

Parents : Don't Let Your Students Leave Home Without One

Contributed by Webmaster

By Pamela Peterson

Three reasons for providing your college-bound kids with a credit card include the following. Control over spending which can be achieved with a pre-paid card; ease of use which a debit or credit card could provide; and emergency use which could be provided with a totally separate card (either pre-paid or a regular card) to be used only for emergencies.

1. Control over spending.

You can set up a card with a pre-paid amount so that charges are denied after that amount has been used. If there are unforeseen expenses, it's simple to transfer funds to the card as needed. Additionally, if the card is used for all day-to-day expenses, it's easy to take a look at the monthly statement and see where money is being spent. Of course, your student can still get cash advances on it so it's not a complete record. Also, tuition and dormitory or housing expenses would not typically be paid with this card but, if you planned for that, it could certainly be used for that too. These expenses would just have to be included in the limit. If you don't want to have to allocate money for a pre-paid card, you can also get one with a firm limit which would provide the same degree of control.

2. Ease of use.

Checking accounts have been around forever, and I actually prefer paying most of my bills with a check (I know, I know, I'm living in the dark ages), but many students may not want the trouble of writing checks for everything. A debit card could be used in lieu of a checks, and your student would still have to keep track of his/her spending so he/she doesn't exceed his/her balance. (You do want to instill fiscal responsibility in your student).

3. Emergencies.

You may want to have a separate card just for emergencies. This could be used if your student has car trouble while traveling to or from school and there's some delay in getting insurance to cover the repairs. Your son/daughter may have to stay in a motel overnight while the car's being fixed. Your student may have to fly home for a family emergency, whatever. This is to cover the unexpected. I don't know what might come up, but it's better to have a card than to carry a lot of cash that could be lost or stolen, and it would be hard to tell just how much emergency cash to have on hand.

Hope these tips help.

This article was provided by Pamela A Peterson, president and CEO of www.123creditpalace.us. She set up and operates this site to provide a variety of credit options (student credit cards, balance transfers, business credit cards, gas cards, travel cards, etc.) so that people can find the credit offer(s) that best suit their needs.