

2019

# Majoring in Money

---

How college students  
and other young adults  
manage their finances



Conducted by Ipsos Public Affairs

## About Sallie Mae®

Sallie Mae's purpose is to create opportunities, open doors, and provide access to what's next. We're here to provide the know-how and responsible financing to help our customers make those new possibilities a reality.

**Our mission is firmly grounded in helping families achieve the dream of a higher education. There is no single way to achieve this task, so we provide tools, resources, and financing to produce our country's future engineers, doctors, nurses, teachers, entrepreneurs, business leaders, and others, by offering**

- A range of FDIC-insured savings products, including SmartyPig® accounts, money market accounts, and certificates of deposit.\*
- A variety of free online tips, tools, and resources that help families plan for college, including Scholarship Search, which offers free access to 5 million scholarships worth up to \$24 billion, and the College Planning Calculator<sup>SM</sup>.
- Competitive and responsible private student loans for undergraduate and graduate students, as well as the Sallie Mae Parent Loan.
- Free online budgeting tools and information about how to manage student loan payments and other types of credit, such as *Understanding Credit*, a handbook published by Sallie Mae and FICO®.

**When it comes to paying for college, we recommend following a 1-2-3 approach:**

- 1. Start with money you won't have to pay back.** Supplement your college savings and income by maximizing college scholarships, grants, and work-study.
- 2. Explore federal student loans.** Apply by completing the Free Application for Federal Student Aid (FAFSA).
- 3. Consider a responsible private student loan.** Fill the gap between your available resources and the cost of college.

For more information on how Sallie Mae helps make college happen, visit [SallieMae.com](http://SallieMae.com). Join the conversation on social media with [#MajoringInMoney](https://twitter.com/MajoringInMoney).

Sallie Mae  
300 Continental Drive  
Newark DE 19713

**Access a related infographic and additional information about this study at [SallieMae.com/MajoringInMoney](http://SallieMae.com/MajoringInMoney).**

\* Deposit products are offered by Sallie Mae Bank, member FDIC.

© 2019 Sallie Mae Bank. All rights reserved. Sallie Mae, the Sallie Mae logo, and other Sallie Mae names are service marks or registered service marks of Sallie Mae Bank or its subsidiaries. FICO® is a registered trademark of the Fair Isaac Corporation in the United States and other countries. PayPal and Venmo are registered trademarks of PayPal, Inc. Apple Pay is a registered trademark of Apple, Inc. Google Pay is a registered trademark of Google, Inc. Samsung Pay is a registered trademark of Samsung Electronics Co. Square is a trademark of Square, Inc. All other names and logos used are the trademarks or service marks of their respective owners. SLM Corporation and its subsidiaries, including Sallie Mae Bank, are not sponsored by or agencies of the United States of America. SMSM MKT14161 0419

## About Ipsos

Ipsos is a global independent market research company ranking third worldwide among research firms.

**We make our changing world easier and faster to navigate, and we inspire clients to make smarter decisions. We deliver research with security, speed, simplicity, and substance. We believe it's time to change the game—it's time for Game Changers!**

Our commitment to driving the industry with innovative, best-in-class research techniques that are meaningful in today's connected society is our primary goal.

Focusing on six research specializations, our broad range of industry experts offer intimate understanding of brands, consumers, and markets. Whether testing advertising and media, bringing concepts to market, measuring customer loyalty, or surveying public opinion, Ipsos is committed to working with clients to identify the right solutions to their specific challenges.

It is this belief that enables us to ask and probe, to subject our hypotheses to rigorous analyses, and, finally, to deliver reliable data and the most effective recommendations in the shortest time possible.

Ipsos is committed to building an organization dedicated to a single endeavor: providing our clients with the best service, using qualitative or quantitative methods, at local, regional, and international levels.

Ipsos Public Affairs  
2020 K Street NW, Suite 410  
Washington DC 20006

# Table of contents

---

<b>About this study</b> .....	<b>7</b>
<b>Discussion of findings</b> .....	<b>8</b>
<b>Introduction</b> .....	<b>8</b>
<b>Money management outcomes</b> .....	<b>9</b>
Self-perceptions of ability to manage finances and of current credit standing .....	9
Knowledge and practice of positive or negative credit behaviors .....	11
Resources used and interest in learning more about managing money .....	13
A comparison of completers and non-completers by income .....	14
<b>Financial literacy put to the test</b> .....	<b>15</b>
The quiz questions .....	16
<b>How college students, completers, and non-completers pay for things</b> .....	<b>19</b>
Payment methods vary by group and by type of purchase .....	20
<b>Role of credit cards among college students, completers, and non-completers</b> .....	<b>22</b>
Credit card usage .....	22
Payment habits .....	23
Spending habits .....	24
Why young adults want credit cards .....	25
Non-card holders .....	28
<b>How credit card users and those without credit cards differ</b> .....	<b>29</b>
<b>How college students pay for things: 2019 vs 2016</b> .....	<b>32</b>
Changes in college students' relationship with credit cards .....	35
Changes in college students' financial literacy skills .....	36
<b>Conclusion</b> .....	<b>37</b>
<b>Data tables</b> .....	<b>39</b>
<b>Technical notes</b> .....	<b>61</b>

# Table of figures

---

Figure 1 Self-identified Money Management Skill Level .....	8
Figure 2 FICO® Score Estimates .....	9
Figure 3 Credit Qualification Amount .....	10
Figure 4 Perception of How Behavior Affects Credit Score .....	11
Figure 5 Resources for Learning Money Management .....	12
Figure 6 Topics of Interest for Learning More .....	13
Figure 7 Quiz Scores .....	15
Figure 8 Quiz Question Results .....	17
Figure 9 Quiz Scores by Perceived Skill Level .....	18
Figure 10 Payment Methods Used .....	19
Figure 11 Debit Card Type .....	19
Figure 12 Mobile Payment Platforms .....	20
Figure 13 Payment Method by Purchase Type .....	21
Figure 14 Proportion with Credit Cards .....	22
Figure 15 Number of Credit Cards .....	22
Figure 16 Credit Card Average Balances .....	23
Figure 17 Payment Habits .....	23
Figure 18 Typical Credit Card Use .....	24
Figure 19 Reasons for Wanting First Credit Card .....	25
Figure 20 Reasons for Choosing First Credit Card .....	26
Figure 21 Reasons for Getting More Than One Credit Card .....	27
Figure 22 Reasons for Not Having a Credit Card .....	28
Figure 23 Self-identified Money Management Skill Level by Credit Card Use .....	29
Figure 24 Quiz Score by Credit Card Use .....	30
Figure 25 Payment Methods Used by College Students, Year-over-Year .....	32
Figure 26 Mobile Payment Platforms Used by College Students, Year-over-Year .....	33
Figure 27 College Students' Payment Methods by Purchase Category, Year-over-Year .....	34
Figure 28 Student Use of Credit Cards, Year-over-Year .....	35
Figure 29 Credit Card Balances, Year-over-Year .....	36

# Table of tables

Table 1 Non-Mobile Payment Methods Used .....	39
Table 2 Mobile Payment Methods Used .....	39
Table 3 Preferred Mobile Payment Method .....	40
Table 4 Type of Debit Card .....	40
Table 5 Type of Credit Card .....	40
Table 6 Average Age Credit Card Steps Happen .....	41
Table 7 Reasons for Using Mobile Payment .....	41
Table 8 Reasons for Using Preferred Mobile Payment Method .....	42
Table 9 Account Linked to Mobile Payment .....	42
Table 10a College Students' Payment Methods Used, by Purchase Type .....	43
Table 10b Completers' Payment Methods Used, by Purchase Type .....	44
Table 10c Non-completers' Payment Methods Used, by Purchase Type .....	45
Table 11 Purchases for which Credit Cards Are Typically Used .....	45
Table 12 Number of Credit Cards Owned .....	46
Table 13 Mean Number of Credit Card Type Owned .....	46
Table 14 Reasons for Obtaining a Credit Card .....	47
Table 15 Parent Involvement in Credit Card Selection .....	47
Table 16 Reasons for Choosing Specific Credit Card .....	48
Table 17 Reasons for Multiple Credit Cards .....	48
Table 18 First Credit Card Status .....	49
Table 19 Credit Card Rewards Preferences .....	49
Table 20 Loan Payment Rewards Preference .....	49
Table 21 Average Credit Card Balance .....	50
Table 22 Credit Card Bill Payer .....	50
Table 23 Shared Payment Responsibility .....	50
Table 24 Typical Monthly Credit Card Payment .....	51
Table 25 Charging Purchases without Ability to Pay .....	51
Table 26a College Students' Attitudes toward Credit Card Debt, Scale 1 – 5 .....	52
Table 26b Completers' Attitudes toward Credit Card Debt, Scale 1 – 5 .....	52
Table 26c Non-completers' Attitudes toward Credit Card Debt, Scale 1 – 5 .....	52
Table 27 Reasons for Not Having a Credit Card .....	53
Table 28 Intent to Obtain a Credit Card .....	53
Table 29 Perception of Money Management Skills .....	53
Table 30 Presumed Credit Eligibility .....	54
Table 31 Estimated FICO® Score Range .....	54
Table 32 Viewed Credit Report .....	54

# Table of tables, continued

---

Table 33a College Students' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing .....	55
Table 33b Completers' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing .....	55
Table 33c Non-completers' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing .....	55
Table 34 Putting Financial Management into Practice .....	56
Table 35 Preferred Financial Management Tool Features .....	56
Table 36 Financial Management Education Resources .....	57
Table 37 Preferred Financial Management Topics .....	57
Table 38a College Students' Perceptions about Credit Cards .....	58
Table 38b Completers' Perceptions about Credit Cards .....	58
Table 38c Non-completers' Perceptions about Credit Cards .....	59
Table 39 Quiz Question: Interest Accumulation .....	59
Table 40 Quiz Question: Impact of Payment Behavior on Cost .....	59
Table 41 Quiz Question: Impact of Repayment Term on Cost .....	60
Table 42 Quiz Question: Define Interest Capitalization .....	60
Table 43 Googled "Interest Capitalization" .....	60
Table 44 Proportion of Correct Answers to Quiz Questions .....	60

# About this study

*Majoring in Money 2019* focuses on the payment methods, financial habits—including an in-depth look at credit cards—and overall financial literacy of three groups of young adults: college students, college graduates or “completers,” and those who began college but did not complete.

This report looks back to the *Majoring in Money* study conducted in 2016, and compares the financial habits of college students then to today—how they pay for purchases, their knowledge and use of credit, their perception of their money management skills, and their desire to have more information about and opportunities to improve their credit and money management.

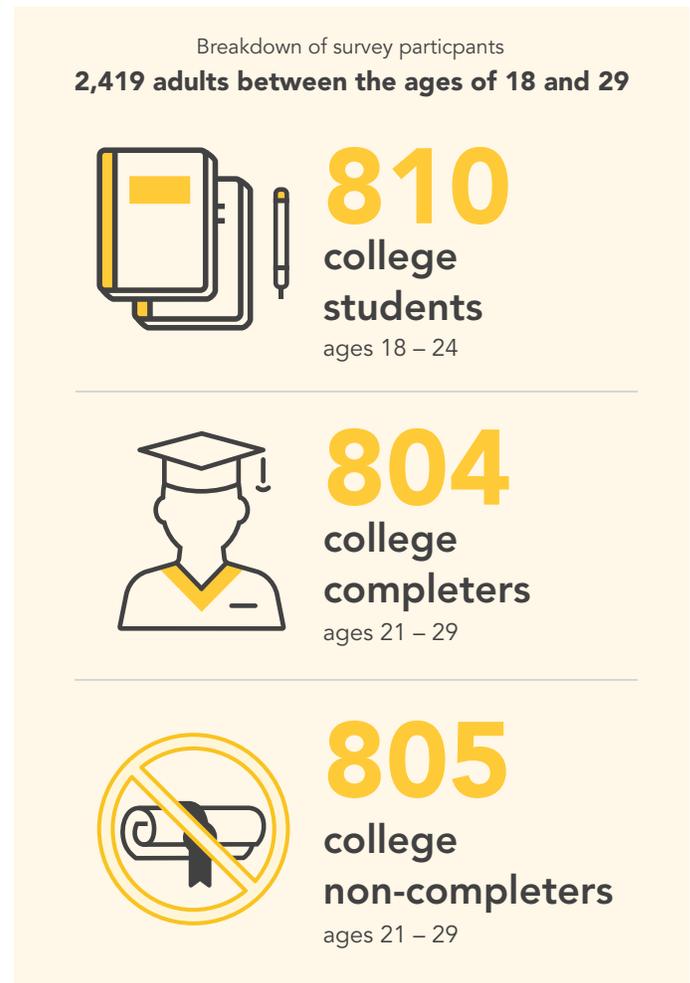
In addition to studying the behavior of enrolled college students ages 18 – 24, this year’s study looks at young adults who have left college, ages 21 – 29—both those who have earned a degree (completers) and those who left before finishing their degree (non-completers). By examining the out-of-school young adults, we can shed light on potential growth in credit management skills that may lie ahead for current college students and whether gaps in financial literacy close after college.

Sallie Mae has again partnered with Ipsos to conduct this study. Online interviews were conducted in English between December 21, 2018 and January 16, 2019. The survey sample comprised a cross-section of key demographic variables for the following groups

- 810 college students, ages 18 – 24
- 804 young adults who have graduated from college (completers), ages 21 – 29
- 805 young adults who have left college without a degree (non-completers), ages 21 – 29

This report includes a full set of response tables associated with each itemized question. Percentage amounts may not sum to 100 percent due to rounding.

For details on methodology, including sampling, weighting, and credibility intervals, see the technical notes section at the end of this report.



# Discussion of findings

## Introduction

Money management skills are typically introduced in childhood—often first learned from parents—and they continue to build as children grow to adulthood. The college experience can be influential in shaping money management skills as young adults make more significant decisions about spending and using credit on their journey to independence. To examine the depth and evolution of those skills, we interviewed three groups of young adults:

- “College students” ages 18 – 24, who are currently enrolled
- “College completers” ages 21 – 29, former students who earned a degree, graduated, and perhaps continued their education before joining the workforce
- “College non-completers” ages 21 – 29, former students who altered their path and left college to pursue other goals without earning their degree

This study examines the money management skills, payment behaviors, and financial literacy of college students, completers, and non-completers. Key findings include:

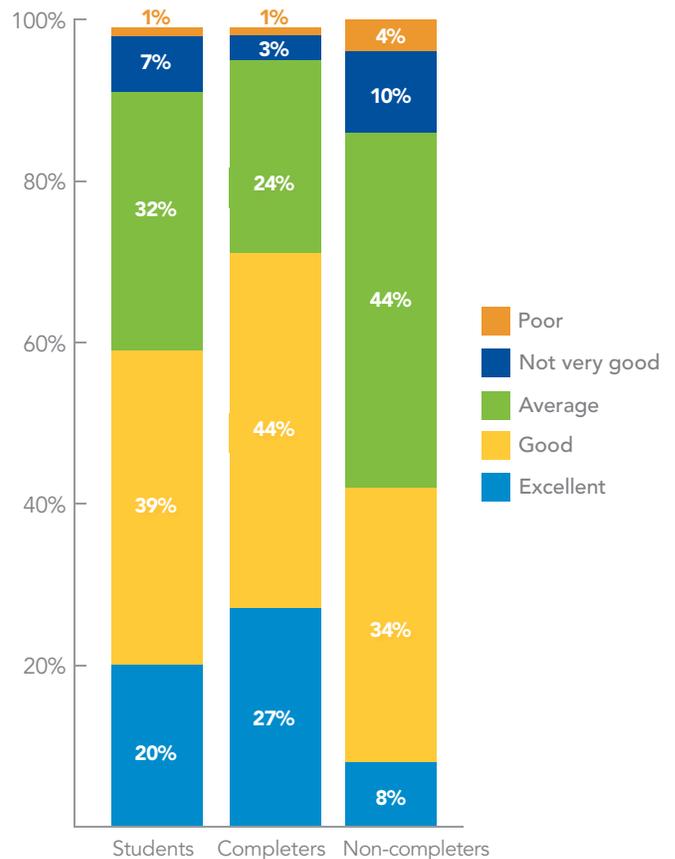
- Young adults from all three segments are optimistic about their ability to manage money. The majority demonstrate fiscal responsibility in a number of ways, including paying bills on time, tracking their spending, and not spending more than they have.
- The importance of having a good credit record is top of mind for this population. College students are taking steps to establish good credit. The majority of those no longer in college proactively monitor their credit, having viewed their credit report and being highly conscious of their credit score.
- Parents are the most influential resource in teaching young adults to manage finances, both those in college and those who have left. All three groups realize they need to learn more, but the financial education topics in which they are most interested are driven by current life stage needs. When quizzed on several basic financial topics such as interest capitalization, a large portion of young adults were unsure.
- When it comes to paying for purchases, debit cards are nearly universal, and are the most frequently used payment method. Mobile payment usage among students and completers is similar to their debit card possession rates, but is used by fewer non-completers. The majority in all three populations have a credit



**71%**

of college grads think of themselves as excellent or good at dealing with money, followed by 59% of college students and 42% of non-completers.

Figure 1  
**Self-identified Money Management Skill Level**



card, though a higher ratio of completers have them. Despite the number of alternative payment methods available, cash still matters, especially when paying for low-cost purchases.

- While young adults with at least some college experience feel an overall sense of optimism and confidence related to money management, there is a tangible difference in behavior and perception of financial skills between college students, college graduates, and those who started college but didn't complete it. The data suggests a relationship between completing college and financial management success. College graduates show more favorable financial outcomes than others on a number of measures, including perception of money management skills, self-reported FICO® Score, and their attitude toward credit cards.

## Money management outcomes

College students express a desire to manage their money successfully, but may lack the knowledge and experience required to do so. Young adults no longer in college are presumed to be better equipped at managing money as they have transitioned to living in the "real world." Experience in the real world alone, however, doesn't automatically lead to success. Completers typically report more favorable money management outcomes than both students and non-completers.

