Credit Cards in College

10 habits for managing purchases, payments, and borrowing costs

01. Spend within your budget. Your credit limit is borrowed money. Before charging a purchase, identify the money you will use to repay it.

02. Aim to pay the full statement balance on time. If your card has a purchase grace period and you are not carrying a balance, paying the statement balance in full by the due date generally avoids interest on new purchases. Check your card terms. [1]

03. Understand the minimum payment. The minimum is the smallest required payment for that billing cycle. It does not clear your balance. Paying more can reduce interest costs and repayment time. [2]

04. Set reminders and check autopay. Use calendar alerts or payment notifications. If you use autopay, confirm the amount, payment date, and available bank funds.

05. Start with a manageable purchase. Choose a small expense already in your budget, such as a phone bill. Set aside the repayment money when you make the purchase.

06. Compare terms before applying. Check the annual fee, annual percentage rate (APR), late fees, and when a promotional rate ends.

07. Avoid cash advances when possible. Withdrawing cash using a credit card commonly involves fees and interest that starts immediately. [3]

08. Review every statement. Check purchases, fees, and subscriptions. Report unfamiliar charges or billing errors promptly using the issuer's verified contact information. [2]

09. Keep rewards in perspective. Points or cash back do not make an unplanned purchase affordable. Include the full purchase price in your budget.

10. Ask for help before a missed payment. Contact the issuer early. Ask about payment options, interest, fees, and reporting. Confirm any arrangement before relying on it.

READ YOUR STATEMENT
Statement balance: **$240** Minimum due: **$25** Current balance: **$315**
Paying $25 meets the minimum shown. Paying $240 clears this statement balance.
The current balance reflects newer activity too. Always check the due date.

BEFORE YOU SWIPE What will it cost? Where will the repayment money come from? When is payment due?

LEARN MORE - Select a source below for official guidance.

1. CFPB: Credit-card grace periods
2. FTC: Using credit cards and disputing charges
3. CFPB: Credit-card cash advances