NORTH TONAWANDA SOURCE

Date: Sunday, September 25, 2011
Location: BUFFALO, NY
Circulation (DMA): 14,495 (49)
Type (Frequency): Newspaper (W)
Page: A9
Keyword: Gabe Albarian

Establish good credit

According to a study conducted by Twentysomething Inc., a consultant firm specializing in young adults, 85 percent of the class of 2011 will wind up moving back home after graduation. The reason? A combination of a shrinking entry-level job market and crushing college loan debt.

"The average student accumulates more than $23,000 in student loan debt and $4,000 in credit card debt during their years as an undergraduate student," said Gabe Albarian, author of the guide "Financial Swagger." "All these stats basically tell the same story: our next generation of college graduates will enter the next phases of their lives in a personal finance hell composed of a combination of crushing debt and poor credit."

It doesn't have to be that way; if you are in college or about to graduate, just follow some of Albarian's tips. First, don't fall victim to the traps credit card companies lay out. There are other ways to establish credit other than falling down the slippery slope of interest rates to live above your means.

If your parents are financially responsible and pay their bills on time every month, you can be added as an authorized user of their credit card. Make sure you provide your social security number and personal information to the credit card company, so your credit history report reflects these transactions. In about six months, you will have learned a bit about responsibly using credit cards.

There will be temptation to apply for an unsecured credit card, but that's not wise. Apply for a secured credit card at your local bank. With this, you place a nominal amount of money in your savings account that cannot be withdrawn, as it's used as a resource to pay back your debts in case you don't pay them yourself. It's not a good idea to have more credit cards than you need, as it will lower your credit rating and present temptation.