

Student Credit Cards Are Vital to Teaching Good Money Management Skills

Good credit is one of the most important things a student needs to make their entrance into adulthood after graduation, and [student credit cards](#) can help young adults establish a good credit record while still in school. That good credit record will make it much easier for them to rent an apartment and purchase a new car and may even qualify them for a lower insurance premium.

It is best to teach good credit management early on rather than when it is too late. Student credit cards can provide parents with an excellent teaching tool. With a student credit card, your young adult can learn how to budget by having to set aside money each month to pay the bill. He or she will also learn, hopefully not the hard way, about interest and how quickly it and late fees can accumulate if bills are ignored.

Astute parents of a college age child will set limits on how their child can use a student credit card. The first limitation should be on the credit limit to discourage binge spending and develop responsible spending habits. Once away at school, the student will learn quickly that it is wiser to use a credit card for necessary purchases such as books and school supplies rather than blow the entire credit limit on new clothes or a weekend trip. Parents can revisit the credit limit issue once the student has demonstrated responsible use of a credit card and developed a good payment history. Students should also be introduced to the concept of online student credit card payments. Since our society grows more technology driven by the day, all bill payments will eventually be made online and students should be prepared for that. The most desirable student credit card package will have no annual fee, zero percent introductory interest rate and cash back rewards to reinforce good credit practices.

Parents should not be afraid to introduce their college age children to the concept of student credit cards. In reality, they would be doing their children a great disservice by shielding them from the reality of financial responsibility. Children need basic financial management skills and a good credit history in order to succeed in our financially driven world. Insurance companies, financial institutions, landlords and employers all use credit scores to determine whether an individual would make a good credit risk. Give your child the gift of a sound financial education before it is time for them to go out into the world on their own. Related Articles [Credit cards for bad credit](#) |

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