Money management outcomes were examined on three levels:

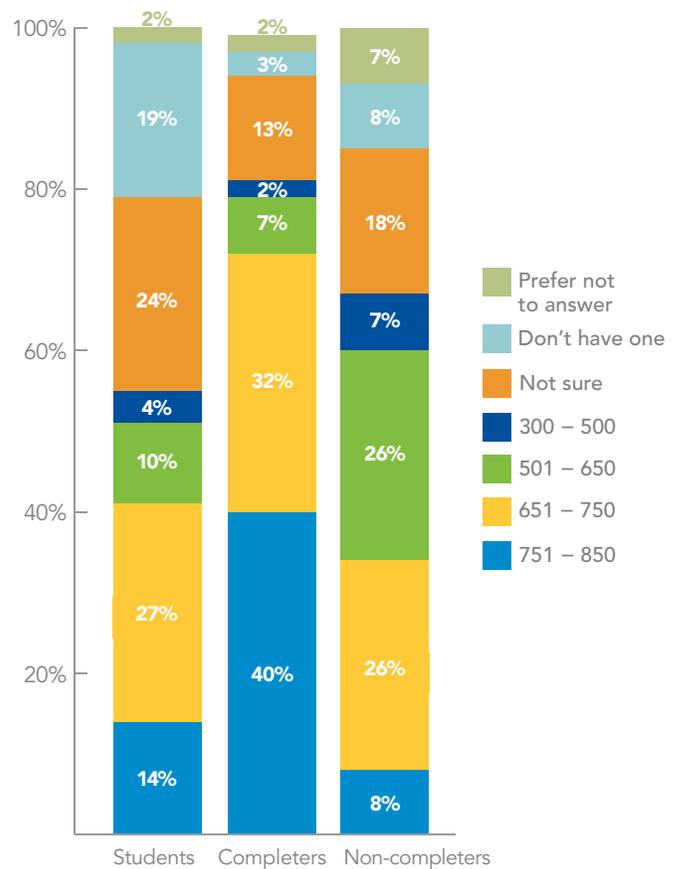
- Self-perceptions of current credit standing and ability to manage finances
- Knowledge and practice of positive or negative credit behaviors
- Resources used and interest in learning more about managing money

### Self-perceptions of ability to manage finances and of current credit standing

Each of the three groups—students, completers, and non-completers—convey a positive view of their ability to manage money. Differences among the three groups, however, show college students are more likely to perceive their skills as average to high; completers believe their skills are on the high end; and non-completers are more likely to believe their skills are average.

- Students most typically rate their financial management skills as good (39%) or average (32%), but 20 percent rate their skills as excellent. Eight percent rate themselves as not good/poor.
- Completers are the most confident group with three-quarters rating their skills as either good (44%) or excellent (27%).

Figure 2  
FICO® Score Estimates



**2 in 5** 

students say they either don't know their FICO® Score (24%) or they don't have one (19%).

Twenty-four percent rate their money management skills as average and very few, 4 percent, rate their skills as not very good/poor.

- Non-completers are less confident in their skills. They are more likely than completers and students to rate their skills as average (44%) and less likely to rate themselves as good (34%) or excellent (8%) and, compared to the other two groups, they are more likely to report their skills as not very good/poor (14%).

When asked about their FICO® Scores,<sup>1</sup> students, notwithstanding the large portion who are unaware, report score ranges between those of completers and non-completers.

- Two in five students say they either don't know their FICO® Score (24%) or they don't have one (19%). Of those who reported a FICO® Score, most report it in the mid-range, 651 – 750 (27%). Fourteen percent report it in the high range, above 750, and an equal proportion report it in the low range, below 650 (14%).
- Completers are most likely to be aware of their FICO® Score (13% are unaware) and least likely to say they don't have one (3%). Three-quarters report a score in either the mid- or high-range (32% and 40%, respectively). Only 9 percent report scores in the low range, below 650.
- One-quarter of non-completers report either not knowing their FICO® Score (18%) or not having one (8%). One-quarter say their scores are mid-range, 651 – 750 (26%), fewer than the 33 percent who say their scores are below 650. Only 8 percent report scores in the high range, above 750.

Similar to other questions about self-perceptions and credit, students are more likely than completers and non-completers to say they don't know how much credit would be extended to them if they applied for a credit card today (17% students, vs 9% completers and 14% non-completers).

Five percent of students said they wouldn't qualify for a credit card. Among those who named a credit line amount they thought they would qualify to receive, the estimates were equally divided between

- < \$1,000 (29%)
- \$1,000 – \$2,500 (25%)
- > \$2,500 (24%)

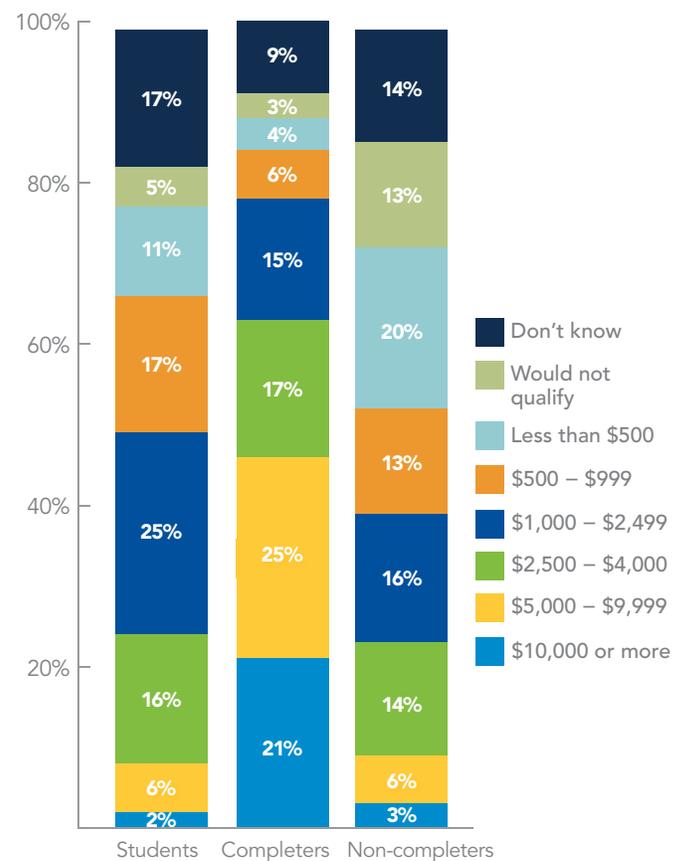
Completers expect to qualify for much higher credit line amounts than either students or non-completers, with only 3 percent saying they wouldn't qualify for a credit card. Nearly two-thirds expect to qualify for amounts greater than \$2,500.

- < \$1,000 (10%)
- \$1,000 – \$2,500 (15%)
- > \$2,500 (63%, including 21 percent who say they would qualify for \$10,000 or more)

Non-completers are significantly more likely to say they would not qualify for a credit card today (13%). Among those who believe they would qualify, more of them expect to fall in the lowest credit line amount range and fewer in the highest range compared to the other two groups.

- < \$1,000 (33%)
- \$1,000 – \$2,500 (16%)
- > \$2,500 (23%)

Figure 3  
Credit Qualification Amount



<sup>1</sup> A credit score model designed by Fair Isaac Corporation (FICO)

**Knowledge and practice of positive or negative credit behaviors**

When it comes to knowledge and practice, students have lower levels of financial literacy than their out-of-school counterparts. This ranking is a change from their attitudinal responses when they typically rated themselves between completers and non-completers.

One step toward credit literacy is to be aware of and engaged with one’s consumer credit report.

Students are least familiar with their credit report, with one-third saying they either don’t have one (18%) or don’t know whether they have one (17%). Fewer than half (46%) have viewed their credit report and 19 percent say they know they have one but have never viewed it.

Completers and non-completers are equally likely to have reviewed their credit report, about three-quarters of each group (75% and 72%, respectively). They were also equally likely to say they have a credit report but have not reviewed it (12% completers and 11% non-completers).

The majority within all three groups correctly identify positive credit behaviors, those that can raise a credit score, and negative credit behaviors, those that can lower a credit score. Students, however, are less likely than completers and non-completers to identify the probable credit score outcome for these behaviors.

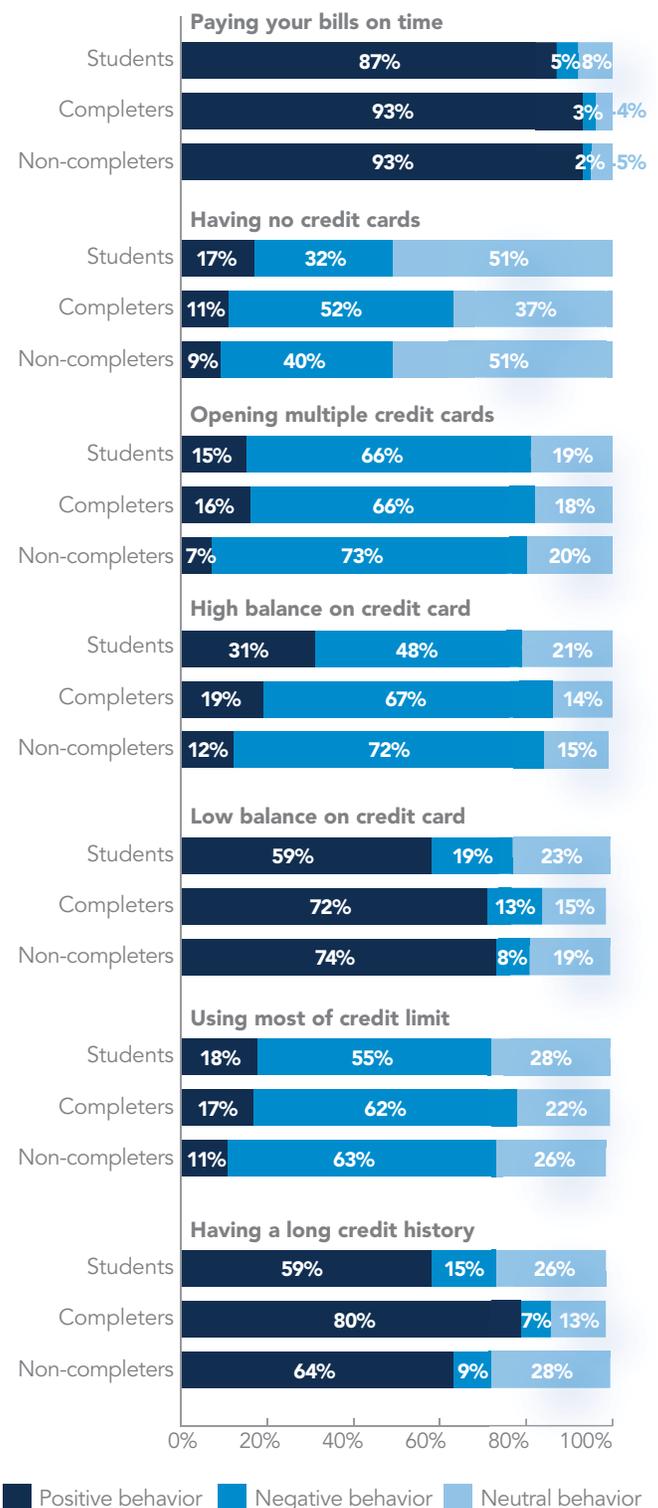
The vast majority of students (87%), completers (93%), and non-completers (93%) agree that paying bills on time is positive behavior. A smaller majority agree having a long credit history is positive credit behavior (students 59%, completers 80%, and non-completers 64%).

The three groups agree that opening multiple credit cards or loan accounts at the same time (students 66%, completers 66%, and non-completers 73%) and using as much of one’s credit limit as possible (students 55%, completers 62%, and non-completers 63%) are negative credit score behaviors.

Compared to other behaviors, more students seem to be unclear about the effect of carrying a high balance on credit cards: 31 percent consider carrying a high balance positive; or, conversely, 19 percent consider carrying a low balance negative.

A sizable number in each group lack clarity around the impact of simply having, or not having, a credit card. While not having a credit card has a neutral impact, many young adults believe not having a credit card has a negative impact on one’s credit score: about half of completers (52%), two in five non-completers (40%), and one in three students (32%).

Figure 4  
**Perception of How Behavior Affects Credit Score**



While all three groups have an intermediate level understanding of positive and negative credit behaviors, practicing prudent money management behaviors is uneven.

Most college students say they pay their bills on time (72%), track their spending (55%), and never spend more than they have (54%). They are less likely to say they never overdraft to avoid fees (32%) or pay off high interest debts first (28%). Similarly, non-completers also track their spending (54%) and say they never spend more than they have (55%); they are significantly more likely than students, however, to say they pay their bills on time (84%) or never overdraft to avoid fees (43%).

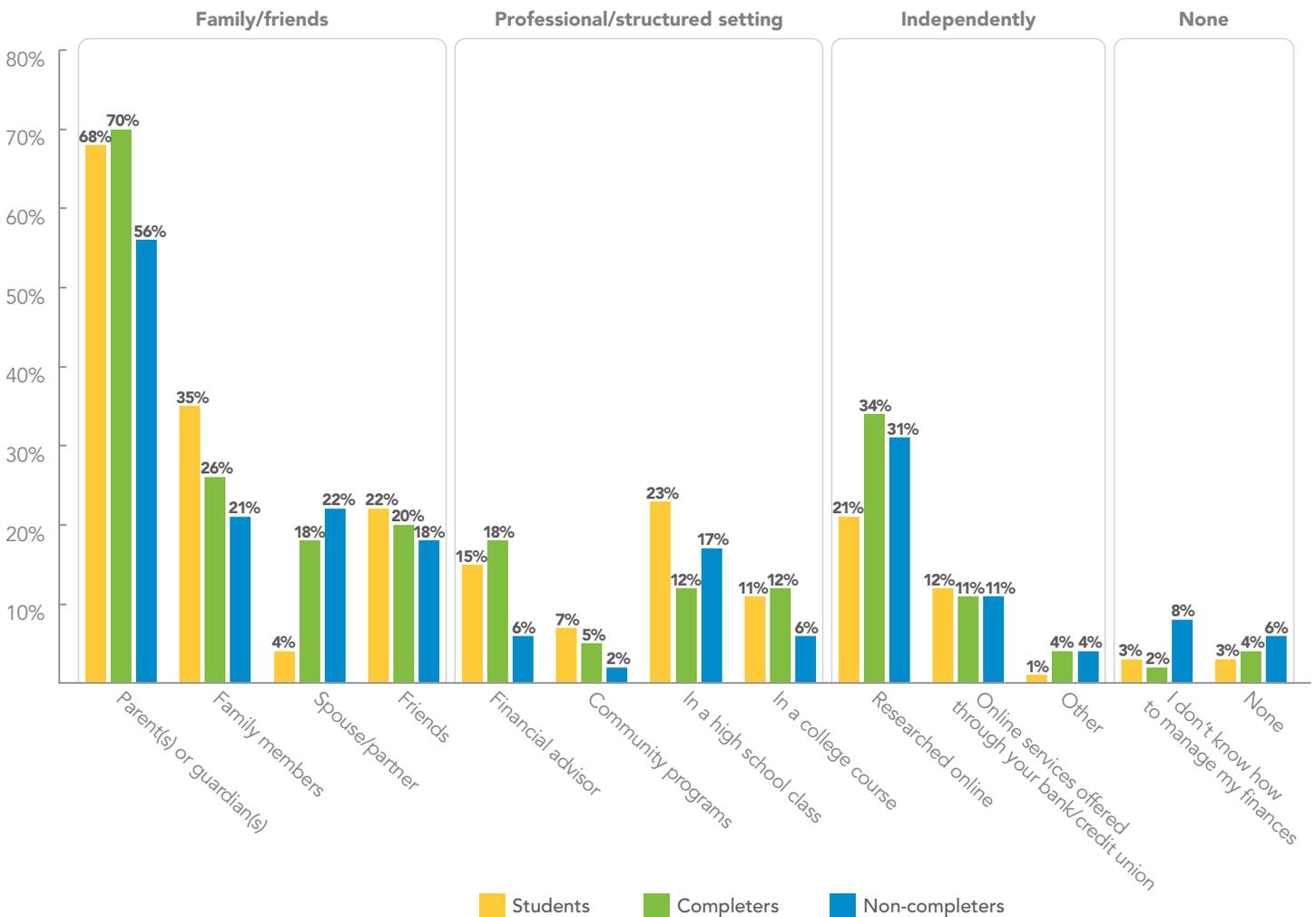
More completers than other groups report engaging in each of these behaviors to manage their finances. Completers are slightly more likely than students and non-completers to say

they never spend more than they have and that they track their spending (both 57%). The vast majority of completers say they pay their bills on time (91%) and about half say they never overdraft (52%). Further, they are significantly more likely to say they pay off their high-interest debts first (43%) compared to students (28%) or non-completers (30%).

Completers are more likely than students or non-completers to plan for their financial future. Three in five (62%) say they are saving money from their earnings every month, as opposed to half of students (49%) and non-completers (50%). Completers are significantly more likely to have an emergency fund (41%) or invest their savings to earn high interest rates (24%) than students (22% and 17%, respectively) or non-completers (31% and 10%, respectively).

Figure 5

### Resources for Learning Money Management



### Resources used and interest in learning more about managing money

Parents are the most influential resource when learning how to manage finances, though fewer non-completers report learning from their parents (56%) compared to students (68%) or completers (70%). Other family members, spouse/partner, and friends all contribute to financial literacy to some degree in each of these groups.

Fewer young adults in each group learned financial literacy in a structured setting or from a professional. Students and non-completers were more likely to say their formal training came from a high school class (23% and 17%, respectively) than from another structured source, while completers are more likely to mention a financial advisor (18%). Other sources cited include a college class and a community program.

