



Sharper Insight. Smarter Investing.

Preparing for Debt: An Introduction to Credit Cards and Student Loans



What's The Difference Between Credit And Debt?

CREDIT

Your ability to borrow money or buy something using debt, with an agreement to pay later.

DEBT

The amount of money you owe to a person or organization who gave you credit.

What Features Of Debt Do Students Need To Know?



Interest Rates/Annual
Percentage Rates (APR)

Credit Scores

Common Types of Credit/Debt



Credit Cards

Student Loans

Auto Loans

Mortgages

Small Business Loans

Your First Credit Card:

How to Get Started

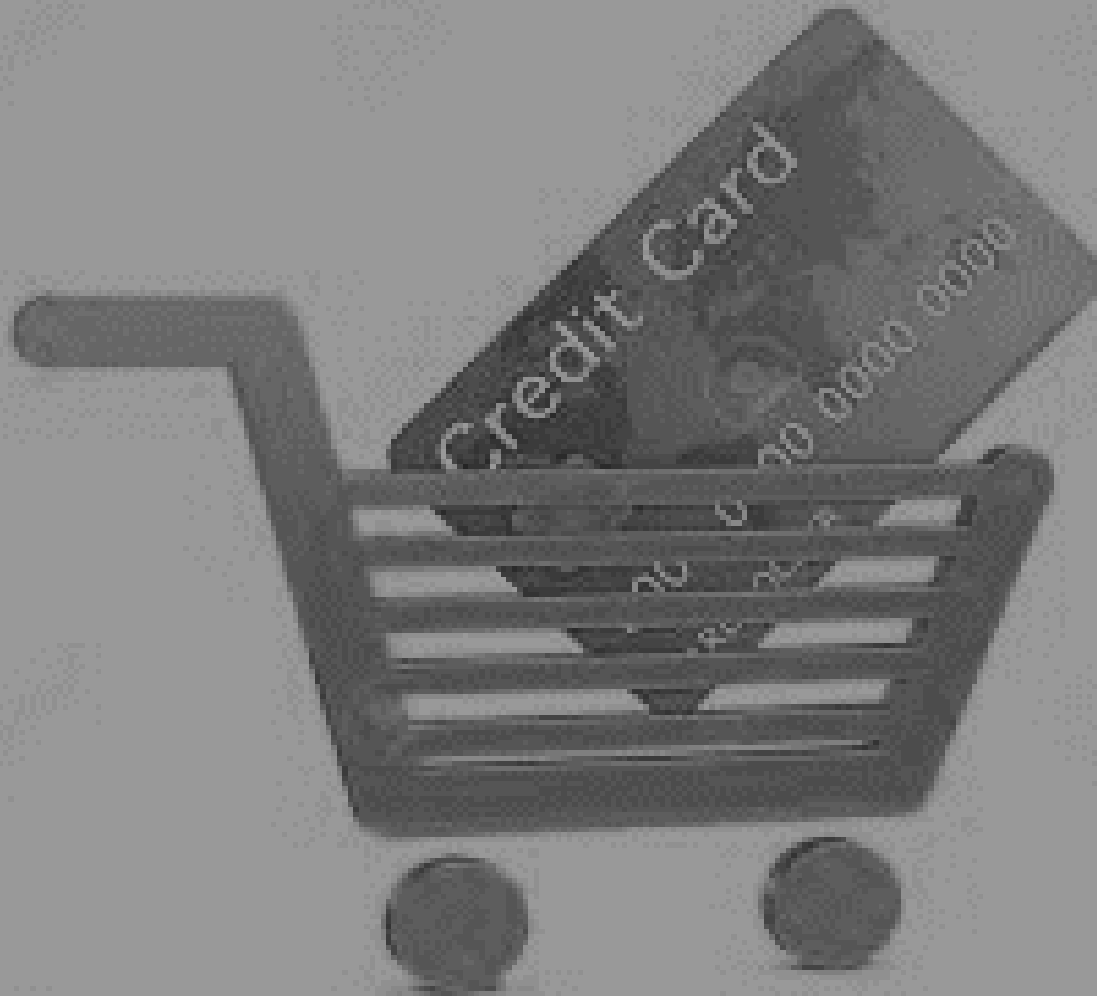
You can start applying for credit cards at age 18.

But if you're under 21, you must prove you have independent income to get a credit card, or get a co-signer such as a parent.

Or you can become an authorized user of a parent's credit card.



Credit Card Features to Know



Fees

Introductory Rates

When & How to Pay

**Rewards & Cashback
Features**

Secured Cards

Credit Limits

Taking Out Student Loans:

What to Expect

How much to borrow?

What do loans pay for?


Interest Rates

Paying off and consolidating loans

Loan forgiveness programs

Federal vs. Private loans

Questions to Ask Before Getting Cards and Student Loans



What will the consequences be?

Can I afford it?

How will I pay for it?

A grayscale image of a piggy bank with a sad face, surrounded by coins and a broken shell, symbolizing financial trouble.

Common Mistakes We Make With Debt

Taking on more than we can afford to pay back

Taking on debt that won't help your situation

Not paying off at least the minimum payment owed each month

Letting debt with high interest rates build up

Reading and Resources:

[Credit and Debt Management: An Overview](#)

[Debt in Your Teens: Understanding: Credit Scores](#)

[Good Debt vs. Bad Debt](#)

[Credit and Debt Management: Credit Cards](#)

[Best Student Credit Cards of 2017](#)

[Understanding Credit Card Interest \(Video\)](#)

[Student Loans Overview](#)

[Debt Forgiveness Using Federal Student Loans](#)

[10 Tips for Managing Your Student Loan Debt](#)

More tools on the [Student Loan Borrower Assistance](#) website

[Best Secured Cards of 2017](#)

Government Resources:

Consumer Financial Protection Bureau: [Credit Reports and Scores](#)

Consumer Financial Protection Bureau: [Paying for College](#)

[Federal Student Aid](#) from the U.S. Department of Education

[Federal Student Loans Overview \(PDF\)](#)

[Federal Student Loan Forgiveness](#)

QUESTIONS?

 INVESTOPEDIA

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