



OFFICE OF
STATE TREASURER
DENISE L. NAPIER

NEWS

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STATE TREASURER LAUNCHES PILOT PROGRAM TO TEACH HIGH SCHOOL SENIORS RESPONSIBLE USE OF CREDIT CARDS

Statistics point to growing financial risk to young adults, Nappier says

In response to distressing statistics which highlight the rapidly increasing financial burdens placed on young people by an over-reliance on credit cards, State Treasurer Denise L. Nappier has launched a pilot program to help teach high school seniors about the financial dangers posed by credit cards.

The program, run in conjunction with the State Department of Education and 31 high schools throughout Connecticut, is a one-day curriculum that highlights the consequences of excessive credit card debt and the importance of building a positive credit history. Each student is provided with a workbook, *"The ABCs of Credit Card Finance: Essential Facts for Students,"* developed by the Center for Student Credit Card Education.

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The material has been provided to, and will be taught by, local teachers this spring as part of the school curriculum, and includes basic information about budgeting and the impact of varying interest rates, as well as explanations of credit-related terms such as "grace periods" and "revolving balance," and guidelines to avoid financial difficulties.

Nappier said the curriculum is designed for high school seniors, because college freshmen are routinely deluged with a steady barrage of attractive enticements to open credit card accounts. The solicitations have largely been successful – college students borrowed in the '90's what they borrowed in the '60's, '70's, and '80's combined. The trend has continued in the new millennium.

"Managing money is a critical life skill, and understanding credit is absolutely essential. It has been said that graduating high school without basic financial management skills is like driving unbuckled... the risks are much greater. This initiative is a way of providing students with solid information so that they can understand the potential for financial harm before they accumulate a mountain of debt," Nappier said.

Nappier cited statistics that 55% of college students acquire their first credit card during their first year of college, and 83% of college students have at least one credit card. Those statistics lead to others, with greater financial ramifications: 45% of college students are in credit card debt, with the average credit card debt being \$3,066, and 20% of graduating college students have \$10,000 or more in non-school related credit card debt.

More...

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Connecticut's Treasurer noted that bankruptcy filings by people in the 18-25 year old age group are the fastest growing and are now at an all-time high, with almost 150,000 filings in 2000, a ten-fold increase in just five years.

"There is an accelerating credit card crisis among our young people in this country, and the burdens of unrelenting debt will impact the lives of college students for years – even decades – after they graduate," Nappier said. "Everything that can be done to teach the plusses and the pitfalls of credit can be enormously helpful to the next generation of students."

Nappier commended the schools in the voluntary pilot program, many of which provide students with a range of financial education curricula. Communities with participating high schools include:

- *Litchfield County:* **Thomaston, Litchfield**
- *Tolland County:* **Stafford, Region #19 Ashford/Mansfield/Willington** (EO Smith)
- *Middlesex County:* **East Haddam** (Nathan Hale), **Region #17 Haddam/Killingworth**
- *New London County:* **Old Lyme, Groton** (Robert Fitch), **Lebanon** (Lyman Memorial)
- *Windham County:* **Putnam, Killingly**
- *Hartford County:* **Glastonbury, Newington, Wethersfield, Hartford** (Bulkeley), **West Hartford** (William Hall), **Windsor, Rocky Hill, Berlin**
- *New Haven County:* **Ansonia, Stratford, Waterbury** (Kennedy), **Milford** (Jonathan Law, Joseph Foran)
- *Fairfield County:* **Ridgefield, Stamford, Bethel, Bridgeport** (Bassick), **Danbury, Monroe** (Masuk), **Wilton**

"The response from teachers and school administrators throughout Connecticut has been tremendous in the pilot year," Nappier said. "Their commitment, in obtaining and teaching this material, demonstrates that they well understand how important this issue is to their students' future, and they want to do everything possible to give our young people a solid foundation as they approach graduation."

The program, developed by the Center for Student Credit Card Education and now offered in nearly 20 states around the country, is underwritten nationally by Citigroup. The student workbook also provides resources students can turn to for additional information, including web sites that offer explanations of the various aspects of the credit and credit card usage.