Online research is a third learning channel and one that is practiced more by completers (34%) and non-completers (31%)

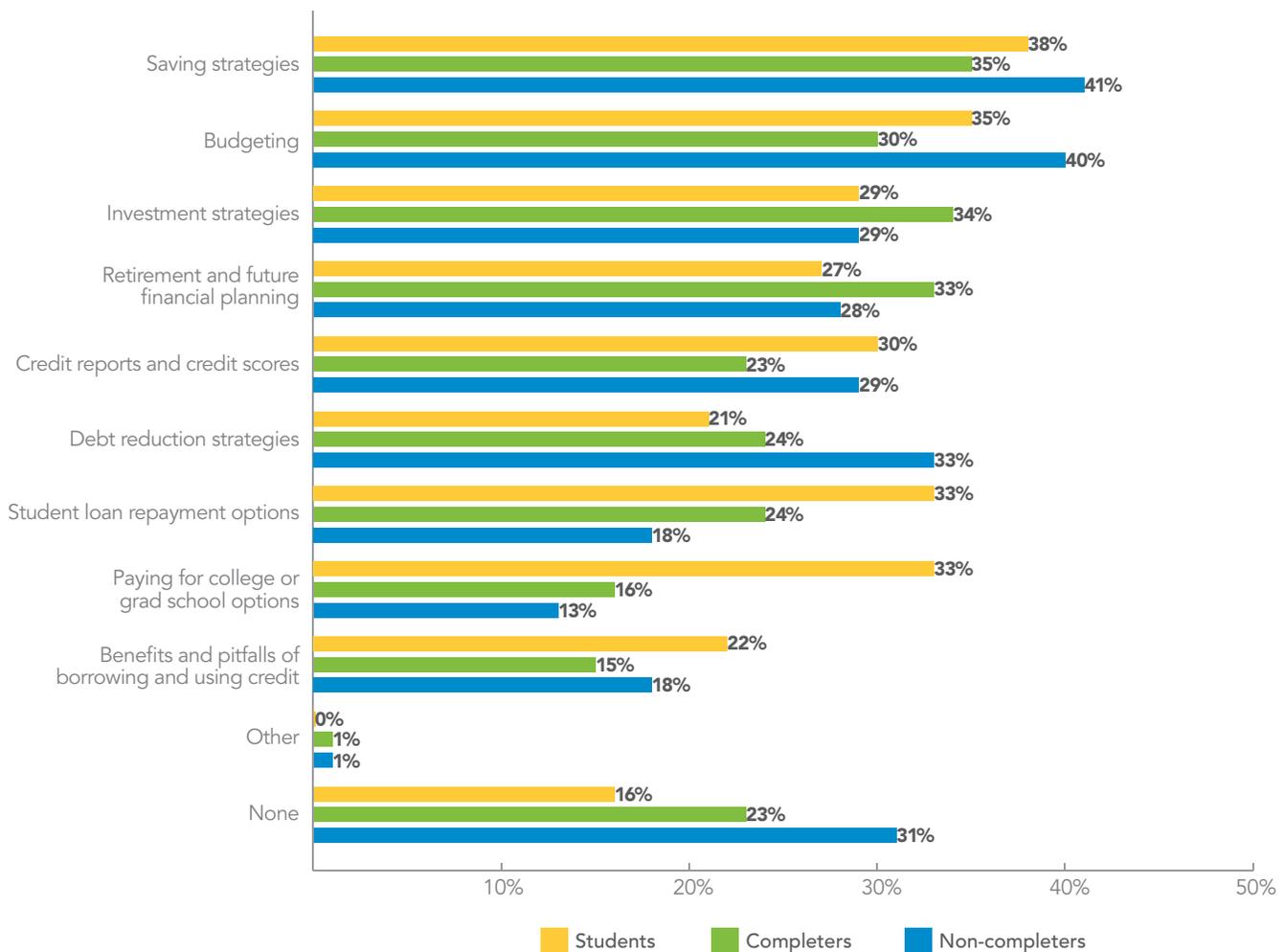
than students (21%). In addition to general online research, one in 10 among all three groups used online services provided by their banks (12% of students, and 11% of both completers and non-completers).

Very few individuals from each group say they didn't have anyone to teach them how to manage their finances (students 3%, completers 4%, and non-completers 6%); however, more non-completers say they don't know how to manage their finances (8%) than students (3%) or completers (2%).

The majority of each group recognize that they need more information on financial management topics. Students (84%) and completers (77%), however, are more likely to want to learn more about various financial management topics than non-completers (69%). All three groups are most interested in strategies to help them save (students 38%, completers 35%, and non-completers 41%), but vary in their desire for information on other topics.

Figure 6

### Topics of Interest for Learning More





## A comparison of completers and non-completers by income

Income can be assumed to have an effect on some of the money management attitudes, behaviors, and areas of interest for independent young adults no longer in college.

College completers report higher household incomes than non-completers. While a similar proportion, just under half in both groups, report incomes in the mid-range (43% completers and 49% non-completers), nearly twice as many completers as non-completers report incomes in the high range (43% vs 24%) and half as many in the low range (14% vs 27%).<sup>2</sup>

Analyzing segments by income, however, illustrates persistent differences between these two groups, with completers showing more confidence in their money management skills at all income levels. Three-quarters of high-income completers rate their money management skills as excellent (30%) or good (48%), while just over one-third of high-income non-completers say the same (2% excellent and 34% good). The gap between mid-income completers and non-completers is narrower with two-thirds of completers rating themselves excellent (27%) or good (41%) compared to half of non-completers (12% excellent and 39% good). It widens again when comparing the low-income groups: Two-thirds of low-income completers rate their skills as either excellent (21%) or good (44%) while one-third of low-income non-completers rate themselves as excellent (7%) or good (26%).

The pattern is replicated when reporting FICO® Scores. Half of high-income completers (51%) report a FICO® Score in the high range, above 750, while only 3 percent of high-income non-completers report a FICO® Score in the high range. Among mid-income groups, 33 percent of completers report their FICO® Score in the high range compared to 13 percent of non-completers. Thirty percent of low-income completers report their scores in the high range compared to 5 percent of low-income non-completers.

Fewer non-completers than completers in each income group have a credit card. Eighty-nine percent of high-income completers have a credit card compared to 71 percent of non-completers, 80 percent of mid-income completers have a card compared to 69 percent of non-completers, and 71 percent of low-income completers have a card compared to 36 percent of non-completers.

Among those who have credit cards, non-completers are less likely than completers to pay their balance in full each month. Seventy-one percent of high-income completers typically pay in full compared to 19 percent of non-completers; 57 percent of mid-income completers pay in full compared to 37 percent of non-completers; and 56 percent of low-income completers pay in full compared to 39 percent of non-completers.

<sup>2</sup> For the purposes of this study, low income is defined as households with an annual income of less than \$35,000, middle income from \$35,000 to less than \$100,000, and high income of \$100,000 or more

Not surprisingly, students are more interested in topics that relate to their education, such as student loan repayment options (33%) or options to pay for college or graduate school (33%). Non-completers are more likely to want information on topics that can help them with day-to-day money management, such as budgeting (40%), debt reduction strategies (33%), and credit reports and scores (29%). Completers are more likely than students or non-completers to look to the future, seeking information on investment strategies (34%) and retirement and future financial planning (33%).

## Financial literacy put to the test

While all three groups demonstrated an understanding of the concept of credit and why “good credit” is important, they are less certain of the details of how money and credit work. To better assess their understanding of credit terms and effect, participants were asked four quiz type questions covering these topics: interest accumulation, the effect of repayment behavior on the cost of credit, the impact of repayment term on the cost of credit, and interest terminology.

About one in 10 students (11%) answered all four questions correctly, and just under one in 10 (8%) did not answer any of the quiz questions correctly.

Compared to students, non-completers were more likely to answer four out of four correctly (18%), but also slightly more likely not to answer any correctly (10%).

Completers seem to have the best understanding of these mechanical aspects of credit. Twenty-four percent answered all four questions correctly and another 33 percent answered three out of the four correctly, higher than both the other groups. A lower proportion than either of the other groups did not answer any of the questions correctly (4%).

An equal number of students and non-completers can correctly identify how interest is accumulated (71% for both). Non-completers are slightly more likely than students to be able to understand the effects their payment behavior will have on the amount of interest they pay (47% and 40%, respectively). Students are a little more likely to understand the impact repayment term will have on the amount of interest they will pay overall (56%) and what the term “interest capitalization” means (49%) than non-completers (49% and 44%, respectively).

Interestingly, for some in each group, their self-reported money management skills level does not align with their financial knowledge on these four topics.

## Each group has a different area of focus for furthering their financial education:



**Students** are interested in learning more about paying for college

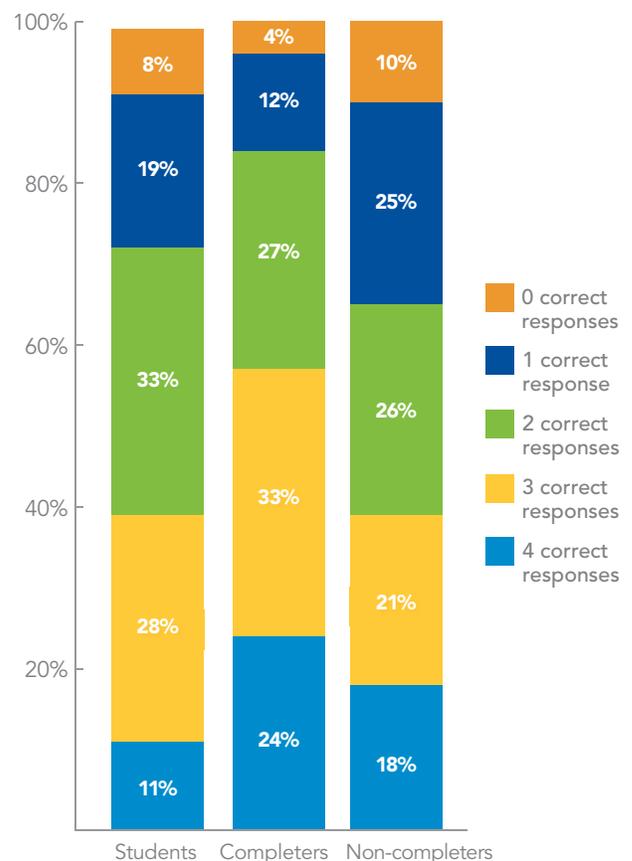


**Completers** are interested in investing for the future



**Non-completers** are interested in day-to-day money management skills

Figure 7  
Quiz Scores





## The quiz questions

### 1. Interest accumulation:

Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

- a. **More than \$102**
- b. Exactly \$102
- c. Less than \$102
- d. Not sure

### 2. Effects of payment behavior on credit cost:

Assuming the following individuals have the same credit card with the same interest rate and balance, which will pay the most in interest on their credit card purchases over time?

- a. Joe, who makes the minimum payment on his credit card bill every month
- b. Jane, who pays the balance on her credit card in full every month
- c. **Joyce, who sometimes pays the minimum, sometimes pays less than the minimum, and missed one payment on her credit card bill**
- d. All of them will pay the same amount in interest over time
- e. Not sure

### 3. Impact of repayment term on cost of credit:

Imagine that there are two options when it comes to paying back a loan and both come with the same interest rate. Provided you have the needed funds, which option would you select to minimize your total costs over the life of the loan (i.e., all of your payments combined until the loan is completely paid off)?

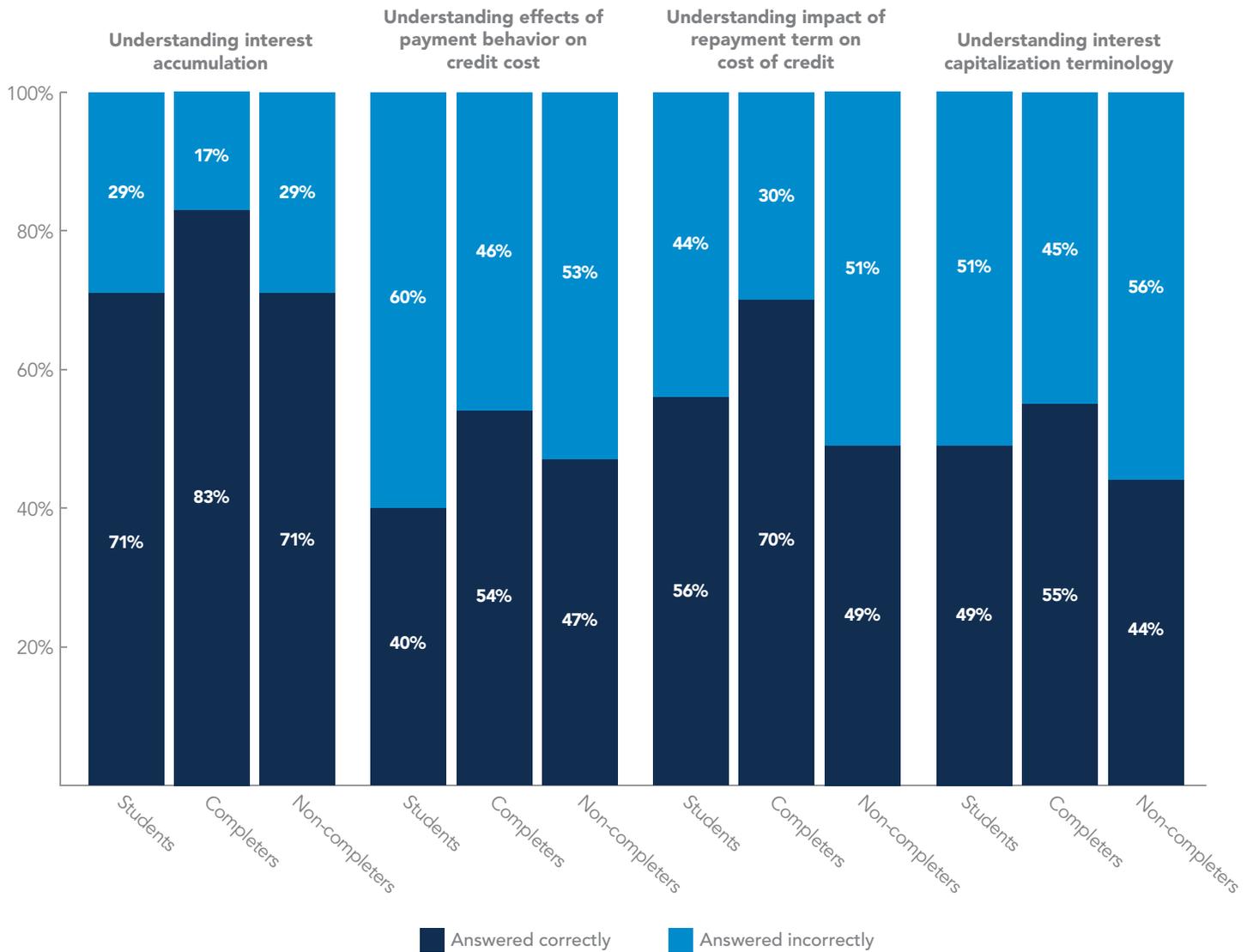
- a. **Option 1 allows you to take 10 years to pay back the loan**
- b. Option 2 allows you to take 20 years to pay back the loan
- c. Both options have the same out-of-pocket cost over the life of the loan
- d. Not sure

### 4. Interest terminology:

Which of the following best defines the term "interest capitalization"?

- a. The type of interest charged on high-balance loans
- b. **The addition of unpaid interest to the principal balance of a loan**
- c. Interest that is charged when you postpone payments on your loan

Figure 8  
Quiz Question Results



**Completers answered each question correctly more often than the other two groups:**

**83%**

answered the **interest accumulation** question correctly

**54%**

answered the **effects of payment behavior** question correctly

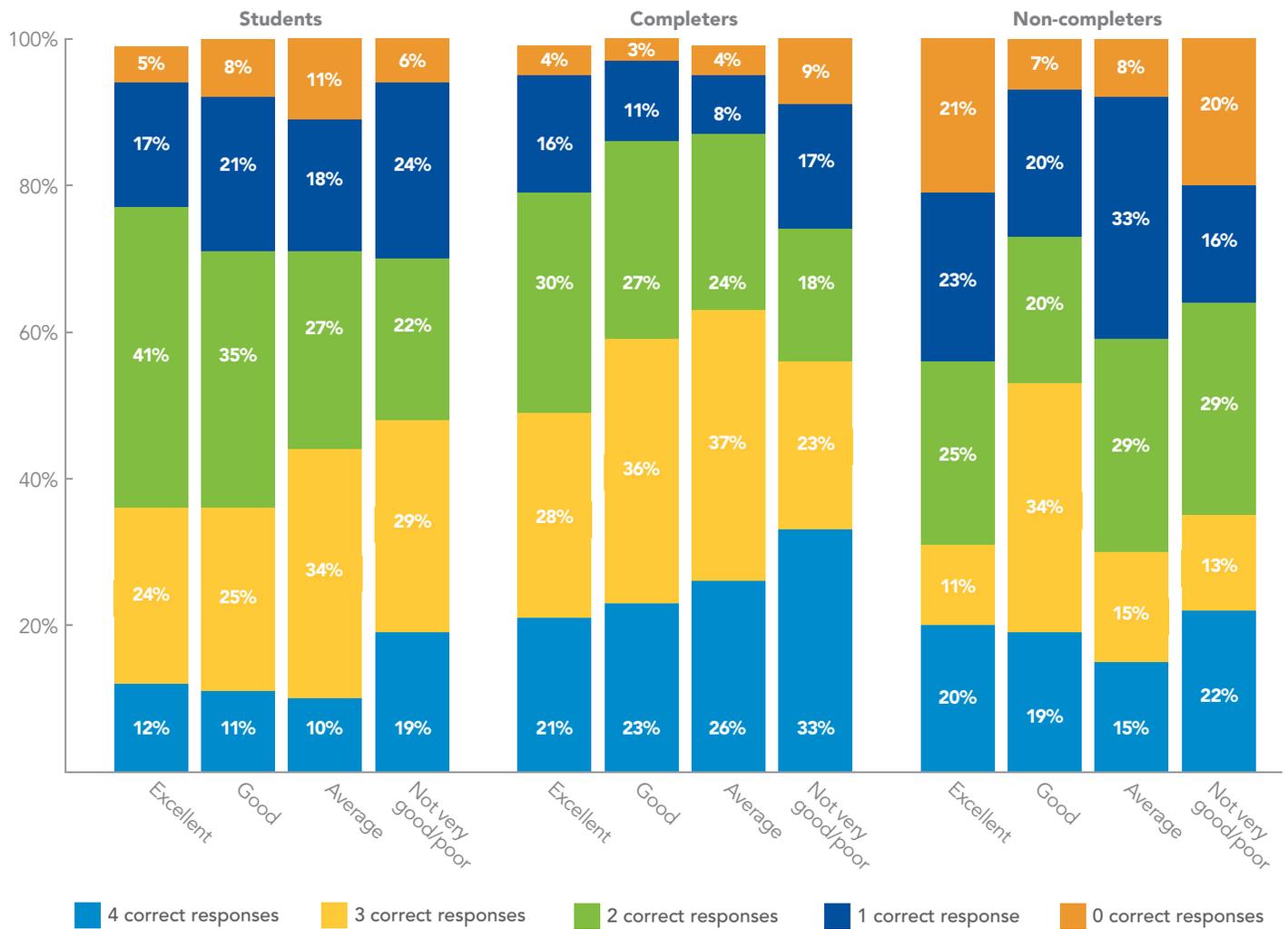
**70%**

answered the **impact of repayment terms** question correctly

**55%**

answered the **interest capitalization** question correctly

Figure 9  
Quiz Scores by Perceived Skill Level



Regardless of whether students perceive their money management skills to be excellent, good, or average, they are equally likely to answer all four quiz questions correctly (12%, 11%, and 10%, respectively). In fact, students who rated their skills as not very good or poor were more likely to answer all four questions correctly (19%). Students who rated their skills as excellent or good were most likely to answer two quiz questions correctly (41% and 35%, respectively), while those who rated their skills as average or not very good/poor were more likely to have gotten three out of the four questions correct (34% and 29%, respectively).

