

Credit Cards Putting Teens In Debt

Fashion Prices, Credit Cards Putting Teens In Debt

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Remember when your back-to-school wardrobe consisted of a beat-up pair of Levis and an old T-shirt? Times have changed, New York City television station WNBC reported. As teen credit card debt rises, the cost of looking good has never been so high.

Claudia Davidson, 15, is going back to school wearing \$120 jeans and a bag that costs about \$500.

“When you’re shopping for back-to-school clothes, it’s not uncommon to spend \$300 on a cashmere sweater,” Davidson said.

The outrageous spending can be in part attributed to the mass, teen-targeted advertising they’re exposed to. From the moment they wake up, teens are bombarded with media and ads with the sole purpose of making them spend, the station reported.

We talk a lot about responsibility and finances. Yes, just to say whether they can have it. No, they’re getting information somewhere else. “You want to look different and good, so you can look at celebrities who are very stylish,” said Davidson’s friend Kim Ross.

Alex Lamm, another friend of Davidson, agrees that celebrities are a driving force in fashion trends.

“When you look at the magazines, there are all these celebrities that are so fashionable and it puts so much

pressure on what you want to buy," she said. "Everything they're wearing that's fashionable is very expensive, so it forces you to spend more money."

While the fastest-growing group claiming bankruptcy is under the age of 24 – with a staggering 125,000 claims last year alone – the pressure to spend is nothing new.

"Teenagers come in and they'll spend \$800 to \$1000 and drop it all on credit card," said Danielle Jo Spiegler of InterMix.

So what's contributing to this costly problem? Credit cards aren't helping.

Lamm has had a credit card since she was 13. According to her, most of her friends are packing plastic as well.

In fact, one in three high school students has a credit card in their own name, making up a main source of the \$175 billion that American teens spend annually.

Many celebrities are coming out with their own prepaid credit cards. Hilary Duff has one, and her motto is "Shop like a star." Usher is coming out with one as well, and both artists are favorites among the younger crowd.

Jacquette Timmons, a financial coach, said parents should "make sure they create some boundaries and let the child know that they can't just spend at a free fall."

She also says the solution to overspending has to do with communication.

"Seventy-five percent of teenagers rely on their parents for financial info, yet 80 percent of parents believe they're getting that information from school, so there is a huge disconnect in terms of the communication about money," Timmons said.

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