



College Bound

SCHOLARSHIP CONTEST INSIDE

More Than \$35,000 in College Scholarships Awarded!

Entries must be postmarked by 3/10/06.

In college, whether you major in African sculpture or bioengineering, you'll need to know your subject well. But before you dive in, you should brush up on some other important planning skills, like how to manage your finances. **Check out these quiz questions from the Citi Credit-ED Challenge to see what you know about money—and what you don't!**

- 1** A credit limit represents the:
 - a. amount someone has budgeted for.
 - b. maximum amount of available credit.
 - c. minimum monthly payment.
 - d. minimum amount of available credit.

- 2** Maria has just applied for a credit card. She is a college graduate with few valuable possessions and no credit history. If Maria is granted a card, which method will the credit card company most likely use to reduce its own risk?
 - a. It will start Maria out with a small line of credit to see how she handles the account.
 - b. It will charge Maria twice the finance charge rate it charges older cardholders.
 - c. It will require Maria to have both parents cosign the card.
 - d. It will make Maria's parents pledge their home to repay her credit card debt.

- 3** One way people begin to develop a credit history or credit record is to:
 - a. obtain a driver's license.
 - b. turn 18 years old.
 - c. rent an apartment.
 - d. graduate from college.

Check your answers below, and turn the page for extra credit!

1. Answer = d. A credit limit is the maximum amount that a creditor will extend to the borrower. Most credit cards offer a form of revolving credit. In most cases, the issuer establishes the credit limit—the maximum amount you can charge for purchases. As long as you make timely payments on the account, you can keep making charges as long as you do not exceed your credit limit. Exceeding the established limit may result in additional fees.

2. Answer = a. People with no credit history or valuable assets that can be pledged as collateral to secure a loan are considered credit risks for lenders. But by extending a relatively small amount of credit at first, the credit card issuer can make sure that payments are made on a timely basis before offering a larger line of credit.

3. Answer = c. A credit report is a record of a consumer's payment patterns that provides creditors with information to evaluate financial reliability. Paying your rent on time helps you establish a pattern of positive financial behavior. You also start to build a credit history when you obtain a credit card in your own name.

Boost your financial IQ with the Credit-ED Challenge.
 Visit www.Students.UseCreditWisely.com to take an online tutorial, ace a quiz, and get Credit-ED certified!

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Budgeting Basics

Developing good study habits begins with asking questions, taking notes, doing your homework, and using the right tools to get the answers you need. When studying your finances, you should use the same plan!

Whether you are a first-time credit card user, an “only in case of emergency” cardholder, or a veteran shopper, a budget can help you use credit cards responsibly. Ask questions about key terms like APR (annual percentage

rate). Take good notes about things that you want to buy, such as a laptop or even a new pair of jeans. Stopping to write down the price of an item can keep you from making impulse purchases. Do your homework on what different prices and discounts are offered on items you want to buy. Use the right tools, such as a budget and your credit card statement, to keep track of your spending.

Use the chart below to create a pocket monthly budget for yourself.

Finance Facts

\$50

According to federal law, the maximum amount you must pay if your credit card is stolen and you notify the issuer promptly. If you notify the issuer immediately, before the stolen card is used, you may not have to pay anything.

Salary, wages, and tips

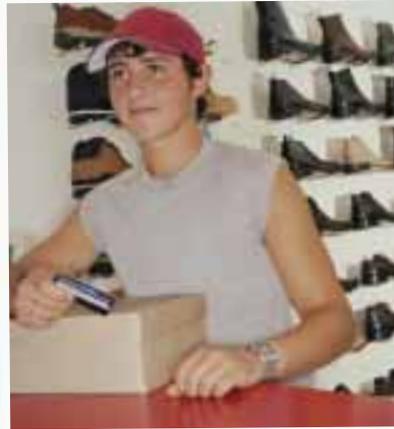
The primary source of income for most people ages 20–35. Other age groups claim income from additional sources, such as profits from business, rents, and dividends or interest on investments.

Once a year

When you can request one or all three of your free annual reports from a single, centralized source via the Web at www.annualcreditreport.com. This right is guaranteed to you under the new Fair and Accurate Credit Transactions (FACT) Act.

70% more

The amount of wages a four-year-college graduate can expect to make over a peer who does not attend college. A college education is an investment in human capital that makes people more valuable in the workplace and addresses decisions that can affect future income and money-management success.



Monthly Budget

NAME	
MONTHLY INCOME	
MONTHLY EXPENSES	Clothing
	Music
	Dining Out
	Bills
	Entertainment
	Books
	Computer

Mistake or Real Deal?