Knowledge of the quiz topics among non-completers is less likely to correlate to their perception of their own money management skills. Non-completers who rated their money

management skills as excellent and not very good/poor scored most similarly in the quiz questions: 20 and 22 percent, respectively, got all four questions correct, and 21 and 20 percent, respectively, got all four questions wrong.

Among completers, there is an inverse correlation between how they rated their money management skills and the proportion who answered all four questions correctly. It is important to note that very few completers rate their money management skills as not very good or poor. One in five completers who said they have excellent money management skills answered all four questions correctly, while one in three of those who rate their skills as not very good/poor answered all four questions correctly.

## How college students, completers, and non-completers pay for things

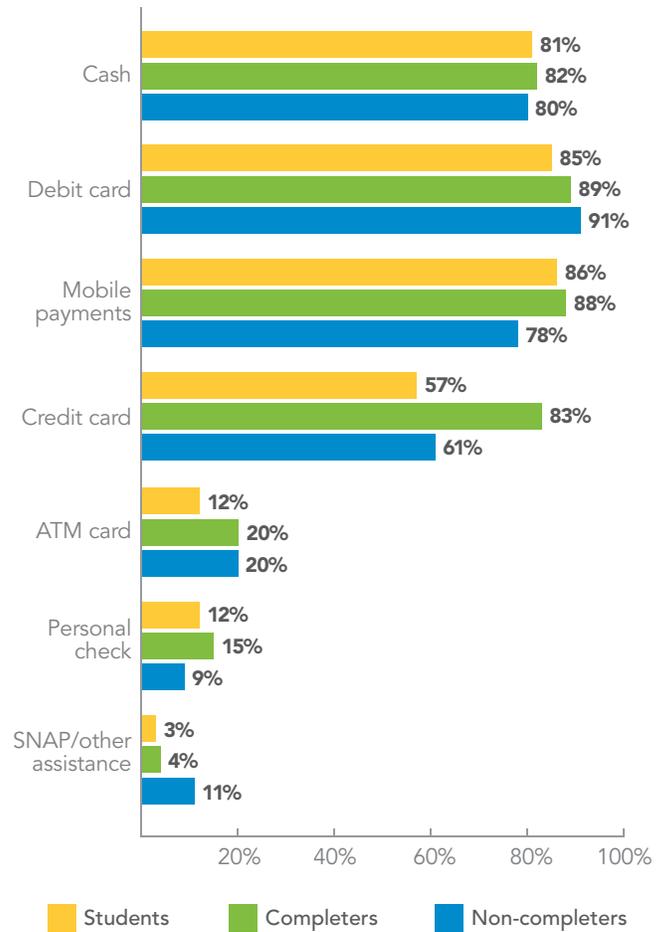
College students, completers, and non-completers are similarly likely to carry cash, about eight in 10 young adults, but there are some variations in the proportion of each group who use other payment methods.

At 91 percent, non-completers are slightly more likely to carry debit cards than completers (89%) or students (85%). In contrast, non-completers are less likely to use mobile payments (78%) than completers and students (88% and 86%, respectively). Non-completers are also more likely to use SNAP or other public assistance programs (11%, vs 4% of completers and 3% of students).

Eighty-three percent of completers carry credit cards, a much higher proportion than non-completers (61%) and students (57%). Completters are slightly more likely to say they use personal checks (15%) than non-completers and students (9% and 12%, respectively).

Students are less likely than completers and non-completers to use an ATM card (12%, vs 20% both completers and non-completers).

Figure 10  
Payment Methods Used



**57%**

of students carry credit cards



**83%**

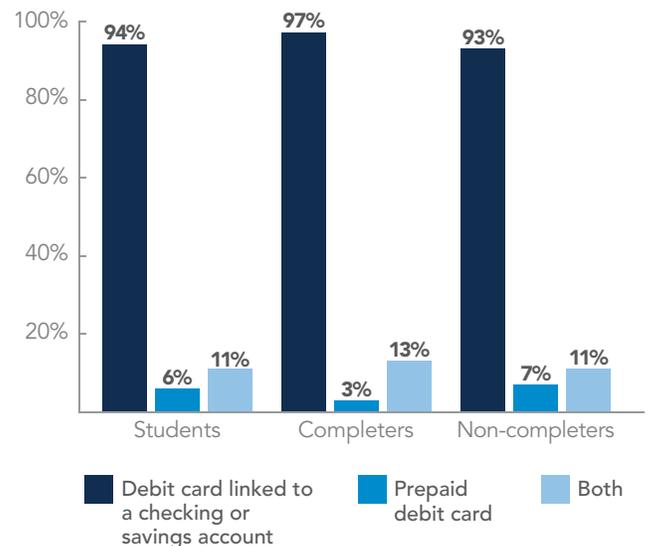
of completers carry credit cards



**61%**

of non-completers carry credit cards

Figure 11  
Debit Card Type



More than nine in 10 debit card holders have a card tied to their bank account. A small portion of debit card holders use a prepaid card. Interestingly, a similar portion in each group—about one in 10—have both a bank card and a prepaid card.

Among those who use mobile payment methods, a similar proportion from each group use PayPal®—more than six in 10—the most-used mobile brand. The use of Venmo®, the next most-used brand, varies significantly among the three groups. Nearly half of completers use Venmo (47%), compared to about one-third of students (37%) and one-fifth of non-completers (21%). The use rate of other mobile payment brands is similar across all three groups.

Mobile-payment users typically link their mobile account to their debit card and/or their bank account. However, about one-third of completers and one-quarter of students and non-completers link their mobile account to their credit card. Two percent of mobile users in each group have a link between their mobile account and their parents' account.

The top reasons for using mobile pay are convenience—cited by more than two-thirds of each group—and ease of use—cited by nearly three-fifths of each group. When choosing to use a particular service over others, the top reason given by students and completers is that their friends and family use that service (55% and 59%, respectively). Fewer non-completers say this (44%); instead, their focus is on ease of management (50%) and ease of transactional use (50%), which are slightly less important to students (43% and 42%, respectively) and completers (both 43%).

**Payment methods vary by group and by type of purchase**

All three groups use a variety of payment types but to a different degree. Generally, both students and non-completers choose debit cards above other payment types to pay for any purchase while completers choose credit cards. The use of other payment types seems to be driven by the type of purchase being made.

Figure 12

**Mobile Payment Platforms**

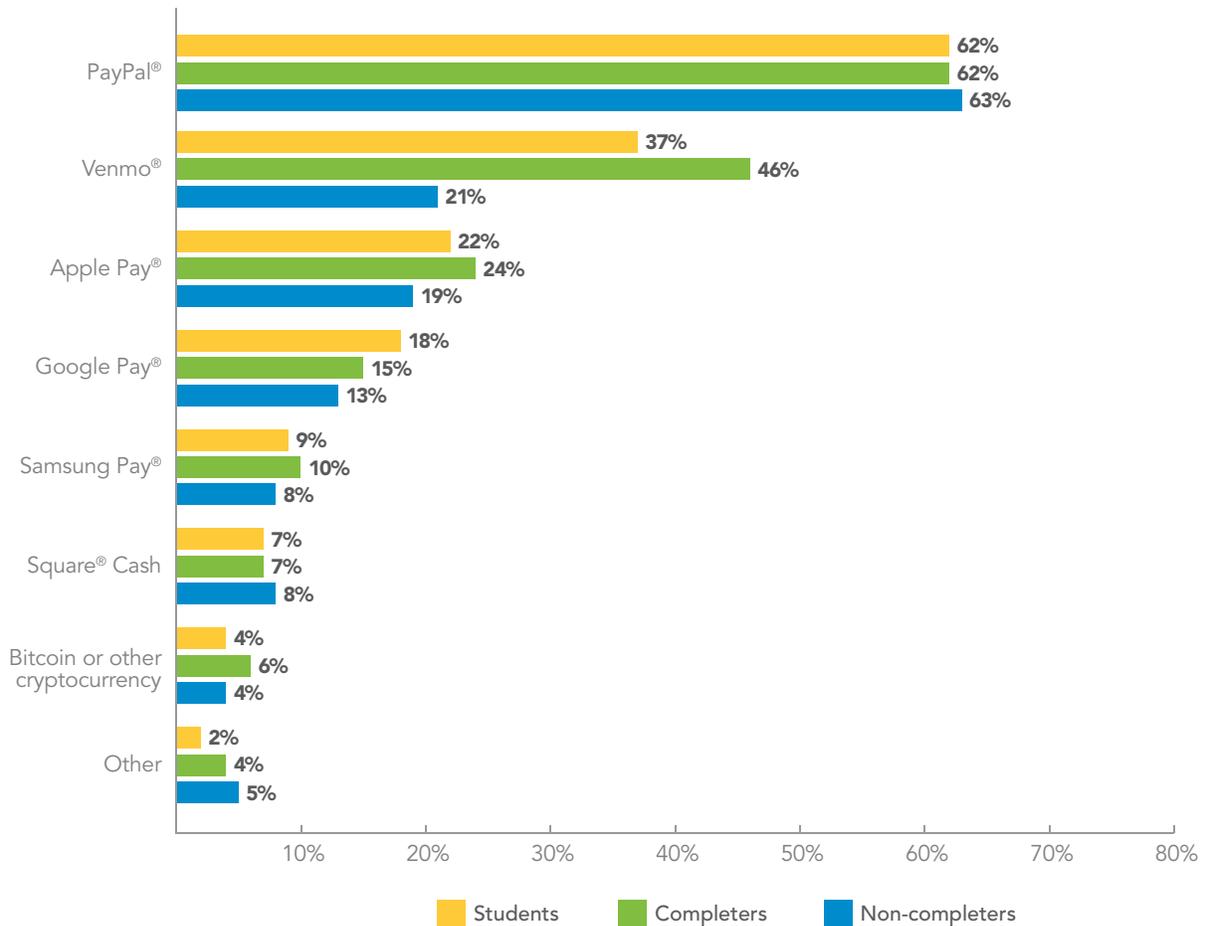
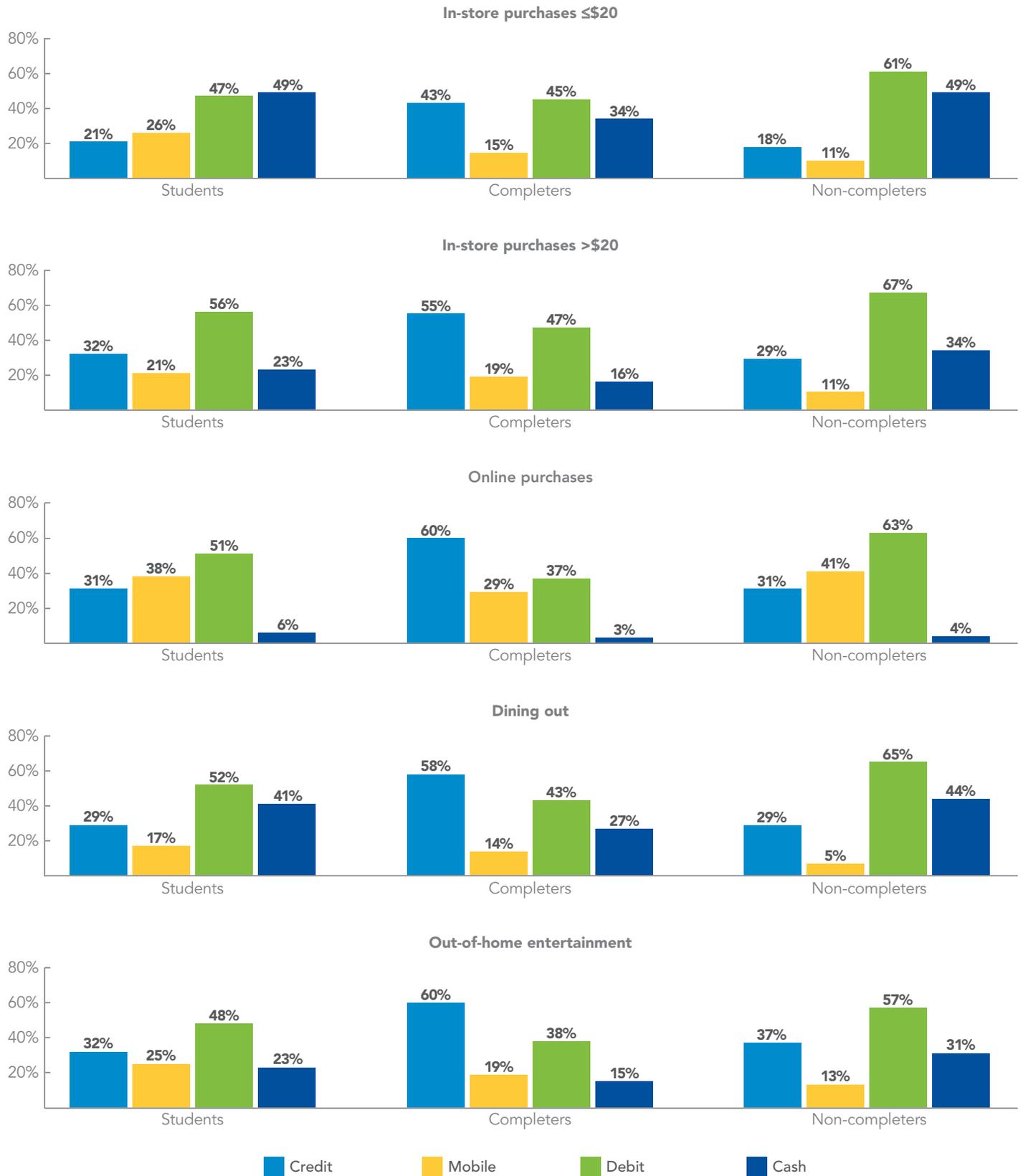


Figure 13  
**Payment Method by Purchase Type**



When young adults choose to use cash, they are more likely to use it to pay for in-store purchases less than \$20 or for dining out. In fact, students are more likely to use cash for in-store purchases less than \$20 than to use any other payment method (49%).

Students are more likely than those no longer in school to use mobile payments for any purchase type, but it is never the most frequently used payment type. Young adults in all groups choose to use mobile payments more frequently when they are purchasing something online.

Up to twice as many completers as students and non-completers use credit cards for every purchase category. Completers use credit cards more often than the other groups to pay for all types of purchases except in-store purchases less than \$20, for which they are slightly more likely to use a debit card (45%, vs 43% credit card).

## Role of credit cards among college students, completers, and non-completers

### Credit card usage

As noted previously, young adults who have completed college are much more likely to have a credit card than college students and those who did not complete it. Eighty-three percent of college completers have a credit card, compared to 61 percent of non-completers and 57 percent of students.

Among those with credit cards, students carry an average of 5.2 cards, completers carry 5.5 cards, and non-completers have 4.1.

A higher proportion of college students have just one card (19%) compared to both completers and non-completers (both 14%). This effectively reduces the median number of cards for college

Figure 14

### Proportion with Credit Cards

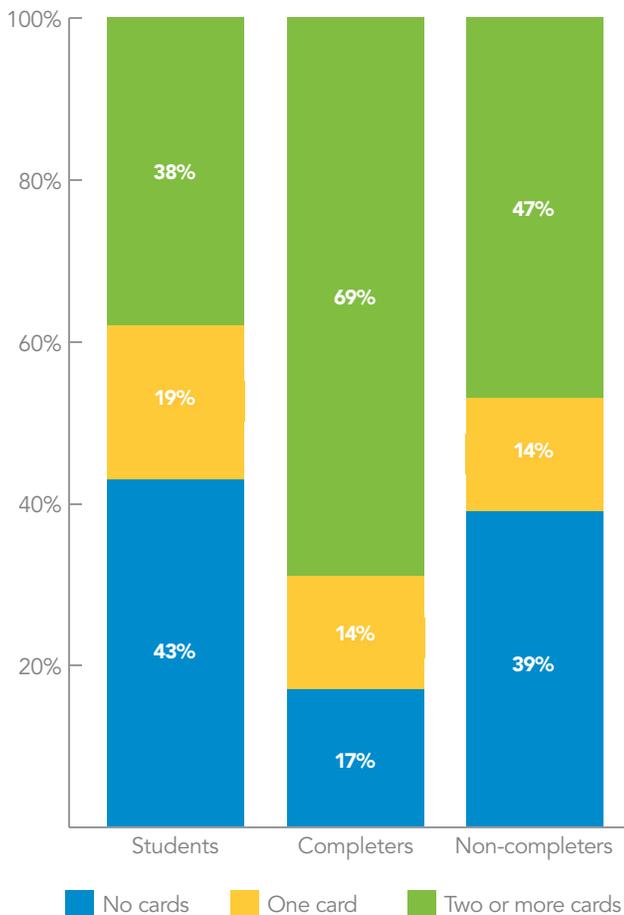
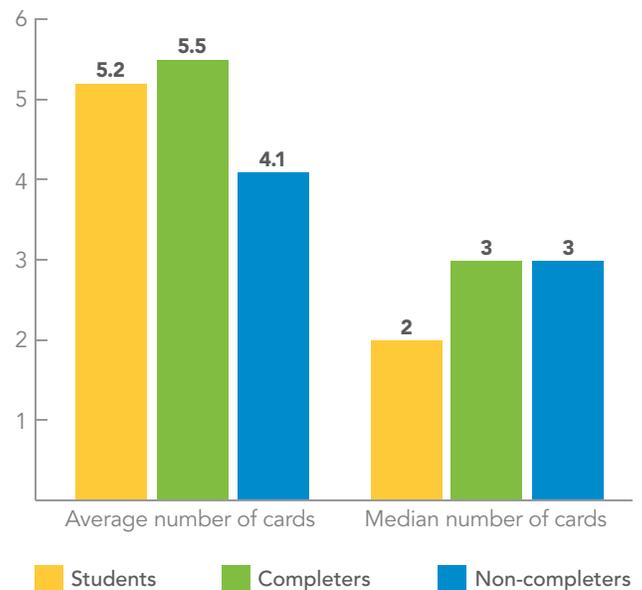


Figure 15

### Number of Credit Cards



students to two from the median of three for those no longer enrolled in college.

Although they carry a comparable average number of cards, college students carry a lower combined balance on their cards than those who are no longer in school. Over the course of the past year, students report an average balance of \$1,183, half the amount carried by completers (\$2,351) and two-thirds lower than the amount carried by non-completers (\$3,281).

**Payment habits**

Two times as many college students and completers (60% and 64%, respectively) than non-completers (32%) say they pay their credit card bill in full each month. Non-completers are more

likely to carry a balance forward on their credit cards, which likely contributes to their higher average balances. Only 1 percent of credit card holders from each of the three groups say they pay less than the minimum monthly payment.

