



Study Shows College Kids Hide Debt From Parents

(NAPS)—For college freshmen looking to manage their own finances—often for the first time—heading to college can often mean a lot of unexpected expenses and even new debt.

Surprising Survey Statistics

A recent survey of college students and parents uncovered some startling information on school and their money.

- Almost half—44 percent of parents polled—said that their child's education was more expensive than they expected.
- Parents are confident—but kids still stumble. The majority of parents, 63 percent of those polled, rated themselves confident or very confident in their children's ability to manage their finances in their first year of school.
- Despite this, over a third of students polled said they incurred unexpected debt in their first year of school.
- One statistic that may help explain the disparity between confidence and stumbles: Almost one in three students said they hid the debt they incurred from their parents.
- Credit cards and banking fees add up fast. Credit cards can be a slippery slope for a newly minted adult. Forty percent of those who signed up for credit cards during their first year of college say they regretted the decision.
- Even navigating a bank account can be expensive. Nearly a third of college freshmen incur banking fees in their first year of college. How much in fees? Thirty-seven percent said they incurred over \$300 in fees, and 1 in 10 incurred \$1,000 or more.

So how can parents prepare their kids to avoid a financial freshman fifteen? Here are five tips:

Five Tips to Avoid the Financial Freshman Fifteen

1. Avoid the free t-shirt. While college students are often wooed by credit



A third of college freshman incur unexpected debt—but there are ways to avoid it.

card companies with the allure of swag and perks, signing up for credit cards can be a slippery slope. Cover the basics about credit with your student.

2. Be careful with recurring fees.

It can be tempting to get that free month of streaming music or premium TV just for signing up. But forgetting to cancel can lead to unexpected charges hitting your bank account on a monthly basis.

3. Plan for expenses. Managing day-to-day expenses is just the beginning; preparing for, and setting aside money for, big twice-yearly expenses such as books and class fees is critical.

4. Take advantage of student perks. Everything from flexible college meal plans to discounts on local stores, movie theaters and software are available to college students who take the time to do their research.

5. Keep a budget and check it regularly. Creating lifelong habits around financial management starts now—parents might consider a money management tool from Quicken, maker of the best-selling personal finance software in the U.S., as a great graduation gift for high school seniors.

Learn More

For further facts and tips, go to www.quicken.com.