

# Credit cards for college students



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Credit Cards and College Students Many people rely on credit cards in their daily lives but let us take a moment to seriously contemplate the fact that credit card companies should not be on campus marketing to collegestudents. Even though everyone should build up their credit, it is wrong to target college students due to the high cost of living, high interest rates, and the high cost of tuition. College student have enough to worry about without adding a credit card payment.

Adding more to an already stressed way of life could be detrimental to an already delicate person such as a college student with too many things to worry about. Credit card companies should not be on college campuses marketing to college students, after all these young students have enough to worry about without adding a credit card payment each month. This this is a problem that appears to have gotten out of control. Banks are growing more aggressive in their efforts to pitch credit cards to college students. Each New Year thousands of new college students??™ start their college careers eager to explore new life experiences.

The average freshman receives eight credit card offers within the first week. The latest sign was a study released by the U. S.

Public Interest Research Group shows that 76% of students say that credit cards have been marketed to them through tables set up on or near college campuses (Chu, 4/4/2008). Research conducted by USA TODAY some years ago shows that despite nearly a dozen states restrictions on credit card marketing on college campuses, banks have become more aggressive about reaching students through phone calls, e-mail and off-campus locations (Chu,

4/4/2008). These banks have also been said to be trying to strike up deals with college alumni organizations to get more students to apply for their credit cards. Banks have also increasingly forged credit card partnerships with colleges. No national numbers are available on these deals. By 2006, each of the largest 10 colleges and universities ??” through their alumni or athletic associations ??” had partnered with a bank to issue co-branded credit cards to alumni and students, earning the colleges millions in annual fees. Colleges defend these partnerships as a way to offset severe cuts in state funding. Consumer groups worry that these alliances are encouraging students to sign up for products with high interest rates or fees, making it easier to get mired in debt.

Banks often receive student information and exclusive marketing access at campus events. This study also shows that the Credit Card Companies are increasing their efforts to gain these students use of their cards by offering them gifts if they take the time to apply for their card. They are giving students t shirts, mugs, candy, pizza, and even iPods as free incentives (Chu, 4/4/2008).

Many of the students fill out the application just to get the free incentives thinking they will never qualify for the credit card. A few weeks down the road they get a credit card in the mail, at first most are not sure about using the card. Then one day the student see??™s something they think they must have and pull out the credit card and it is downhill from there.

Undoubtedly college students are a credit card company??™s best friend the companies like to get the students while they are young and have many

years of credit card spending ahead of them. The company's realize that these students are usually loyal and if they can be the first company to give them a card they will probably be the company the student continues to use after college (Wilson, 2008) . Students are also big spenders credit card companies love people who spend a large amount of money, and college students do that very well between books, and luxuries. The company's also know that even though most of these students do not have much more than a part-time job, they will do almost anything to pay their debt. The students may get a part- time job, get more student loans, or borrow from their friends and family to pay off their debt before heading out into the world of looking for employment after finishing school.

When students do fall behind on their payments the company's charge them late fees and penalties they may even raise their interest rates (Wilson, 2008) . There are cases in which the student's fell so far behind in their payments they can see no way out of debt they end up taking their own lives. In an article published by the Bankruptcy law network, and featured in the movie Maxed Out. One young lady whose name is not mentioned in the article had become so distraught after losing her part-time job called her mother. Not knowing how she was going to pay her credit card bill. Her mother told her not to worry about it, and they would talk about it the next day. Later that night she was found dead in her room with her credit card bills scattered across her bed, she had hanged herself (Joyce, 2007). In the same article the son of Jane O'Donnell was a National Merit Scholar at The University of Texas was still receiving credit card offers after he had

hanged himself not knowing how to deal with his large credit card debt (Joyce, 2007).

Some students want to put a stop to the credit card companies marketing on college campuses US PIRGs latest survey 1, 584 students from 40 schools were randomly surveyed on campus from October through February favored some form of card reform on campuses. Specifically, 38% of students supported a ban on schools or student groups receiving money from banks in exchange for the right to market credit cards on campus, while 67% opposed schools selling or sharing student information with credit card companies (Chu, 4/4/2008). Regulators have begun paying close attention to credit card marketing on college campuses. In New York, Attorney General Andrew Cuomo has expanded an investigation of the student loan industry to colleges partnerships with financial providers on credit and debit cards. Ohio Attorney General Marc Dann has also begun examining credit card marketing on college campuses (Chu, 4/4/2008). There may be some reform coming to college campuses as of February 22 2010 young adults access to credit cards will be curtailed, as will credit card marketers access to students. Through The Credit Card Accountability, Responsibility and Disclosure Act of 2009 reform act the public can expect to see higher barriers to credit approval, No more freebies, fewer prescreened offers, more transparency about college affinity card programs. Most important recommendations to colleges and universities urging colleges and universities to adopt policies that restrict credit card marketing on their campuses, including requiring advance notice of when they will be on campus and limiting the locations of marketing activities.

It is my conclusion that the new law is a much needed step in ending the marketing of credit cards to college student who already have enough to worry about. In an already tight economy these students have enough to deal with between the class load, student loans, and cost of living that they all have to endure. ReferencesChu, K. (4/4/2008). Credit Cards go after college students. Retrieved from <http://www.usatoday.com>Joyce, D.

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