

Personal Credit and Credit Cards.

Learning how to establish and maintain good credit is a very valuable skill not taught in school. We all start with no credit, which is not bad, but it's not necessarily helpful to lenders, and thus good credit needs to be established. Getting a credit card, such as Discover, Capital One, or Fidelity is a good start (retail cards at department stores like Macy's don't help as much for improving credit).

Do not "max out" the credit card by using more than 90% of the credit limit, and do not miss payments and always pay on time. It's important to steadily build your credit in this way, so that more and more credit can be extended. Avoid many credit inquiries by financial institutions, as many inquiries can reflect negatively on your credit report. Get a copy of your credit report each year for free, and be aware of what's on it. The three major credit bureaus are Equifax, TransUnion, and Experian, and all three will have credit reports on you. Keeping good credit will mean having lower or no interest rates when financing a car or house, and will save money over the length of the note.