It's hard to keep up with all of the things you want to buy—clothes, CDs, DVDs, computer accessories, and concert tickets—especially when you're a full-time student with limited income. You may use credit cards to bear the load of your immediate expenses. After all, it's like you're getting your stuff for free, right? Or is it?

Check out these common mistakes involving credit cards. Are you guilty of any of them?

MISTAKE 1 *My credit card is filled with free cash that I can use whenever I like.*
Actually, your credit card charges are loans that you have to pay back. Credit cards are tools to help you now and in the future. Used responsibly, the convenience and safety of a credit card can be beneficial, helping to establish credit history and protecting your purchases. Used irresponsibly, credit cards can turn into a long-term burden.

MISTAKE 2 *I can use my credit card to buy anything and everything and just hope that I'll have the money to pay my bill at the end of the month.*
Actually, you should always plan and budget your expenses. Shop as carefully with credit as you do with cash. You don't want to pay finance charges on a bag of chips!

MISTAKE 3 *I don't have to pay credit card bills while I am in school.*
Credit cards are not like student loans. You need to pay at least the minimum amount due each month, so you can start building a good credit history. Try to pay more than the minimum due.

MISTAKE 4 *I can let my roommate use my credit card just this once.*
Not true! You and only you are authorized to use your card. Safeguard it as you would your cash or debit card.

MISTAKE 5 *If I miss a few months of credit card payments, it won't affect my credit history.*
Wrong! In a few years, you may want to buy a new car, rent an apartment, or take out a loan. Missing payments now, or even just making late payments, will negatively affect your overall credit history and make it more difficult for you to do these things.

MISTAKE 6 *I can use my credit card to get quick cash advances.*
While using your card to get cash is convenient and particularly useful in emergency situations, cash advance transactions may be subject to additional fees and interest rates from the moment you get the money. Read your credit card agreement carefully.

Go to Citi's
www.Students.UseCreditWisely.com
for more helpful tips!



A+ on Your Credit Report

A credit report usually pops up before you make big purchases like buying a car, renting an apartment, or applying for a loan. Use these tips to make sure that credit report is ready whenever you are!

- 1 Prove you know how to use credit.**
It's OK to have a credit card, as long as you spend within your budget and make timely payments.
- 2 Try not to accumulate too much debt.**
If your report shows that you are overloaded with monthly bills, you may not be approved for a new purchase or you may have to pay higher interest rates, regardless of whether you pay on time.
- 3 Pay your bills on time.**
Even if you have a good excuse for paying a few days behind schedule, your credit report will record a late payment.





Going to College? Need Scholarship Help? Enter for a chance to win!

Describe an event or experience that had a positive influence on the way that you approach financial management. Outline the most helpful thing you learned and describe how it led to the development of specific skills.

What to do

- 1 Write:** Compose a two-page essay (approximately 500 words).
- 2 Enter:** Complete the entry form below and submit it with your essay by 3/10/06.

Judging Criteria

Essays will be judged on:

- Creativity
- Logical thought process
- Clear content
- Proper use of language

YOU MAY WIN

Two (2) grand prize winners will each receive a **\$15,000 scholarship check** for college tuition.
 Five (5) second-prize winners will each receive a **\$1,500 scholarship check** for college tuition.
 Ten (10) third-prize winners will each receive a **\$200 scholarship check** for decorating a college dorm and/or college supplies.
PLUS, educators can win up to **\$2,500** for further education!

SCHOLARSHIP CONTEST ENTRY FORM **Entries must be postmarked by 3/10/06.**

Complete the entry form and mail it in with your essay to: Scholarship Contest, c/o Scholastic Inc., P.O. Box 713, New York, NY 10013-0713

