

Debt

"I wanted to participate because it sounded like a great way for students to learn about financial literacy and problem solving," she said.

The credit card project she supports targets "new-to-credit" consumers, focusing on helping college students manage credit by promoting comprehensive education and best-use practices.

"Their credit scores are as important as their grade point average," Gartner said.

The average college student graduates with almost \$3,000 in credit card debt on top of often-high student loans, Gartner said, citing a 2004 study conducted by Nellie Mae.

Nellie Mae is an affiliate of Sallie Mae, or SLM Corp., the nation's largest provider of education funding.

The same study found that 76 percent of undergraduates began the 2004 school year with credit cards. That percentage is an 8 percent decrease from the 83 percent with cards reported in 2001.

College students from the Northeast had the lowest outstanding average balances in 2004 while students from the Midwest had the highest balances.

Managing loans

College students are struggling not only to manage their credit cards, but also their student loans.

Brenda Dohmen, a St. Cloud State senior and SIFE chairwoman, said she's watched many of her peers make bad financial decisions. They take out more financial aid than they need because they think interest rates are low and don't think about paying it back.

"It's a comfort barrier," she said.

Dohmen described students who have jobs and use financial

initially for books and essentials but borrow more money without knowing how much they really need or just to live more

comfortably.

Even parents will allow them to take out extra because they're on their own for the first time," she said.

Preventable debt

Marcia Klipsch of the University of Arizona is the national coordinator for SIFE duel competitions. Students are ultimately responsible for their loans, but they aren't the only ones, she said.

"In reality the lender, parents, teachers and financial aid officers really have (the) responsibility that anyone who takes out a loan understands what the consequences are if you don't pay it back," Klipsch said.

To her, many students are starting their careers already in preventable debt that can lead to even greater consequences.

"The reason that this kind of financial education is important is that there are psychological costs to high debt," she said.

When students get stressed out over debt, they are prone to psy-

chological problems that in some cases could even lead to suicide," Klipsch said.

"These programs are designed to help students to analyze their negative financial situations and how to get out of them," she said.

Winners of the Duel on the River are competing for \$9,000 in cash prizes.

Students from the University of North Dakota, Wisconsin's Viterbo University, North Central University of Minnesota, Southwest Minnesota State University, St. John's University, the College of St. Benedict and the University of Minnesota-Crookston will compete.

Former St. Cloud Mayor Larry Meyer will speak at a dinner tonight. Then teams are given their case study and have Friday to do research before presenting solutions to a panel of judges Saturday morning.

As host, St. Cloud State isn't competing, but it will participate in SIFE regionals in Minneapolis in April and nationals in Kansas City in May