

FOR IMMEDIATE RELEASE
Thursday, September 4, 2014

Connie Ress / Abigail Lootens
Department of Consumer Affairs
(212) 436-0042
press@dca.nyc.gov

DEPARTMENT OF CONSUMER AFFAIRS ISSUES TIPS TO HELP YOUNG ADULTS MAKE SMART FINANCIAL DECISIONS AS THEY START COLLEGE

Whether you're going to college for the first time or heading back to school, the start of a new academic year can bring many financial questions and concerns. The Department of Consumer Affairs' ongoing consumer tips can help you know what to avoid and how to help manage your purchases and money. Below are tips to help you start the school year with smart financial choices.

"Many students leave college with crushing student loan and credit card debt," said DCA Commissioner Julie Menin. "Unfortunately, a recent study by the Organization for Economic Cooperation and Development reports that American teens rank ninth out of 34 nations in financial literacy. Our young adults need to learn how to manage their money and save for the future. Hopefully, these tips will help to develop good financial habits."

Research before you apply. Speak to former students; sit in on a class; read reviews; ask about graduation and employment rates and transferring credits. Read the contract and make sure you have the cancellation policy in writing before signing. If a school pressures you to sign a contract walk away. Beware of unlicensed schools and scams. Avoid schools that "guarantee employment." Make sure any trade-school program entitles you to sit for a licensing exam.

Be careful taking on a lot of debt. Education can be expensive and "financial aid" is often a loan that you will have to pay back with interest. First, check for grants and scholarships that will not need to be repaid. Studies show that millions of eligible students miss out on free money because they don't apply for a federal Pell Grant. If you get student loans, make sure you understand the terms and will be able handle the cost to pay them back on a starting salary. Late payments can lower your credit score.

Learn how to budget. Sit down and make a budget. Calculate your expenses and see where you can cut back. If you need help, New Yorkers can get free, one-on-one financial counseling at one of the City's nearly 30 Financial Empowerment Centers where they can help you create a budget, understand your credit report, improve your

credit scores, reduce debt, open a bank account, and start saving for emergencies and the future. Call 311 to schedule an appointment near you, or visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) for more information. You can also search DCA's Financial Education Network Directory for free and low-cost financial education classes and workshops.

Open a Safe Bank Account. Make sure that the bank account you have or open is safe and right for your needs—not the one with the coolest free gift. All New Yorkers can open an NYC SafeStart Account—the City's free bank account with an ATM card, no overdraft fees, and no monthly fees if you have a minimum balance of only \$25 or in some cases even less. Call 311 and ask about the NYC SafeStart Account.

Don't grab at the first credit card offer you see. Remember that credit cards aren't free money. You have to pay for what you spend, often with interest and fees. Research the cards before you sign up, make sure you understand the fees, interest rate and penalties.

Check your credit report and build your credit history. You are entitled to a free credit report every year at annualcreditreport.com (link to: <https://www.annualcreditreport.com/>). Be sure to correct any errors. Use your credit card only for purchases that you can pay off in full every month. Using a credit card responsibly will help you build your credit history and increase your credit score.

For more consumer tips, visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) and join the conversation on Twitter by following [@NYCDCA](https://twitter.com/NYCDCA) (link to: <http://www.twitter.com/nycdca>).