Those no longer in college are significantly more likely than college students to be responsible for paying their own credit card bills. Ninety-six percent of completers and 94 percent of non-completers pay their own bill, compared to 80 percent of college students. Thirty percent of college students report getting payment help from their parents. About one in 10 of those not in college get payment support from a spouse or partner and 6 percent get payment help from their parents.

Figure 16  
**Credit Card Average Balances**

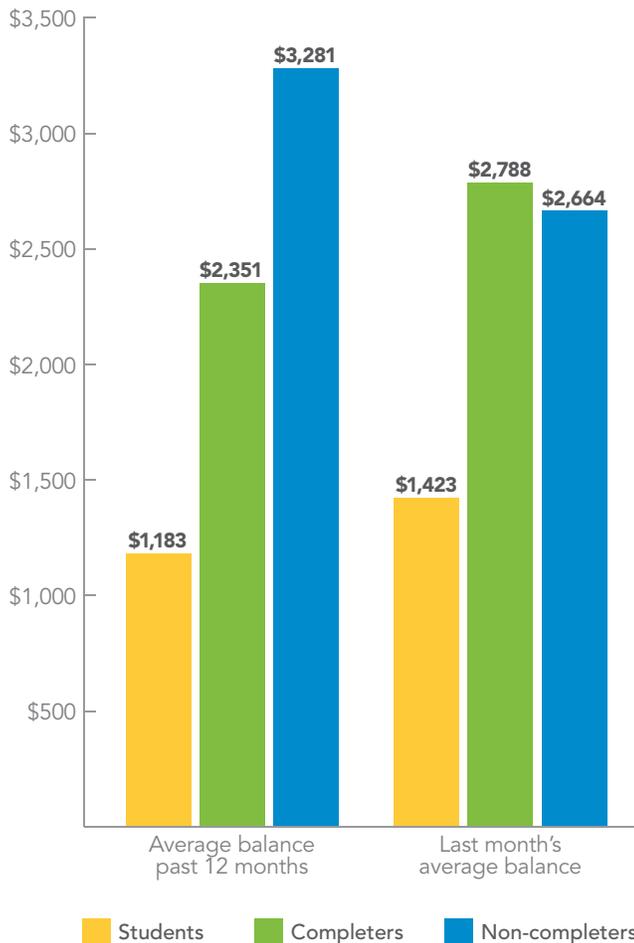
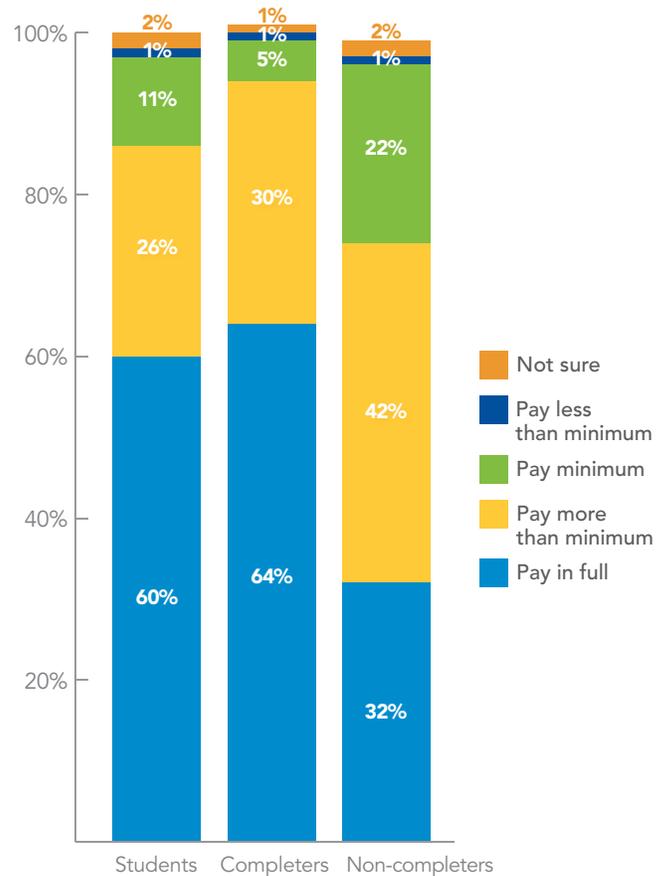


Figure 17  
**Payment Habits**



**Spending habits**

Students and those no longer in college use their credit cards differently, but all three groups say they use their credit cards more to purchase items online than for other purchase types.

Completers use their credit cards as their main method of payment for a variety of purchase types more often than students and non-completers, including

- Online purchases (58% completers, 50% students, 44% non-completers)
- Everyday purchases (52%, 44%, 32%, respectively)
- Recurring bills (44%, 32%, 30%, respectively).

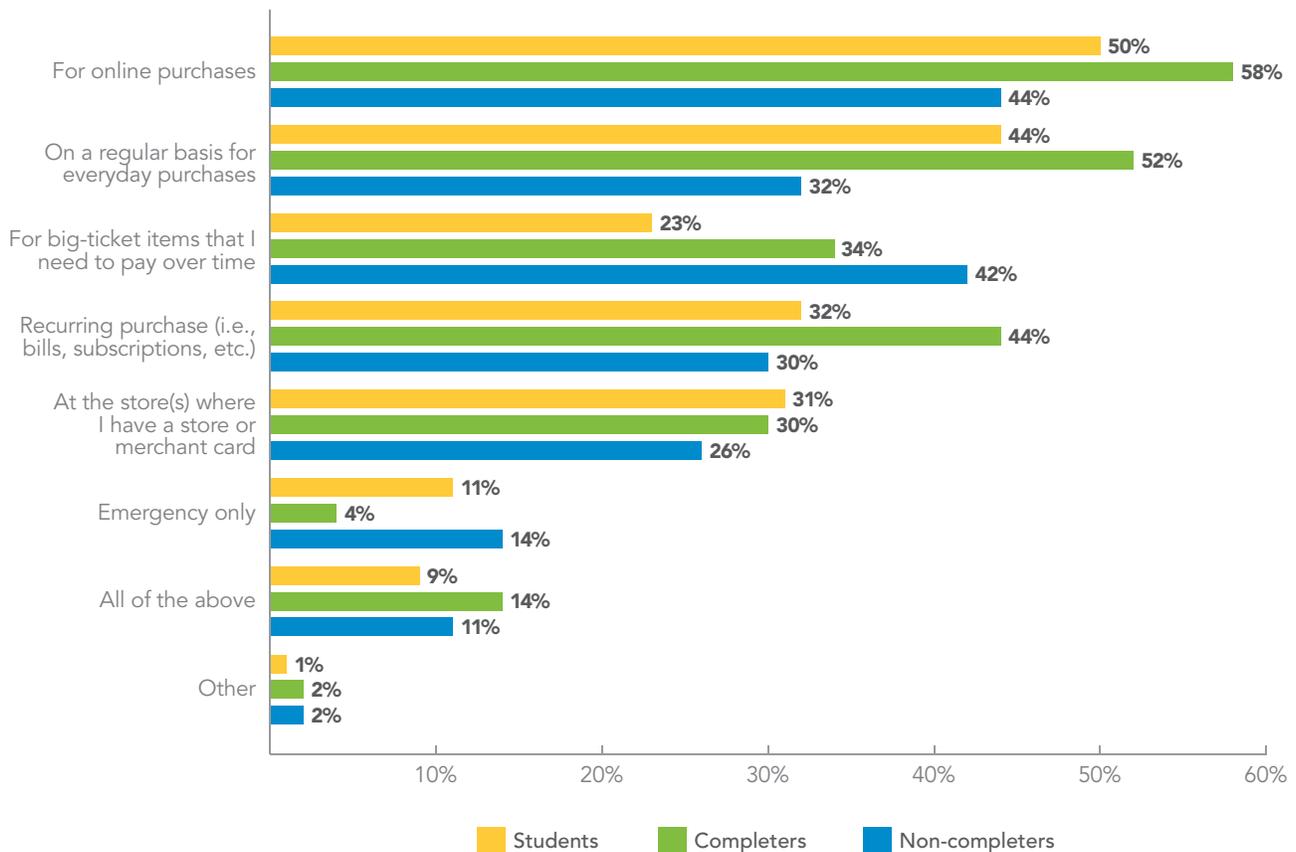
Non-completers, on the other hand, are more likely to see their card as a back-up method of payment. They are more likely to reserve their card for emergency use only (14%) than students and completers (11% and 4%, respectively). Non-completers are

more likely to use their credit cards for big-ticket items they will pay over time (42%) than completers or college students (34% and 23%, respectively).

College students are slightly more likely to use their cards at stores where they have merchant cards (31%, vs 30% completers and 26% non-completers).

Although more of them have cards and seem to use them more often, completers appear to be more conservative about spending money they don't have. Completers are less likely than non-completers and college students to charge items on their credit card knowing they don't have the money to pay the bill when it arrives. Fewer completers say they frequently or sometimes charge items knowing they don't have the money to pay the bill (27%, vs 37% non-completers and 38% students), and more of them say they never charge items when they don't have the money to pay for it (48%, vs 29% non-completers and 38% students).

Figure 18  
**Typical Credit Card Use**



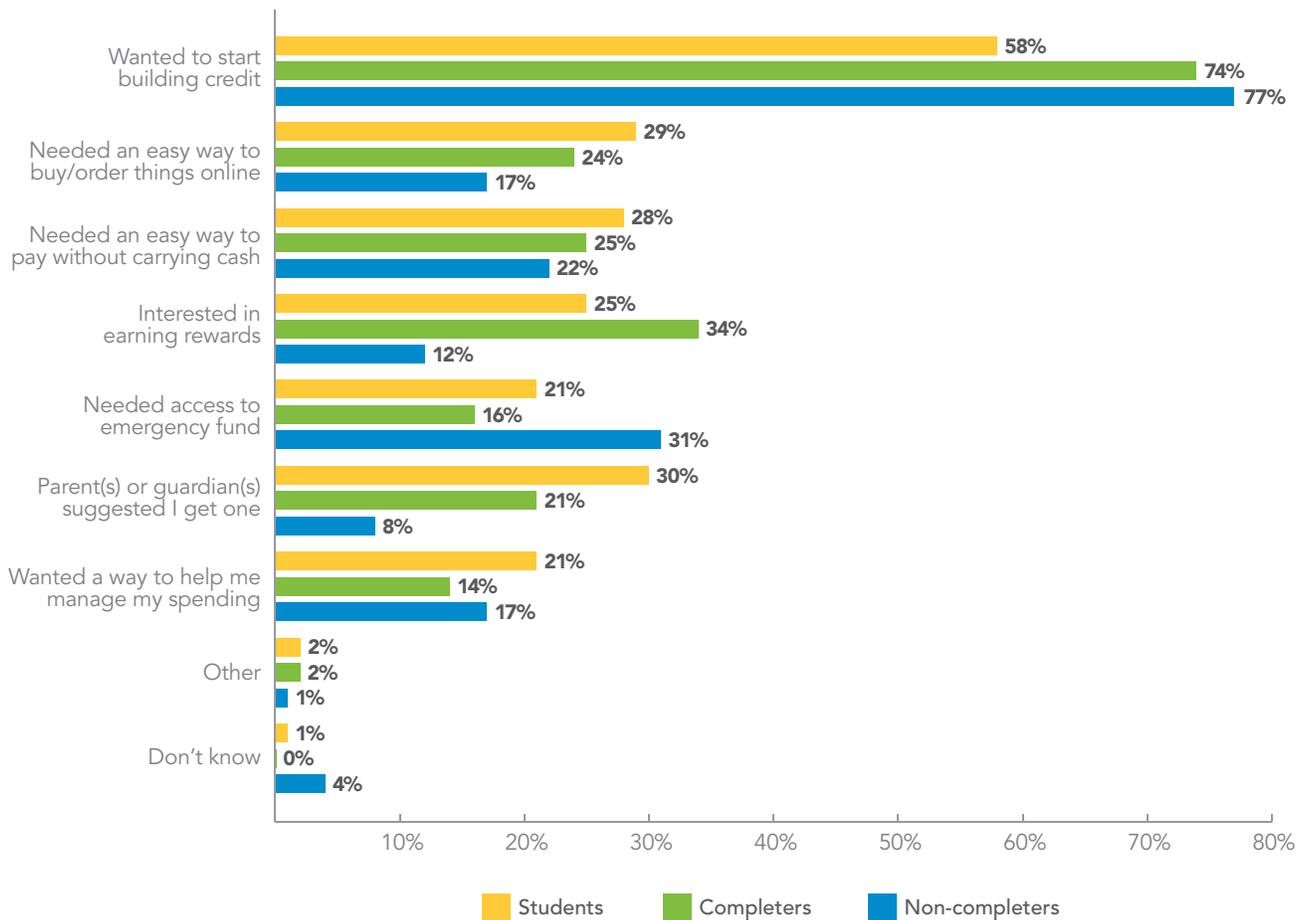
### Why young adults want credit cards

On average, participants with credit cards identified two factors that influenced their decision to obtain their first credit card. The dominant factor for all three groups was to establish credit. Establishing credit was cited by 58 percent of college students, 74 percent of completers, and 77 percent of non-completers. The second most-cited reason among college students was their parent/guardian recommended they get a card (30%); among completers, it was interest in earning rewards (34%); and among non-completers, it was the need for access to emergency funds (31%).

Dependence on parents for access to their first card is much more prevalent among college students than among young adults who are no longer in college:

- 25% of college students are authorized users on their parents' cards (compared to 8% completers and 3% non-completers).
- 17% of college students say their parents chose their first card for them (compared to 12% completers and 6% non-completers).
- Few college students say their parents didn't know they applied for a card (12%, compared to 22% completers and 41% non-completers).

Figure 19  
Reasons for Wanting First Credit Card

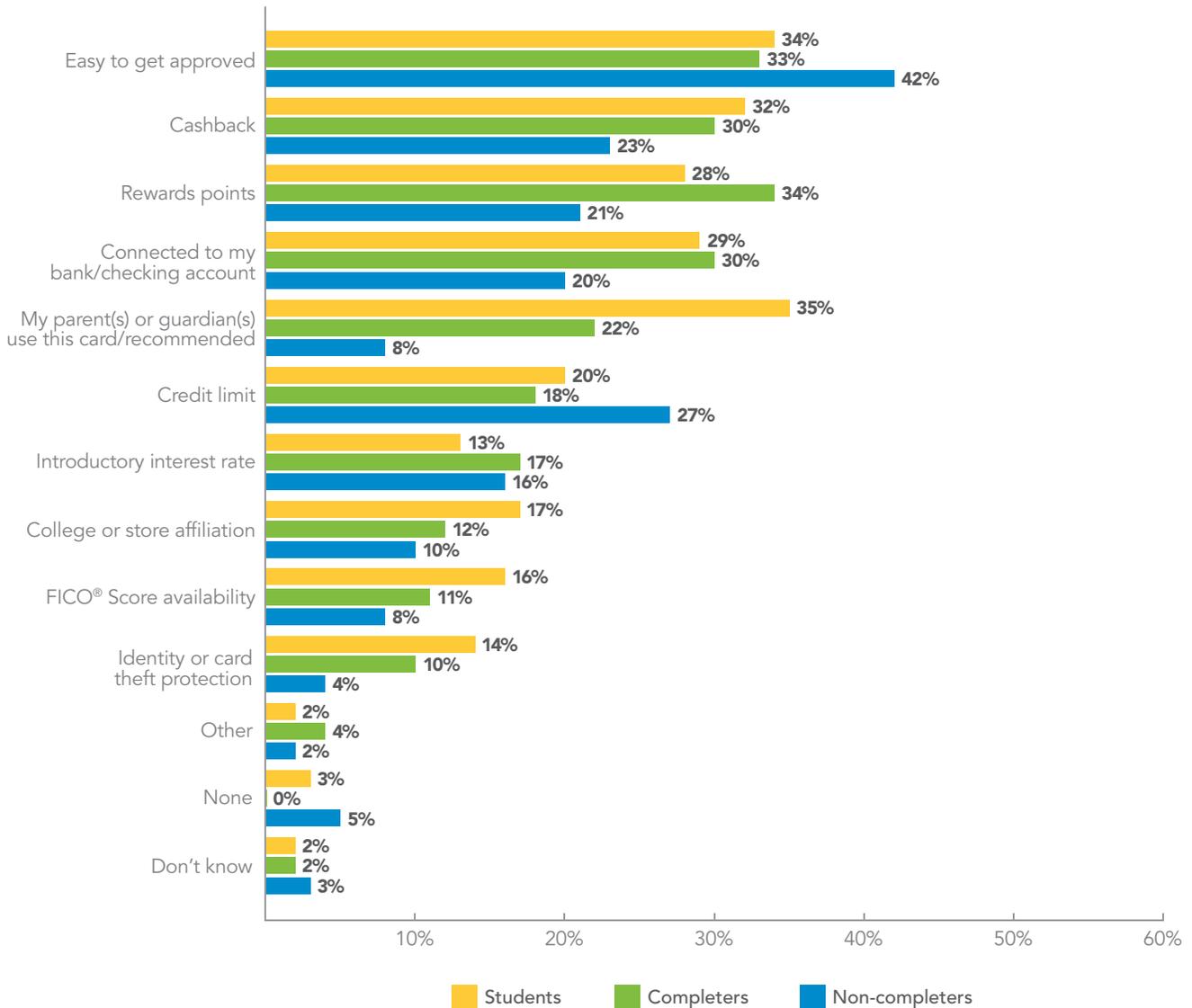


Young adults weighed a number of factors when deciding on their first card. Ease of approval is a common factor for all three populations:

- 35% of students chose their first card because their parent/guardian used and/or recommended it. The second most-named reason was ease of approval (34%).
- Among completers, the top-named reason was rewards points (34%) followed by ease of approval (33%).
- Among non-completers, ease of approval was the number one reason (42%); the next most-named reason was the credit limit (27%).

Young adults with credit cards are likely to have multiple cards. Among those who are no longer in college, there are four multiple card holders for every single card holder. College students have a higher ratio of single card holders than completers and non-completers—one-third have one card and two-thirds have two or more cards. Even among college students not yet 21 years of age, fewer than half (43%) have only one card.

Figure 20  
Reasons for Choosing First Credit Card



Why do young adults carry multiple cards? Many of them believe that more credit cards will help improve their credit score. Students, completers, and non-completers all similarly agree this is a leading reason for opening multiple credit card accounts (46%, 51%, and 49%, respectively).

They are also interested in earning rewards, particularly those who have completed college (55%, vs 40% of both students and non-completers). And while about one-third of each group has a second card to use for separate purposes—which could be a way to help manage finances—a similarly high proportion is interested in increasing the amount of credit available to them, which could lead to more use of credit.

