

# Editorial: Let it be

No need to ban marketing deals between colleges and credit-card companies

Many people are uncomfortable when universities sign deals giving credit-card companies exclusive rights to troll for customers on campus. *The Dispatch* has questioned the practice, given that many of the people being targeted are financially unsophisticated and are prone to run up debts they can't pay.

But this doesn't mean that such deals should be outlawed, as proposed by state Rep. Matt Lundy, D-Elyria, head of the House Consumer Affairs Committee. He is sponsoring House Bill 12, which would ban Ohio's colleges from making so-called affinity agreements with banks in which a college provides a bank with student data and exclusive rights to market its cards on campus.

Such deals are lucrative for universities. Ohio State University gets \$1.4 million a year from its deal with Bank of America, and the bank receives a mailing list of students and staff and the right to put the school's logo on its cards. According to its latest filing in 2006, OSU's Alumni Association also receives \$1.2 million from the deal.

The University of Cincinnati Alumni Association receives \$300,000 from Bank of America in a deal that allows the company to market its cards on campus during home football games. The school doesn't provide a mailing list.

Eighteen-year-olds are adults. They can enter into legal contracts. They can fight for their country. They can vote for their elected officials, some of whom argue that the 18-year-olds aren't mature or informed enough to handle credit cards.

Even if affinity agreements are banned, college students still would open credit-card accounts. This bill won't protect them from outside solicitations. As Andy Gurd, senior director of membership for OSU's Alumni Association, testified on March 5, fewer than 800 OSU students out of 50,000 have credit cards as a result of OSU's affinity agreement.

More than that, "Industry reports reveal that the majority of 18-year-olds have an average of 2.2 credit cards before starting college," Gurd told Lundy's committee.

David Rothstein, a representative of the research group Policy Matters Ohio, testified in favor of the bill, citing many students' financial illiteracy. When he surveyed 400 students on 20 Ohio campuses, 70 percent knew their credit card's annual percentage rate but only 46 percent knew what it meant.

Rothstein advocated including education in the bill, which is what this situation requires.

Credit cards are a fact of adulthood, and students can expect to be bombarded with credit offers for the rest of their lives. Education about how to use them wisely is far more effective than a ban.

If students aren't being taught these lessons before they get to campus, perhaps colleges ought to include the topic in their orientation classes.