

Student Credit Cards: A Strong Financial Foundation?

A strong credit history is important right from the start of your working life. Many of the big "firsts" you will accomplish, from renting your first apartment and buying your first car to getting a job with real responsibility, will depend upon your having good credit. Therefore, you need to build a good credit history and start as early as possible. Student credit cards are an important building block in establishing your credit history.

Begin by picking the right student credit cards. Student credit cards often have "gotchas" built into the contract, from low initial interest rates that convert into high rates after a grace period, to high hidden fees. Choose the credit card offer with the lowest interest rate and the most reasonable schedule of fees.

Then learn how to use a credit card sensibly. Charging a small amount to your credit cards each month is good as long as you pay it off in full at the end of the month. (After all, it is hard to prove that you can use credit responsibly if you never get around to using your credit card.) If you do carry a balance from one month to the next, pay more than the minimum required payment to reduce the amount of interest your account accrues.

If you use your student credit cards well, you will not reach your credit limit. However, emergencies do happen. If you find yourself nearing your credit limit, stop spending immediately. If you absolutely must exceed your limit, do everything in your power to pay back until you are under your limit as soon as possible. Most credit card companies will happily let you exceed your limit because the interest rates they can then charge you are exorbitant. Another side effect is that when you exceed your balance, a note may appear in your credit report, which will lower your credit rating.

And, of course, always pay all of your bills on time. This includes not only your student credit card bills, but your utility and rent bills. If you pay any bill, even the smallest, late, that fact can show up on your credit report as a black mark against you. You have a grace period, but it is usually only about 30 days, so do not risk it.

More of your future than you suspect will depend upon your credit report. Don't leave it to chance. Use [student credit cards](#) responsibly, establish an official record that you are a wise and sensible consumer who can handle his or her financial obligations, and lay a firm foundation for your future.

Links to more [Secured credit cards](#) .

About the Author

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