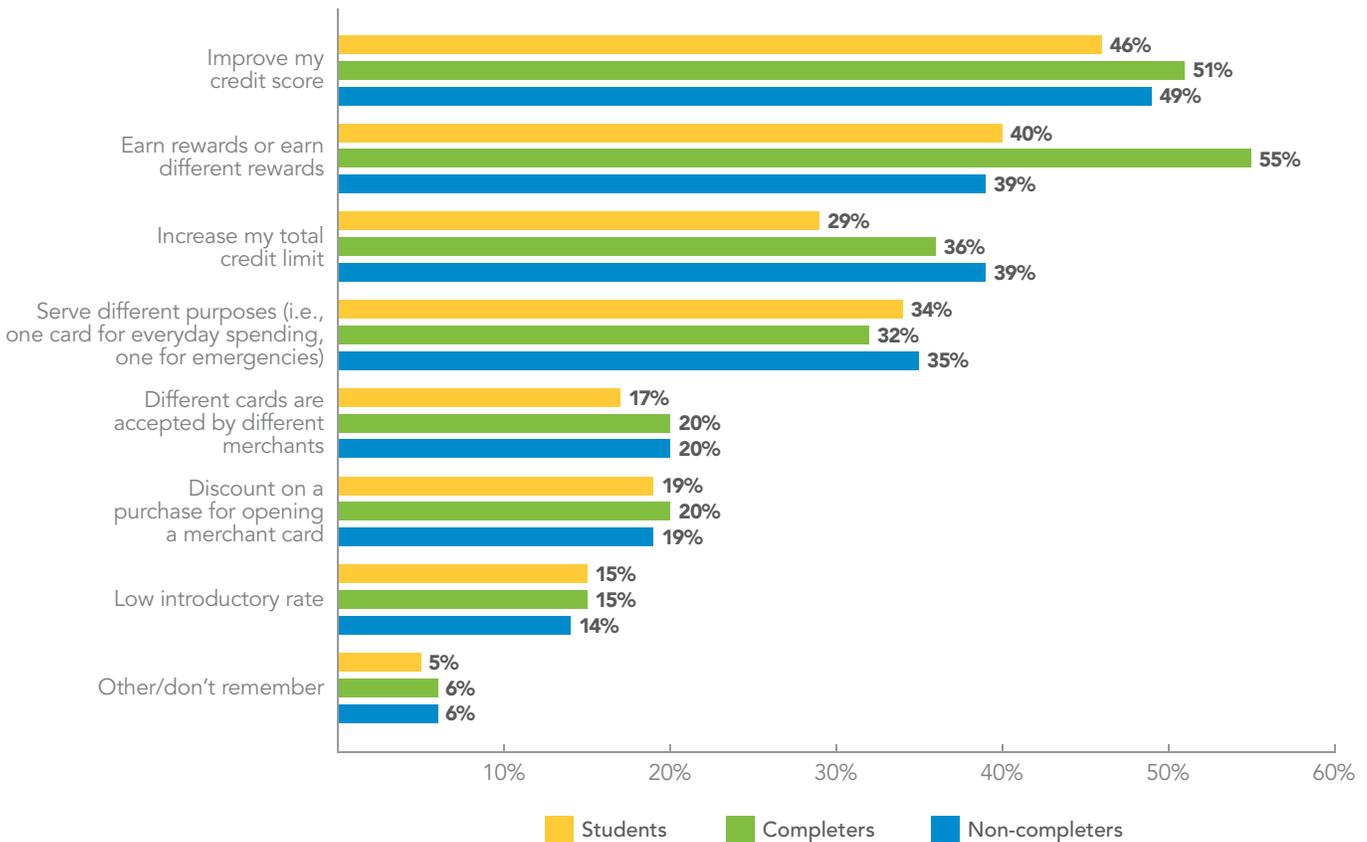
Among those interested in earning rewards, they prefer to earn them based on total card spending. More than half of young

adults (59% of students, 52% of completers, and 57% of non-completers) would be interested in earning rewards that could be redeemed through automatic repayment on loans, such as student loans, car loans, or a mortgage.

Those who completed college are more likely to feel they have control over their credit card debt. They are less likely to agree that they don't mind having some credit card debt (28%, vs 32% students and 38% non-completers) and they are more likely to disagree that they will have some credit card debt for the rest of their lives (69%, vs 55% students and 55% non-completers). In contrast, non-completers are more likely to agree that they worry their credit card debt is out of control (31%, vs 23% of students and 21% completers), and more of them agree they will probably have some credit card debt for the rest of their lives (30%, vs 22% students and 20% completers).

Figure 21

**Reasons for Getting More Than One Credit Card**



 **32%**  
of non-completers without a credit card say they don't qualify for a credit card—twice as many as students (15%) and completers (16%).

**Non-card holders**

Approximately two in five college students and young adults who left college without completing their degree do not have credit cards (43% and 39%, respectively), twice the proportion of those who completed their degree (17%).

Interestingly, the top three reasons cited for not having a credit card are similar across all three groups. About half (46% of students, 47% of completers, and 52% of non-completers) say the most prevalent reason they don't have a credit card is because they want to avoid debt as much as possible. About one-third of those in each group say they don't need a credit card right now, and nearly one-quarter in each group say they haven't gotten around to it.

Two distinct differences emerge: Completers are less likely to fear "impulse buying"—only 14 percent say they're afraid they'll be tempted to buy things they don't need, compared to 26 percent of both students and non-completers. Three in 10 non-completers (32%) say they don't qualify for a credit card, twice as many as students and completers (15% and 16%, respectively).

Figure 22

**Reasons for Not Having a Credit Card**

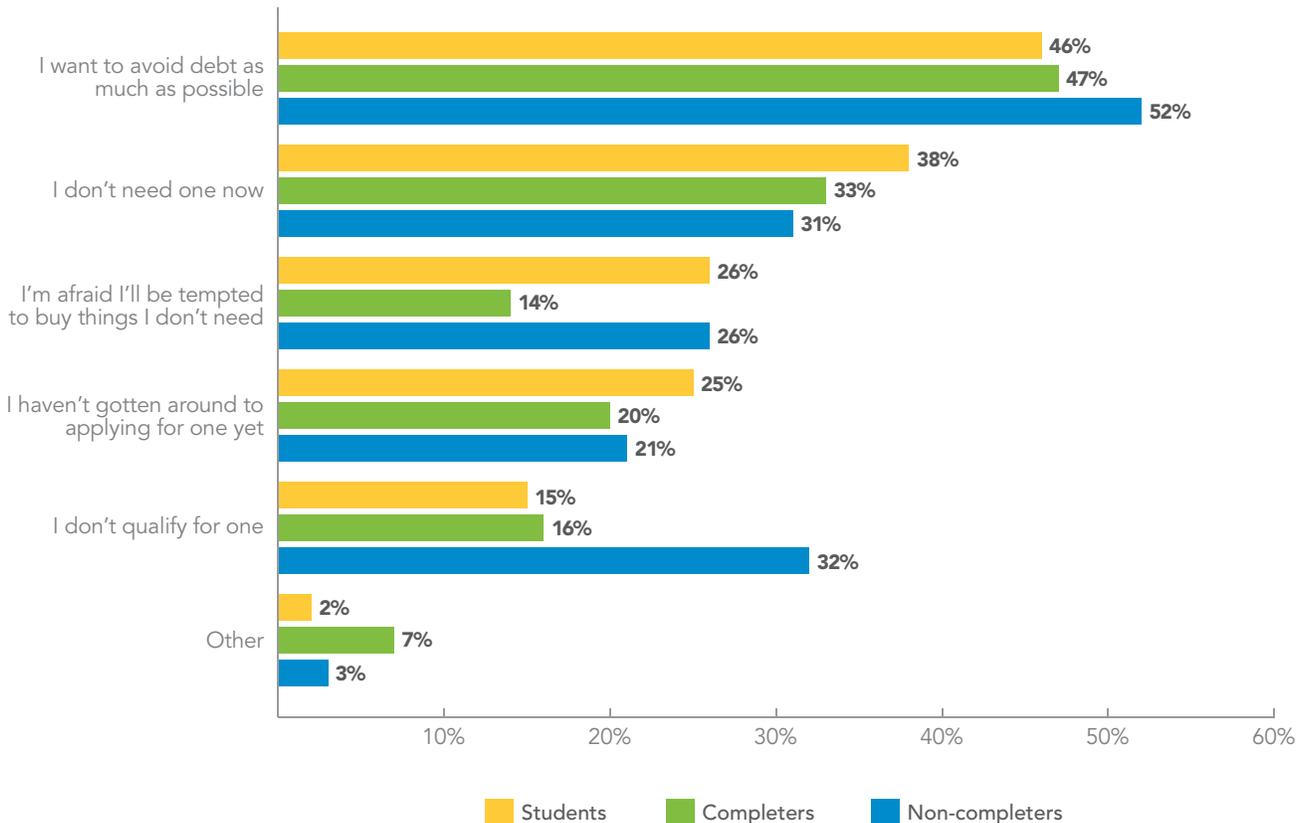
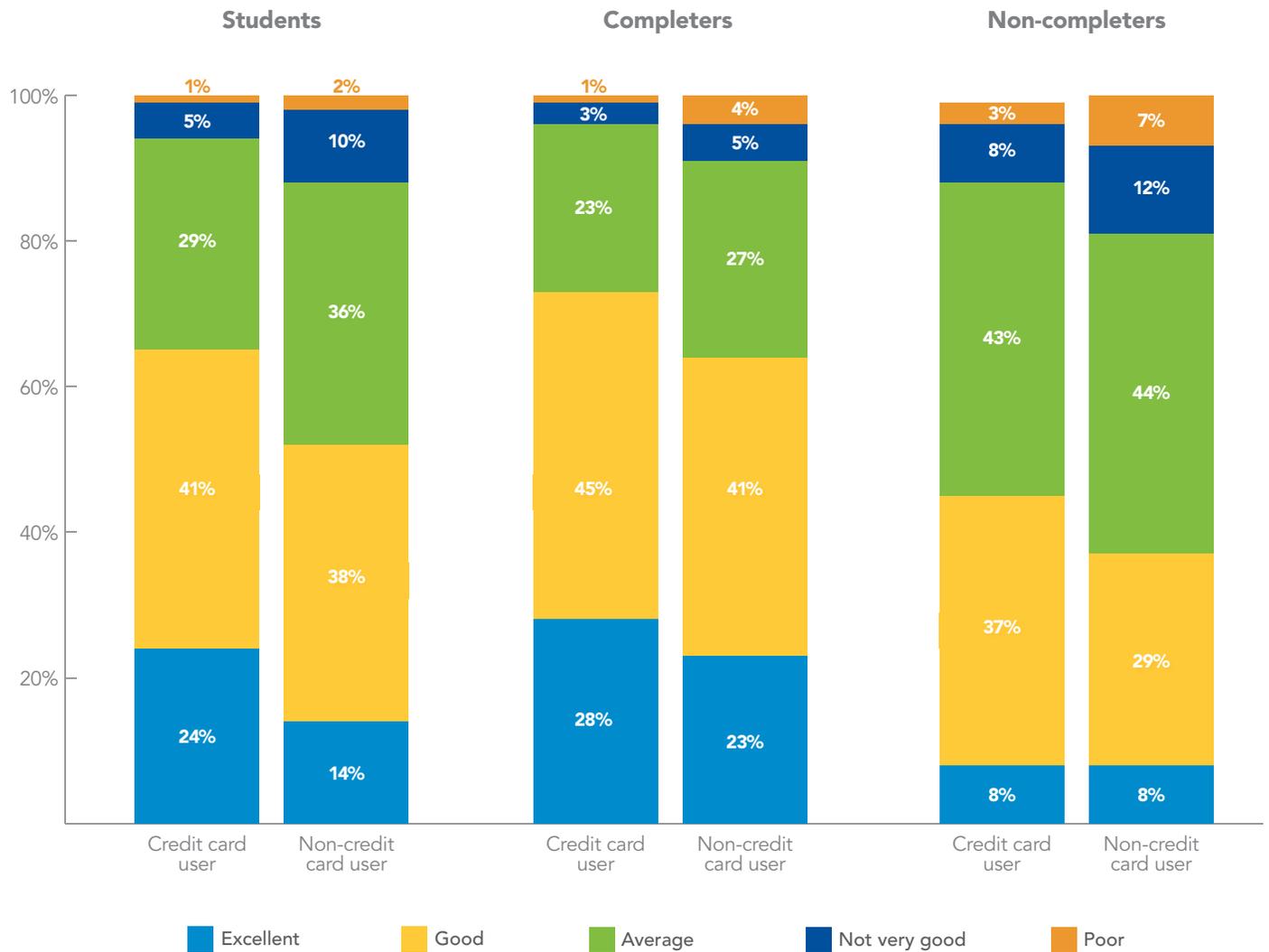


Figure 23  
**Self-identified Money Management Skill Level by Credit Card Use**



College students who don't have a credit card are more likely than completers and non-completers to consider getting a credit card in the future. When asked when they might get a card, 6 percent of college students say "never," half as many as completers and non-completers (both 12%).

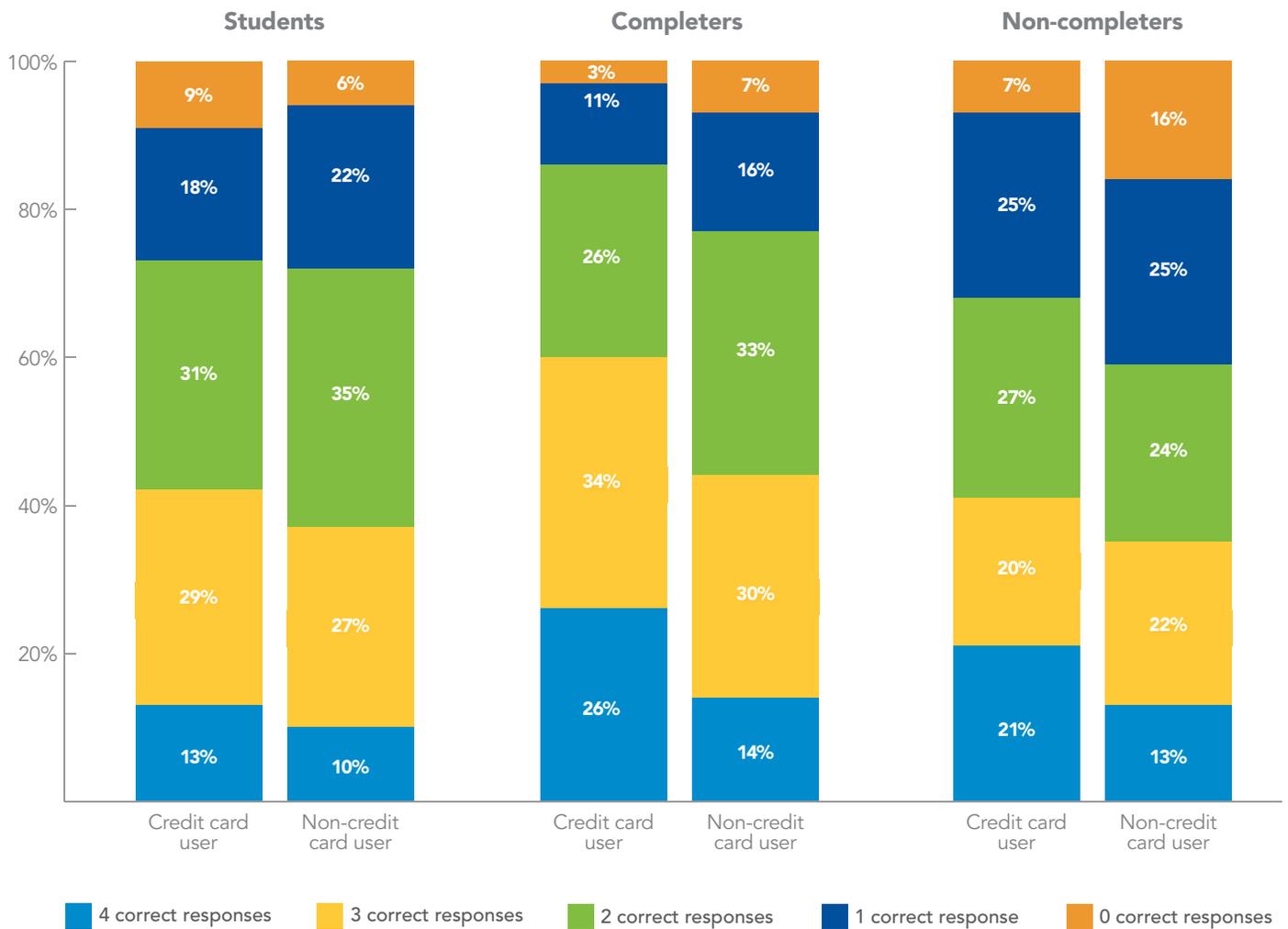
### How credit card users and those without credit cards differ

While this study is not designed to measure cause and effect of financial knowledge, it is clear that, to some degree, young adults who use credit cards are able to make credit work

for them. Among all three groups, credit card users tend to have greater awareness of the benefits of credit and be more knowledgeable about money and credit than those without credit cards.

College students and completers who have credit cards are more likely to rate their money management skills as excellent (24% and 28%, respectively) than their counterparts without credit cards (14% and 23%, respectively). Non-completers are equally likely to rate their money management skills as excellent whether they have a credit card or not (8% for both); however, those who have a credit card are more likely than those without to rate their money management skills as good (37% vs 29%, respectively). Among all three groups, more of those who do not

Figure 24  
Quiz Score by Credit Card Use



have a credit card rate their skills as not very good or poor (12% students, 9% completers, and 19% non-completers) compared to credit card users (6% students, 4% completers, and 11% non-completers).

Across the three groups, those who do not have a credit card are more likely to say they do not know their FICO® Score (27% students, 26% completers, 29% non-completers) than those who have a credit card (22% students, 10% completers, 10% non-completers). Similarly, those without a card are more likely than those with one to say they don't have a FICO® Score (36% vs 6% students, 13% vs 1% completers, and 19% vs 2%, non-completers).

In each of the three groups, those who have a credit card scored better than those who do not on the financial literacy quiz.

Students who have a credit card answered four out of four (13%) or three out of four (29%) questions correctly slightly more often than those who do not have a credit card (10% and 27%, respectively).

Similarly, completers who have a credit card were much more likely to answer four out of four (26%) or three out of four (34%) questions correctly compared to those who do not have a credit card (14% and 30%, respectively).

