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Ask the Biz Brain

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At 21, I am a full-time nursing student with a part-time job earning around \$1,000 per month. I am trying to establish a credit rating. Any suggestions on how to get started?

-- Nelson Before telling you how to get credit, the Brain begs you to use it wisely. A fresh, new credit card in the hands of a financially-strapped college student can be a dangerous thing. Yes, you need credit, but don't overuse it once you get it.

Sermon over.

In today's credit-driven society, having a credit card is often a necessity.

Establishing a credit card as a college student with a part-time job and a modest income is very possible. Aaron Skloff with Skloff Financial Group in Berkeley Heights says the best way to establish credit is by gaining a student credit card.

"Many credit card companies offer these cards to college students with credit limits of \$500 for the first year," Skloff said. "After demonstrating consistent payments throughout the first year, most credit card companies will increase the credit limit to \$1,000."

You should check BankRate.com (www.bankrate.com) to see what kinds of cards are available.

The second choice would be a secured credit card. You would give the credit card company a deposit and it would give you credit based on that deposit. (It can hold on to the deposit in case you don't make your payments.) Secured credit cards generally have an annual fee of \$25 to \$75.

The least attractive choice would be to get a credit card with one of your parents as a co-applicant.

"Remember, once you get one ... don't overextend, pay the bills on time and do not max out your cards," said Bill Connington of Connington Wealth Management in Pine Brook.-- Karin Price Mueller

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