

Budgeting 101: Teaching Students Financial Responsibility

(NAPSA)—Parents who prepare their college student to handle financial affairs responsibly have one less thing to worry about.

The following tips on how to use payment cards to keep your college student on track to avoid interest rates and debt may help.

1. **Gift Cards:** According to a survey by First Data, 89 percent of consumers bought or received a gift card last year with 11 percent going to graduates. Prepaid cards can be an excellent way to introduce a college student to payment cards and help them manage their expenses. With a predetermined limit, card holders are able to buy whatever they please within a fixed amount without having to worry about paying it off over time and/or interest rates. Here are some examples:

- A gift card from a discount retailer will let students get whatever they may need for the dorm room or the classroom, as well as groceries and personal items.

- Treat a coffee-loving student with a gift card for caffeine fixes for late nights spent studying and early-morning classes.

- A prepaid airline or a gas card can be used for when the student feels homesick or for vacation times.

2. **General-Purpose Cards:** General-purpose reloadable cards give college students freedom to shop wherever they like. In addition, parents can refill the card when needed and monitor spending. A reloadable prepaid card



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bearing the Visa, MasterCard or American Express logo offers many of the same conveniences as a credit card, so your student can make online or telephone purchases, as well as reserve hotel rooms and airline flights. General-purpose reloadable cards can be found at grocery stores, discount retailers, convenience stores, banks and the like.

With prepaid cards, parents can reward good grades or celebrate holidays and birthdays by adding additional value to the cards. Value can be easily added at banks associated with the cards, by phone or even online. With the balance on many cards insured and protected, prepaid cards are safer than cash in case of theft or loss.

For more information, visit www.firstdata.com or call (800) 735-3362.