Non-completers with a credit card are more likely to answer four out of four questions correctly (21%) than those without a credit card (13%); and credit card users were half as likely to answer all four questions incorrectly (7%, compared to 16% of non-credit card users).

Credit card users have very different views on credit cards compared to those without cards, a likely influence on their decision whether to have a credit card .

Credit card users and non-users vary significantly in their opinions that credit cards are safer than debit cards for online purchasing. Agreement among credit card holders (45% students, 53% completers, and 38% non-completers) is significantly higher than among those without a card (24% both students and completers, and 19% non-completers).

More credit card users say that credit card rewards are a real benefit to using a credit card (70% students, 81% completers, and 67% non-completers), compared to non-card users (51% students, 59% completers, and 52% non-completers).

Students and completers who do not use a credit card are somewhat more likely to agree a credit card allows for too much impulse buying (both 69%) than those with one (both 61%).

More non-completers with a credit card—the group with the highest average credit card debt—worry that it is too easy to accumulate credit card debt (81%) compared to non-completers who do not use one (66%).

A majority of both non-credit card users and credit card users agree it is easier to balance their budget by using debit rather than a credit card, but students and completers with credit cards agree to a lesser extent than non-card holders. Conversely, slightly more non-completer card holders agree than non-card holders.

Students and completers who use credit cards lean toward viewing their credit cards as a tool to protect themselves online; they also appreciate the benefits of the rewards they receive. Non-completers who use a credit card, on the other hand, see the benefits but are also more likely to fear impulsive buying.

## Most credit card holders consider rewards a benefit of using credit cards



## But only about half of non-card holders agree



### Agree it is easier to balance their budget when using a debit card instead of a credit card

	College students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Credit card users	55%	51%	61%
Non-credit card users	65%	67%	57%

## How college students pay for things: 2019 vs 2016

In many ways, college students in 2019 are similar to college students three years ago. Payment behaviors by this year’s cohort have not changed much from their 2016 counterparts. Evidence of change in students’ knowledge of financial management and levels of independence, however, start to emerge.

Among college students, paying-with-plastic habits are similar to three years ago. The same overwhelming majority in 2019 and 2016 carry debit cards (both 85%) and a similar proportion today as three years ago carry credit cards (57% in 2019, 56% in 2016). Fewer college students in 2019 say they carry an ATM card (12%) though, compared to 2016 (17%).

Non-plastic payment use has changed in two ways: cash and mobile payments. In 2019, fewer students say they carry cash (81%) compared to 2016 (86%). Cash dropped from the most commonly used payment to the third most commonly used. On the other hand, more students are using mobile pay in 2019 than in 2016, 86 percent vs 77 percent, respectively.

Mobile pay has surpassed debit cards to become the most widespread payment method among college students. This significant increase in the use of mobile payments overall correlates to an increase in the use of Venmo in particular—in 2019, 37 percent report using Venmo, up from 11 percent in 2016. Use of other mobile payment brands or channels—such

Figure 25  
**Payment Methods Used by College Students, Year-over-Year**

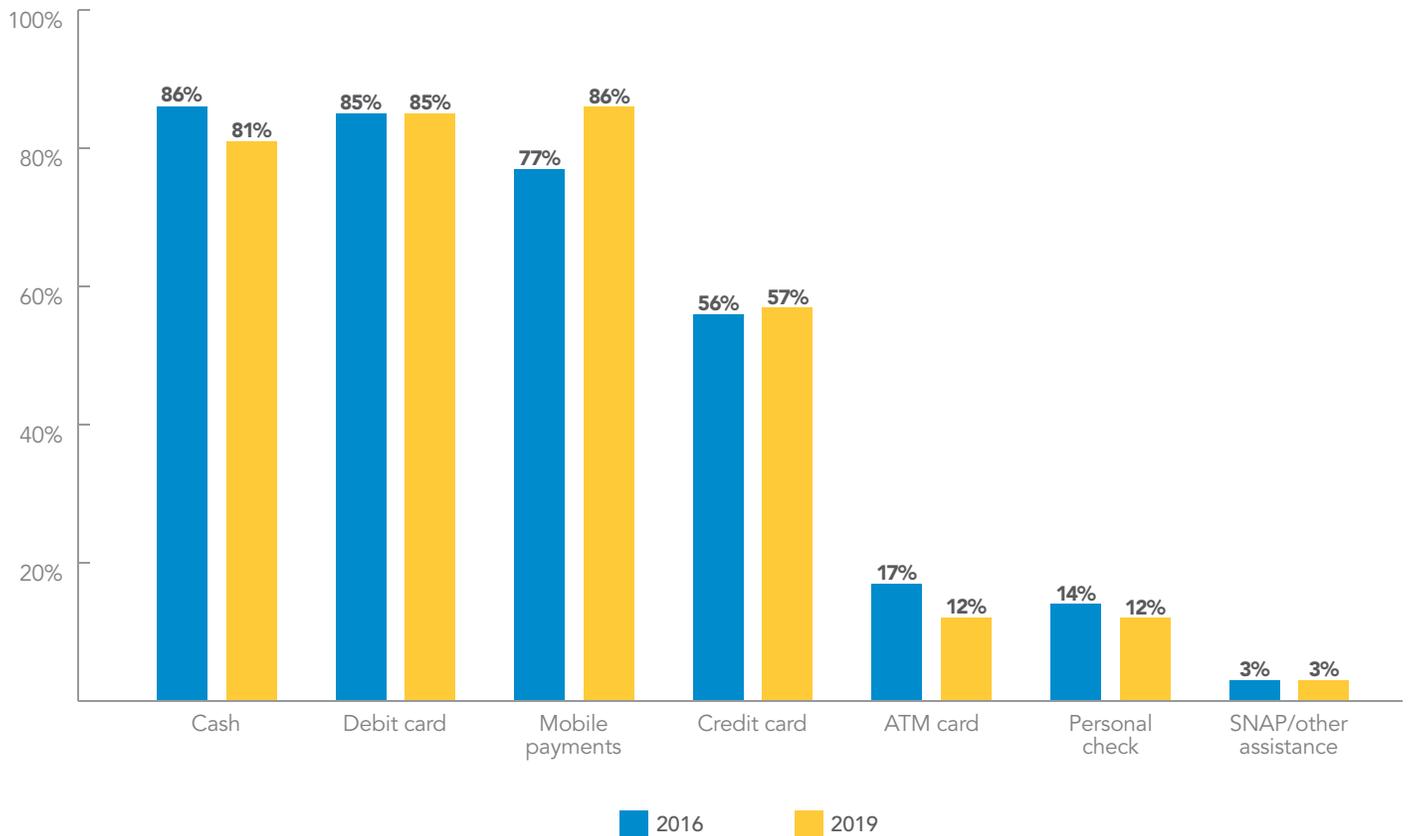
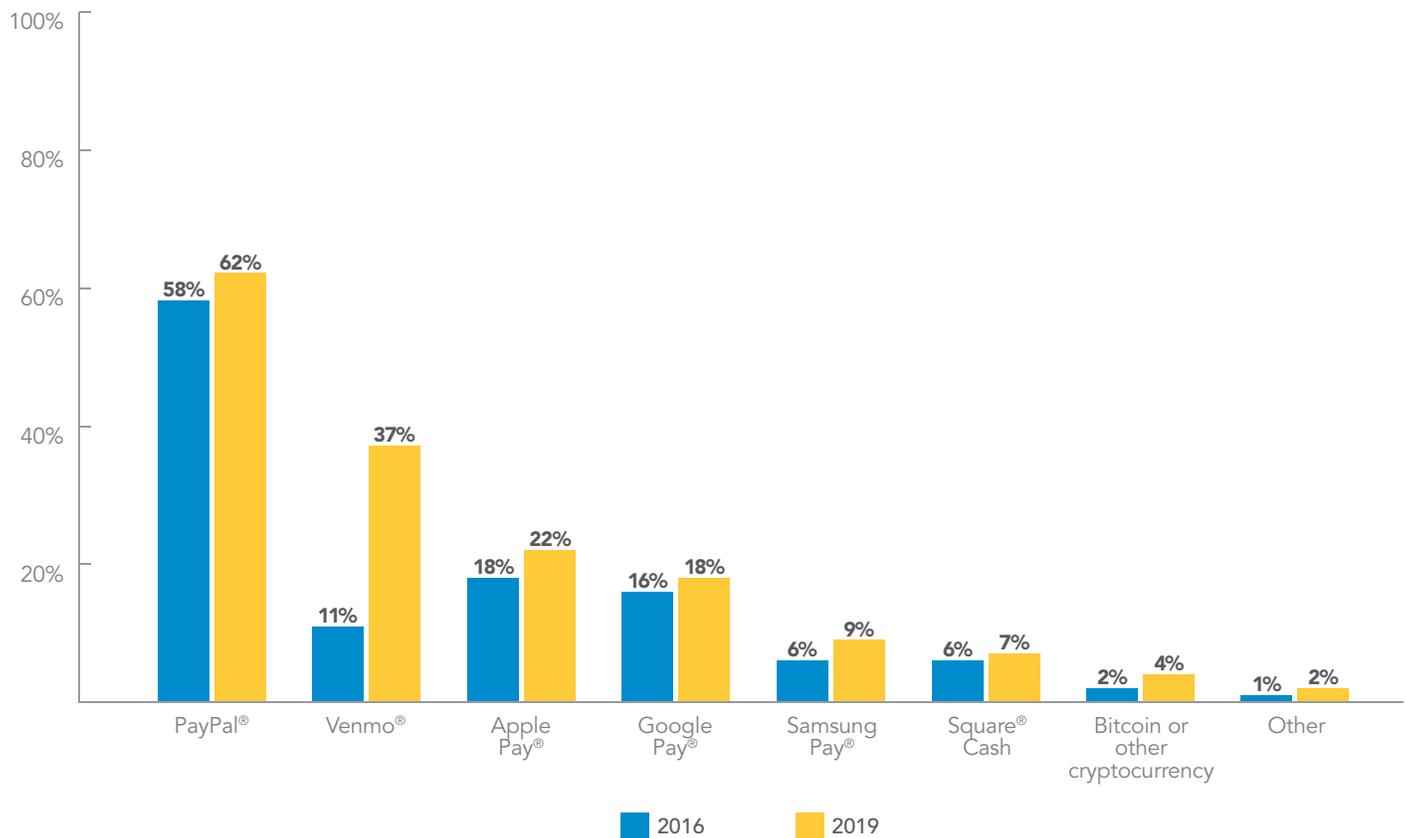


Figure 26

**Mobile Payment Platforms Used by College Students, Year-over-Year**

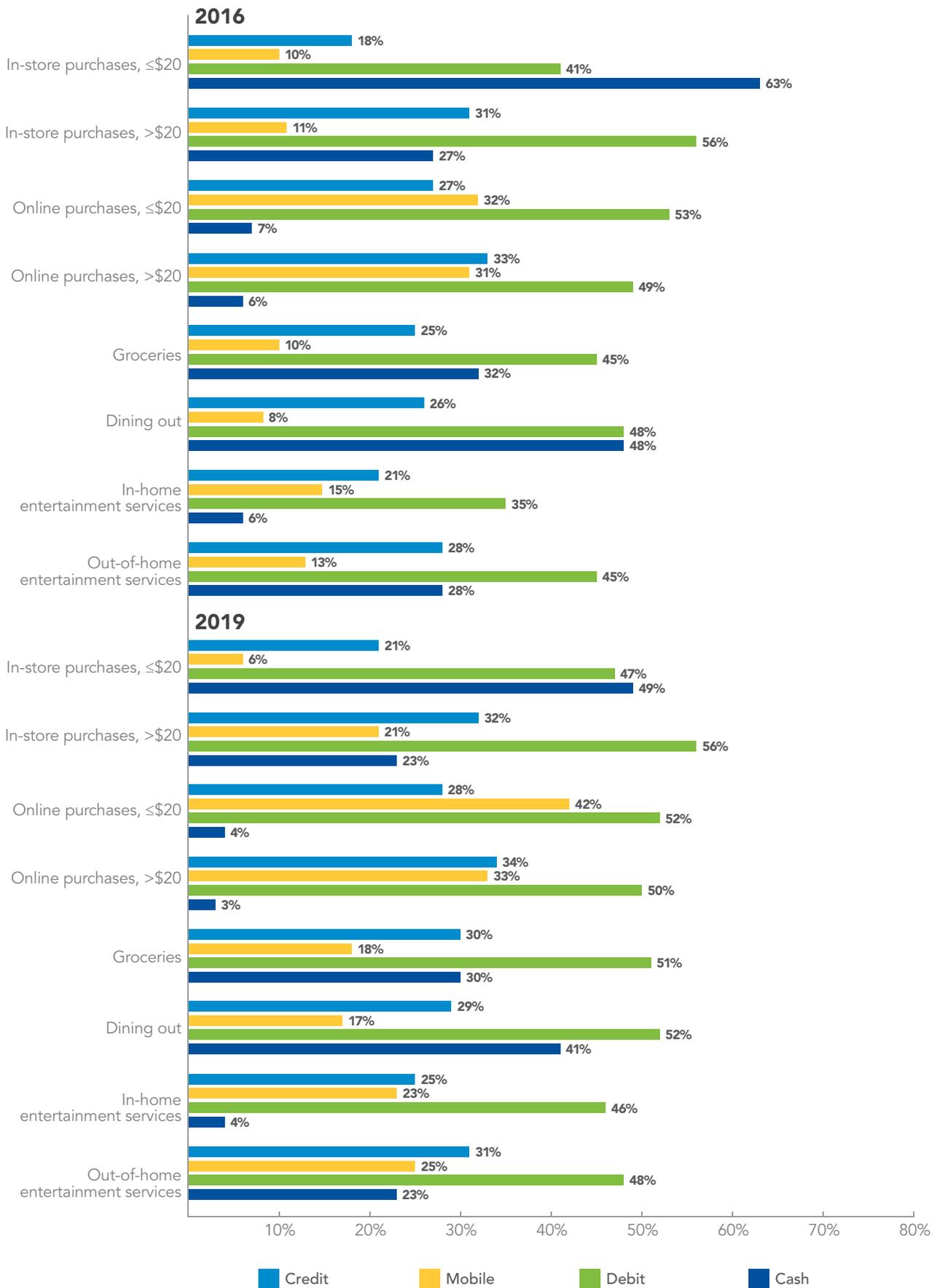
as Apple Pay, PayPal, or Bitcoin—has not changed significantly. Interestingly, when asked why they use their preferred mobile payment method, a significantly higher proportion of 2019 students said because friends and family use it (55%, vs 43% in 2016), a necessary factor when using a peer-to-peer payment platform.

Debit cards remain the number one payment method in terms of frequency of use. College students use debit cards more than any other payment method to pay for every type of purchase except in-store purchases of ≤ \$20, in which case they are slightly more likely to pay cash (49% use cash, 47% use debit). The use of cash for in-store purchases of ≤ \$20—which was also the top payment method in this category three years ago—has diminished, however, to 49 percent from 63 percent in 2016.

Across all purchase categories, the use of mobile payments has increased. As in 2016, students are much more likely to use mobile pay for online purchases, regardless of price, than for other categories. In 2019, 38 percent of students say they use mobile payments for online purchases (combined ≤ \$20 with >\$20), up from 32 percent in 2016.

Whether in-store or online, students are more likely this year to use a credit card when purchases exceed \$20. This was also true in 2016. Thirty-three percent of students use a credit card for purchases exceeding \$20 (combined in-store and online) compared to 25 percent when purchases cost ≤ \$20.

Figure 27  
College Students' Payment Methods by Purchase Category, Year-over-Year



**Changes in college students’ relationship with credit cards**

While the same proportion of students in 2019 have a credit card as in 2016, half of them report having more cards and more students are using their cards in several purchase categories. In 2019, students report carrying an average of five cards, up from an average of three cards in 2016; the median number of cards that students have, however, remains two.

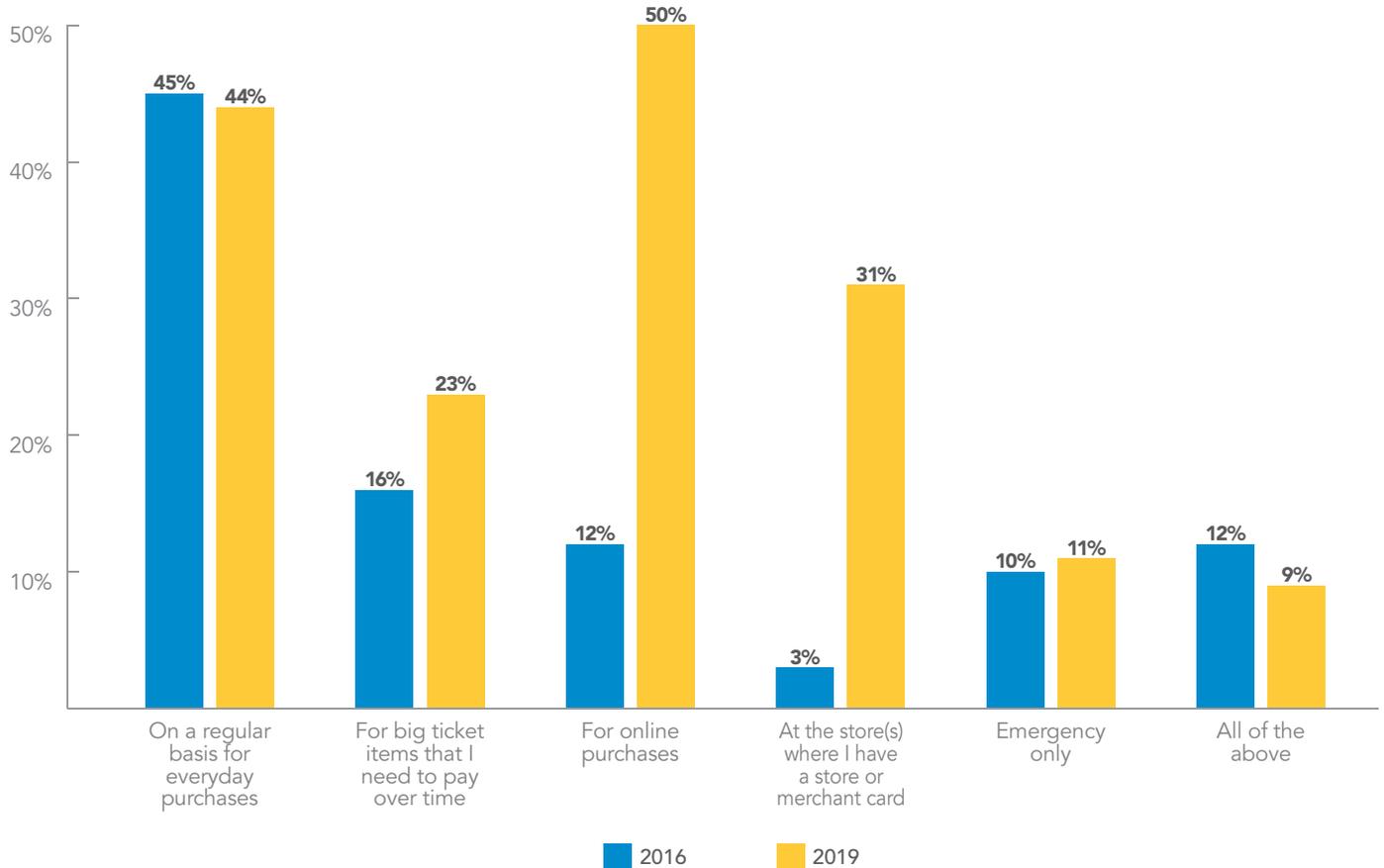
Today’s college students are more likely to use their credit cards for online purchases (50%, compared to 12% in 2016), at stores where they have a merchant card (31% in 2019, vs 3% in 2016), and to purchase big-ticket items (23% in 2019, vs 16% in 2016).