Student name: _____ Grade: _____ Male Female

Home address: _____ City: _____

State: _____ Zip: _____ Home phone: _____

School name: _____

School address: _____ City: _____ State: _____ Zip: _____

Teacher name: _____ School phone: _____

Student e-mail address: _____

How did you hear about this contest? In school In a magazine Online

NO PURCHASE NECESSARY TO ENTER OR WIN. A PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING. Subject to the Official Rules, available at www.scholastic.com/collegesuccess or by sending a SASE to RULES: Scholarship Contest, c/o Scholastic Inc., P.O. Box 713, New York, NY 10013-0713. Open to students in grades 11 and 12 who are legal residents of the United States. An eligible minor in his or her state of residence should have the permission of his or her parent or legal guardian to enter. Void in Puerto Rico, the U.S. territories and possessions, and where prohibited. Entries will be accepted between 12:01 A.M. ET October 5, 2005, and 11:59 P.M. ET March 10, 2006. Entrants will be required to write a two-page (approx. 500 words) essay in English responding to the following topic: *Describe an event or experience that had a positive influence on the way that you approach financial management. Outline the most helpful thing you learned and describe how it led to the development of specific skills.* Entries can be submitted either (1) at www.scholastic.com/collegesuccess by following the instructions provided or (2) by mail at Scholarship Contest, c/o Scholastic Inc., P.O. Box 713, New York, NY 10013-0713. If submitted by mail, essay must either be accompanied by a completed entry form available for download at www.scholastic.com/collegesuccess or a plain sheet of 8 1/2" x 11" paper with the following information: name, gender, address, city, state, zip code, e-mail address, grade, home phone number (including area code), school name, teacher's name, school address, and school phone number (including area code). Prior to entry, an eligible entrant should confirm with his or her school that participation in this contest is permissible and obtain permission from the teacher to use his or her name in connection with this contest. Only one (1) entry will be accepted from any person and/or e-mail address, regardless of method of entry. Online entries must be received by 11:59 P.M. ET on March 10, 2006. Mail-in entries must be postmarked by March 10, 2006, and received by March 17, 2006. Potential winners will be selected from among all eligible entries received by a panel of qualified independent judges based equally on the following criteria: creativity, clear content, logical thought process, and proper use of language. **PRIZES: GRAND PRIZE (2)** (highest-scoring male entrant and highest-scoring female entrant): \$15,000 scholarship check to be put toward college tuition. **SECOND PRIZE (5)**: \$1,500 scholarship check, to be put toward college tuition. **THIRD PRIZE (10)**: \$200 scholarship check, to be put toward decorating a college dorm and/or college supplies. A press event may be scheduled at the Sponsor's discretion. If an awards ceremony is scheduled, each Grand Prize winner will also receive a trip (as defined in the Official Rules) to attend such awards ceremony and to take part in any other press events scheduled by Sponsor. If no awards ceremony is scheduled, the trip portion of the prize will not be awarded. **TEACHER AWARDS: GRAND PRIZE TEACHER AWARD (2)**: The teacher named on the entry of each Grand Prize winner will receive a \$2,500 check to be used toward continuing education classes and, if the awards ceremony is scheduled, the trip (maximum ARV: \$4,960 each). **SECOND-PRIZE TEACHER AWARD (5)**: The teacher named on the entry of each of the five second-prize winners will receive a \$700 check to be put toward classroom books and/or supplies (ARV: \$700 each). **THIRD-PRIZE TEACHER AWARD (10)**: The teacher named on the entry of each of the ten third-prize winners will receive a \$200 check to be put toward classroom books and/or supplies (ARV: \$200 each). Total ARV of all prizes and awards combined: **\$59,840**. See Official Rules for complete prize details and full terms and conditions. Potential winners will be notified on or about April 26, 2006, by telephone and/or mail. **SPONSOR**: Citicorp Credit Services, Inc., One Court Square, Long Island City, NY 11120. If you do not wish to receive future sweepstakes and/or contest offers via direct mail from this Sponsor, send your name and address to Scholarship Contest, Citicorp Credit Services, Inc., c/o Scholastic Inc., P.O. Box 713, New York, NY 10013-0713. **CONSUMER DISCLOSURES: No Purchase Necessary to Enter or Win. A Purchase Will Not Increase Your Chances of Winning.** You have not yet won. Two (2) Grand Prizes: \$15,000 check (ARV: \$15,000 each); five (5) Second Prizes: \$1,500 check (ARV: \$1,500 each); ten (10) Third Prizes: \$200 check (ARV: \$200 each). Grand Prize Teacher Award: two (2): \$2,500 check (ARV: \$2,500 each); Second-Prize Teacher Award: five (5): \$700 check (ARV: \$700 each); ten (10) Third-Prize Teacher Award: \$200 check (ARV: \$200 each). Total ARV of all prizes and awards combined: **\$59,840**. If an awards ceremony is scheduled, Grand Prize winners and Grand Prize Teacher Award recipients will each receive a three-day/two-night trip for two to New York City to attend such ceremony (ARV: \$2,460 each). Contest ends March 10, 2006. Mail-in entries must be postmarked by March 10, 2006, and received by March 17, 2006. See Official Rules for complete details, including essay topic and judging criteria. **SPONSOR**: Citicorp Credit Services, Inc., One Court Square, Long Island City, NY 11120.

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Visit www.scholastic.com/collegesuccess for more contest details and essay-writing tools!