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NEWS RELEASE

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Money Management Web Portal especially for California's Students

The California Student Debt Resource and Awareness Project (CASDRAP) announced the launch of Phase Two of a comprehensive online portal designed to improve financial literacy among the state's college, university and other post-secondary students. At StudentDebtHelp.org, students, parents and college educators/administrators can access a rich trove of money management resources.

Students logging on to StudentDebtHelp.org find a wealth of useful information on budgeting, credit, financing an education, insurance, housing and transportation. It provides important insights about the challenges of money management and great advice if students find themselves in financial trouble.

In the Budgeting section students find information on expected income/salaries and a paycheck planning calculator. Controlling ones spending is especially important for students so try the interactive over-spender's quiz. Under living expenses, there is guidance on moving into an apartment and more.

In addition to helping students tackle budgeting and building a good credit history, the Web site assists parents' plans for financing their children's higher education. Educators/administrators find classroom material on money management and support for lowering student loan delinquency and default rates. The approach throughout is practical, the writing straightforward and to the point, and the graphics engaging.

"With the rising cost of higher education, many students apply for credit cards not realizing what they are really signing up for." Thomas Yontz, a 29-year-old senior at Cal State Long Beach says that when he was first approached to apply for a credit card, six years ago, he felt like he had nothing to lose. Now Yontz is in \$10,000 of credit card debt in addition to his school loans and says that was the biggest mistake of his life. ("*Watch Out for the Black Hole of Credit Card Debt*" from Cal State Long Beach student newspaper, The Forty-Niner)

The latest statistics from a Federal Reserve Survey of Consumer Finances bear out the concerns about increasing debt accumulation among students and young American adults:

- Student loan balances nation-wide doubled in a decade: Average \$18,900 in 2002 vs \$9,000 in 1992.
- Youngest adult households - ages 18-34 - spend 30 cents of each dollar earned servicing debt, twice what it was in 1992.
- Credit card debt among the youngest adults - ages 18-24 - is up 104% to \$2,985 from 1991-2001.

The CASDRAP Mission:

"To improve the financial literacy of college, university, and other post-secondary students."

- 71% of card holders ages 25-34 revolve balances compared to 55% of all cardholders.
- Americans ages 25-35 have 2nd highest rate of filing bankruptcy - just after those ages 35-44.

The StudentDebtHelp.org web site is constantly growing and adding new resources. Feedback from users is welcomed.

CASDRAP consists of college and university administrators, non-profit financial education/consumer credit counseling organizations and student lending and guarantee entities. CASDRAP got its start at San Diego State University. The timing of the Web site development coincided with the implementation of Assembly Bill 521, the Student Financial Responsibility Act (Koretz), which mandates that financial education be provided at California state universities and other California campuses as part of new student orientation programs. The law was enacted by the California Legislature in 2002.

Initial funding for the site's development was provided through EDSHARE, a three-year grant program from EDFUND, the nation's second largest provider of student loan guarantee services under the Federal Family Education Loan Program. Recently, Springboard, a non-profit consumer credit management organization based in Riverside, CA and a charter member of the CASDRAP group, awarded CASDRAP \$10,000 for 2005, funding provided via a grant from Citibank.