



Parent \$marts

Talking with Your Student About Credit

Where has time gone? Your student is now a young adult and about to enter the adult world on their own.

Now is a good time to talk with your student about credit and how it can affect your student's financial future. Here are a few tips and communication pointers to help you start a dialogue with your student.

Listen. Listening is one of the most important parts of communication.

Give your student your full attention without interruptions.

Time your discussion. Timing of any topic can be critical. Find a time that is mutually agreeable to discuss ideas and concerns. Perhaps designate an evening once a week or month when you and your student talk about college issues. One of these evenings could focus around a discussion of credit.

Make it a conversation, not a lecture. Ask questions and listen carefully to the answers. Discuss your student's attitudes and beliefs about borrowing money. Think carefully about your attitudes and beliefs.

Use eye contact. You can gain a great deal of information from eye contact and non-verbal body language. Are you comfortable talking about credit?

Five Key Questions about Credit

Consider these key questions as a starting point for your discussion with your student about credit and financial responsibility.

1. What is credit?
2. Do you need a credit card?
3. What type of expenses should be charged?
4. Who will pay the monthly bill?
5. How much does credit cost if the bill is not paid each month?

Give advice, but not too much

When giving advice, provide guidance and allow your student to explore and choose between different options. For example, discuss the pros and cons of having many credit cards.

Avoid placing blame. Try to avoid bringing up old

financial disagreements or mistakes your student may have made in the past. Keep communication open.

Share your own experiences. Perhaps one of the best ways to teach your student about credit is through example. Discuss positive and negative experiences you have had with credit. You might also want to consider sharing any credit mistakes you may have made.

Be a resource for financial advice. Make sure your student is aware they can turn to you for advice and guidance in the future. Also, make them aware of resources on their college campus.

Putting words into action. Preparing your student for financial independence includes not only a discussion of responsible credit usage, but putting it into practice. Use the checklist below to start your student on the road to financial independence.

Developing \$mart habits for life.

Good money habits last a lifetime.
Communicating with your student about

financial responsibility and expectations for good credit usage is the first step to helping them develop long-term financial security. For additional resources to help you in talking with your student about credit, visit the Consumer and Family Economics website at: www.ace.uiuc.edu/cfe. On this website you can find credit card calculators and fact sheets about responsible credit card usage.

Your Communication Checklist

		Completed	Plan to Do
Topics to Discuss:			
1	Does your student need a credit card and why?		
2	How is the credit card to be used?		
3	Who will pay the monthly bill?		
4	What are the benefits and costs associated with credit?		
5	Other:		

Activities to Do:			
1	Visit the bank and open a checking account with them.		
2	Help them comparison shop for their first credit card.		
3	Read a credit card statement together.		
4	Help them prepare a realistic student budget.		
5	Other:		

Sources: Ferrer, Millie. *Success and the Single Parent: Positive Parenting – The Communication Puzzle*. University of Florida, Institute of Food and Agricultural Sciences. Retrieved March 13, 2003, from <http://www.co.broward.fl.us/agriculture/english/consfam/he341.htm>. *Money Talks*. Retrieved March 16, 2003, from <http://www.collegeparents.org/moneytalks.html>

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