations, authors were encouraged to read their contributions.

Award winners:

**Poetry:** First place: Jena Laske for "Dissin' Me." Second place: Stephanie Johnston for "Witness."

**Fiction:** First place: Melissa Fisher for "Stepping from Stone to Stone." Second place: Ilene Rosenberg for "The Samovar."

**Visual Art/Photography:** First place: Cathie McCormick Musser for "Go Ask Alice." Second place: Kathie Eye for "Margaret, 1938."

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