

Is Bankruptcy The New College Trend?

According to *USA Today*, **19% of bankruptcy filers are college students**. Think about that stat for one minute: One out of every five people who file bankruptcy—one of the worst financial things that can happen to someone—spend their days on a college campus.

That's sad. But it's also a sobering reality and a reminder that it's up to parents and high schools to help students understand that it's not okay to borrow money. College students have enough temptations already, and it's insane that any 21-year-old should ever feel the need to file bankruptcy.

So what happened? **Somewhere along the way, these kids learned that debt was just a way of life**. And as soon as they set foot on campus, they bought into that mentality.

Housing? Charge it. Tonight's \$5 dinner? Put it on the credit card. Books? Slap down Visa. What starts out as using a credit card here and there turns into a debt so large that they feel the need to declare bankruptcy. Ridiculous!

But we can't blame students for making poor financial decisions when they have never been taught differently. And we can't let these decisions go unchecked and then expect students to all of the sudden "get it" after graduation. It doesn't have to be this way.

A student could work a 20 hour/week part-time job, making \$8/hour for their four years of college and earn \$33,000—which is enough to cover the expenses that an average student takes out in loans.

Combined figures from The Project on Student Debt and a study by Noel Levitz show that, on average, the number of students who graduate with student loans from a four-year institution is more than the number of students who plan to work at least 10 hours a week while attending school.

All this comes down to is a shift in attitude and mindset. That same "have it now" attitude that puts every purchase on a credit card will also opt for bankruptcy, the "quick and easy way out," years later.

Bankruptcy can be a devastating and life-changing experience, something not to be taken lightly. **A college student who files bankruptcy simply doesn't understand the long-term consequences of that decision.**

Dave Ramsey and his team are doing their best to educate college students about healthy ways to manage money. *Foundations in Personal Finance* is a powerful course that is giving college students the tools they need to graduate with a solid financial foundation.

Bankruptcy should be out of the question for everyone, and especially for a college student who hasn't even started their career vet.