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TREASURER COWELL ANNOUNCES STUDENT DEBT TOUR FINDINGS

RALEIGH – State Treasurer Janet Cowell announced findings from the state-wide Student Debt Tour during the State Board of Education meeting today. After talking to students about their experiences with credit cards and education loans, Cowell made several recommendations for increased education and policy surrounding debt and credit card use.

“The Student Debt Tour was informative and provided valuable insight on how we can help North Carolina students,” stated Cowell. “This experience, along with national research, has demonstrated the need for programs that can assist and educate students on debt and its consequences.”

From August 25-28, 2009, Cowell met with a total of 53 students from Wake Technical and Alamance Community Colleges, Fayetteville State University, and High Point University to discuss credit card use among students. She was able to talk with students, engage with university leaders, and identify obstacles with financing a college education. The tour was presented in conjunction with Generation Engage, a non-partisan, non-profit organization that empowers young adults with the access and resources they need to become active, engaged participants in their communities.

Some of the observations in the report include:

- Students are opening bank accounts and getting credit cards when they start working in high school or start post-secondary education.
- Students lack an understanding of their overall debt burden and the consequences of accruing debt.
- Students are not aware of impending new federal laws that will change students’ access to credit cards.

Additionally, a 2008 study conducted by Sallie Mae, the nation’s largest college student loan company, reported that credit card use among students was growing considerably. Eighty-four percent of college students had at least one credit card, with half of these students possessing more than four. Average balances on student credit cards have risen to a record high of \$3,200.

A few of the recommendations included in the report are:

- High schools should sponsor financial literacy programs for students aged 16-19.
- Colleges and universities should provide debt and credit card education programs during orientations.
- Campuses should amend policies to restrict credit card companies’ access to students.
- Community colleges should sponsor special programs to help students with debt.

“Given current budget constraints, I understand the difficulties of initiating new programs to help students, no matter how worthy the focus area,” stated Cowell. “The North Carolina Council on Economic Education, the National Endowment for Financial Education, and the College Foundation of North Carolina are available to help high schools and colleges provide financial education to their students.”

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The Student Debt Tour Report is included.