The credit card balances students reported this year are higher than they were in 2016. This is likely linked to the increase in the

average number of cards and increased usage. In 2019, college students report an average balance for the most recent month of \$1,423, a 32 percent increase over the average balance in 2016 of \$1,076. The median balance has also increased to \$500 from \$400 in 2016.

Despite carrying higher balances, payment habits have not changed since 2016. In 2019, 60 percent of students say they pay their balance in full each month and 26 percent pay more than the minimum payment, similar to 2016 (63% and 26%, respectively). Fewer than 1 percent in both years say they pay less than the minimum required payment. One difference between these cohorts is more students in 2019 rely on their parents to pay their bill, 30 percent compared to 25 percent in 2016.

Figure 28  
**Student Use of Credit Cards, Year-over-Year**



This year's students who don't yet have a card seem to be more open to obtaining one in the future than those in 2016. Fewer of them than their 2016 counterparts say it's because they don't need one right now (38% vs 51%, respectively), while slightly more say it's because they haven't gotten around to it (25% vs 21%) or don't qualify for a card (15% vs 11%). Students in 2019 are more likely to say they plan to get a card as soon as they get a full-time job (25%, vs 16% in 2016); fewer say they plan never to obtain a card (6% vs 12%).

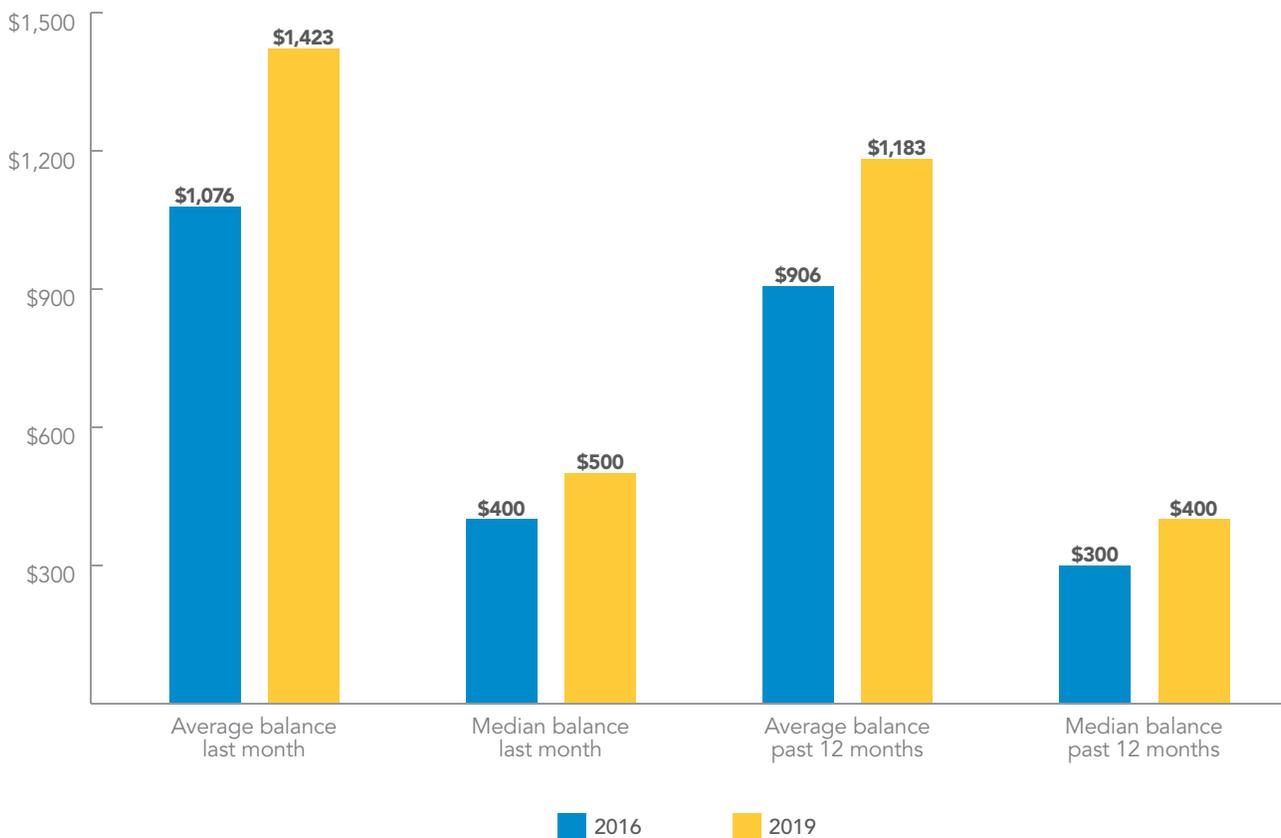
**Changes in students' financial literacy skills**

When asked to identify the effect certain behaviors would have on their credit, a similar percentage of students from both years rated many items the same. Among the behaviors that were rated differently, 2019 students were incorrect more often.

- Students in 2019 were less likely to recognize that paying bills on time was a positive behavior (87% vs 93% in 2016).
- They were less likely to recognize that carrying a high balance on credit cards is a negative behavior (48% vs 62%).
- They were also less likely to know that using as much of your credit limit as possible has negative consequences (55% vs 61%).
- They were more likely to say that having no credit cards is a negative behavior (32% vs 25%) rather than neutral.

Figure 29

**Credit Card Balances, Year-over-Year**





Their lack of knowledge may be affecting their personal money management actions. When asked which behaviors they practice to help them manage their own finances, fewer students in 2019 say they

- Pay bills on time (72% vs 77%)
- Save some amount from their earnings on a regular basis (49% vs 55%)
- Never spend money they don't have (54% vs 60%)

Finally, students were asked to answer three financial literacy quiz questions that were asked of the 2016 students. On two of the questions, slightly fewer answered correctly than in 2016. On the third question, "Assuming the following individuals have the same credit card with the same interest rate and balance, which will pay the most in interest on their credit card purchases over time?" significantly fewer students were able to identify that the person who was late on payments and missed a payment would end up paying more—40 percent, compared to 48 percent in 2016.

Hand-in-hand with those findings, fewer 2019 students rate themselves as having good or excellent money management skills (60%) than 2016 students (66%).

## Conclusion

College students pursue an education centered on academic subjects pertinent to their degree or future profession. Simultaneously, they are learning life skills in preparation for "adulting"—living independent lives after they leave school. A core life skill is understanding how money and credit work, and managing them to one's own advantage.

Post-college experience and age correlate to a certain amount of growth or a greater awareness about financial matters. Students know less than their out-of-school counterparts, both completers and non-completers. Among the three groups, students are least likely to be aware of their credit score, to have viewed their credit report, to identify correctly which behaviors could have a positive or negative effect on one's credit score,

and to understand the concepts presented through four quiz questions administered in the survey.

Students know less but don't seem to lack confidence commensurately. They typically rate their money management skills lower than completers but higher than non-completers.

While real-world experience contributes to a better grasp of financial matters, the data suggest a relationship between completing college and financial management success. Completers' outcomes are more positive than non-completers' on a number of levels, including perception of money management skills, self-reported FICO® Score, and likelihood to have a credit card. Controlling for income illustrates that household income alone doesn't explain the differences between these two groups.

The data also indicate a relationship between financial management skills and use of credit cards: those who have credit cards are more confident in their credit skills and knowledge than those who do not have credit cards. The savviest group, college completers, are much more likely to have credit cards than students or non-completers.

Attitudes about the benefits and any potential negative consequences associated with using credit differ when comparing card-holding completers to card-holding non-completers. Completers use their cards as a day-to-day convenience; they are more likely to charge all types of purchases than non-completers, but fewer of them say they ever purchase an item knowing they don't have the money to pay for it. Non-completers are much more likely to use debit cards over credit cards. They are more likely to see their credit card as a back-up method of payment rather than a day-to-day

convenience. In fact, they are less likely than completers to pay their credit card bill in full each month, and more of them express fear that their credit card debt is out of control.

While young adults feel an overall sense of optimism and confidence related to money management, the majority in all three groups also have some desire for further money management education. Their preference for information, though, is centered on topics most relevant to their current life stage: students are more interested in how to pay for college or graduate school, and how to pay down student loans; non-completers are interested in day-to-day skills such as budgeting, debt reduction, and understanding credit reports; completers, the most financially mature group, are focused on the future: saving and investment strategies, and retirement planning.

Money management skills, including understanding credit and finding ways to make it work on an individual basis, can greatly improve one's current and future financial state. This population knows that. Their awareness of the need to have a "good credit" record and their desire to achieve that are evident. Experience using credit and earning a college degree are steps in the right direction. Young adults may wait to seek financial management information as they are ready to learn it, though. Whether they partake in formal or informal education on money management, one thing becomes clear—more knowledge is good for one's financial health.

“ Post-college experience and age correlate to a certain amount of growth or a greater awareness about financial matters. ”

# Data tables

**Q. Which of the following do you have in your wallet? Please select all that apply.**

**Table 1 Non-Mobile Payment Methods Used**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Cash	81%	82%	80%
Credit card(s)	57%	83%	61%
Debit card(s)	85%	89%	91%
Personal checks	12%	15%	9%
ATM card(s)	12%	20%	20%
SNAP or other assistance program(s)	3%	4%	11%
Other method for purchasing	2%	2%	1%
None of these	0%	1%	2%

Base: All

**Q. Do you use any mobile payment methods? Please select all that apply.**

**Table 2 Mobile Payment Methods Used**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Apple Pay	22%	24%	19%
Google Pay	18%	15%	13%
Samsung Pay	9%	10%	8%
Square Cash	7%	7%	8%
PayPal	62%	62%	63%
Venmo	37%	46%	21%
Bitcoin or other cryptocurrency	4%	6%	4%
Other	2%	4%	5%
None	14%	12%	22%

Base: All

## Q. What is the mobile payment method you use most often?

**Table 3 Preferred Mobile Payment Method**

	Students	Completers	Non-completers
<b>N</b>	<b>699</b>	<b>711</b>	<b>626</b>
Apple Pay	11%	15%	15%
Google Pay	7%	5%	7%
Samsung Pay	4%	5%	3%
Square Cash	3%	2%	4%
PayPal	49%	35%	58%
Venmo	25%	35%	11%
Bitcoin or other cryptocurrency	1%	2%	1%
Other	1%	2%	2%

Base: Those who use more than one mobile payment method

## Q. What type of debit card(s) do you have?

**Table 4 Type of Debit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>688</b>	<b>713</b>	<b>734</b>
Debit card linked to checking or savings account	94%	97%	93%
Prepaid debit card	17%	16%	18%
Other	0%	0%	0%

Base: Those who have a debit card

## Q. What type of credit card(s) do you have?

**Table 5 Type of Credit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Authorized user on parent card	25%	8%	3%
Secured credit card	28%	25%	23%
Card with a cosigner	17%	12%	7%
Independent card in my own name	64%	88%	86%
Not sure	3%	1%	2%

Base: Those who have credit cards

**Q. How old were you when you...**

- a. Age range up to current age
- b. Not applicable to me

**Table 6 Average Age Credit Card Steps Happen**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Were first added to your parent's credit card	17.0	16.2	17.4
Obtained your first credit card on your own, but with a cosigner	18.3	18.0	19.5
Obtained your first credit card without a cosigner	19.0	19.7	20.2

Base: Those who have credit cards

**Q. What are the reason(s) you use a mobile payment method? Please select all that apply.****Table 7 Reasons for Using Mobile Payment**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>699</b>	<b>711</b>	<b>626</b>
Convenience	62%	65%	78%
Security	28%	25%	31%
Rewards	20%	15%	13%
I like using the latest technologies	17%	17%	13%
Flexibility	38%	37%	35%
Ease of use	57%	59%	62%
Other	1%	1%	1%
Don't know	1%	2%	2%

Base: Those who use a mobile payment method

**Q. Thinking of the mobile payment method you use most often, why do you use this service over another service provider? Select all that apply.**

**Table 8 Reasons for Using Preferred Mobile Payment Method**

	Students	Completers	Non-completers
<b>N</b>	<b>699</b>	<b>711</b>	<b>626</b>
My friends/family use it	55%	59%	44%
Accepted at the places I need to use it	33%	31%	39%
Brand name	20%	18%	18%
Easy account set up	42%	36%	46%
Ease of transactional use	42%	43%	50%
Easy to manage	43%	43%	50%
Security features	23%	24%	29%
No fees to transfer funds	23%	28%	29%
Financial management features	2%	6%	3%
Other	1%	2%	1%
Don't know	1%	1%	2%

Base: Those who use a mobile payment method

**Q. Thinking of the mobile payment method you use most often, what account(s) do you have your electronic payment linked to? Select all that apply.**

**Table 9 Account Linked to Mobile Payment**

	Students	Completers	Non-completers
<b>N</b>	<b>699</b>	<b>711</b>	<b>626</b>
My credit card	26%	34%	22%
My debit card	58%	43%	65%
SNAP or other assistance program	1%	1%	0%
My savings account	20%	14%	8%
My checking account	42%	54%	43%
My parent's account or card	2%	2%	2%
Other	0%	0%	1%
None/don't know	3%	2%	4%

Base: Those who use a mobile payment method

**Q. In general, how do you pay for the following types of purchases? Select all that apply.**

**Table 10a College Students' Payment Methods Used, by Purchase Type**

	In-store purchase ≤ \$20	In-store purchase > \$20	Online purchase ≤ \$20	Online purchase > \$20	Phone bill	Utilities	Groceries	Dining out	Vacation	Tuition, fees	Textbooks, class- required supplies	Rent	In-home entertainment/ subscription services	Out-of-home entertainment
Cash	49%	23%	4%	3%	9%	9%	30%	41%	10%	10%	18%	15%	4%	23%
Credit card	21%	32%	28%	34%	22%	21%	30%	29%	34%	22%	30%	14%	25%	31%
Debit card	47%	56%	52%	50%	33%	31%	51%	52%	37%	36%	45%	28%	46%	48%
Personal check	1%	2%	2%	1%	1%	3%	1%	0%	3%	4%	4%	4%	3%	2%
ATM card	1%	1%	1%	1%	1%	1%	2%	1%	2%	1%	2%	2%	2%	2%
SNAP/assistance program	1%	2%	0%	0%	0%	0%	2%	0%	0%	0%	1%	0%	0%	0%
Apple Pay	6%	4%	5%	5%	3%	2%	5%	3%	3%	3%	3%	2%	4%	5%
Google Pay	4%	3%	3%	3%	1%	2%	2%	3%	3%	2%	3%	2%	3%	2%
Samsung Pay	3%	2%	1%	2%	1%	0%	2%	1%	2%	1%	2%	1%	1%	2%
Square Cash	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
PayPal	9%	7%	30%	27%	6%	6%	7%	4%	8%	6%	7%	4%	12%	10%
Venmo	2%	2%	1%	2%	2%	5%	1%	4%	0%	0%	2%	4%	2%	5%
Other mobile	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	0%	0%	0%	0%
I use something else	4%	4%	5%	6%	7%	8%	4%	4%	4%	23%	12%	13%	5%	5%
I don't pay for these types of purchases	0%	1%	1%	1%	24%	24%	4%	2%	19%	12%	5%	27%	15%	8%

Base: All college students

Table 10b Completers' Payment Methods Used, by Purchase Type

	In-store purchase ≤ \$20	In-store purchase > \$20	Online purchase ≤ \$20	Online purchase > \$20	Phone bill	Utilities	Groceries	Dining out	Vacation	Rent	In-home entertainment/ subscription services	Out-of-home entertainment
Cash	34%	16%	3%	2%	5%	7%	21%	27%	7%	12%	3%	15%
Credit card	43%	55%	56%	63%	33%	34%	55%	58%	71%	17%	47%	60%
Debit card	45%	47%	38%	35%	34%	36%	45%	43%	29%	26%	38%	38%
Personal check	0%	1%	1%	1%	3%	4%	1%	1%	1%	5%	1%	1%
ATM card	2%	1%	2%	2%	2%	2%	2%	2%	2%	1%	1%	2%
SNAP/assistance program	1%	1%	1%	0%	0%	1%	2%	0%	0%	0%	0%	1%
Apple Pay	6%	5%	5%	5%	2%	2%	5%	2%	1%	2%	2%	3%
Google Pay	1%	3%	3%	2%	2%	2%	2%	2%	1%	2%	2%	2%
Samsung Pay	2%	3%	2%	1%	1%	2%	3%	2%	3%	1%	2%	2%
Square Cash	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
PayPal	5%	5%	20%	20%	4%	3%	4%	3%	7%	3%	8%	8%
Venmo	1%	1%	2%	1%	2%	3%	1%	4%	2%	4%	1%	2%
Other mobile	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
I use something else	1%	2%	2%	3%	8%	11%	2%	2%	2%	21%	3%	2%
I don't pay for these types of purchases	0%	2%	0%	0%	15%	12%	1%	1%	4%	21%	11%	5%

Base: All completers

**Table 10c Non-completers' Payment Methods Used, by Purchase Type**

	In-store purchase ≤ \$20	In-store purchase > \$20	Online purchase ≤ \$20	Online purchase > \$20	Phone bill	Utilities	Groceries	Dining out	Vacation	Rent	In-home entertainment/ subscription services	Out-of-home entertainment
Cash	49%	34%	4%	4%	15%	12%	42%	44%	11%	26%	5%	31%
Credit card	18%	29%	27%	35%	15%	17%	32%	29%	42%	10%	23%	37%
Debit card	61%	67%	62%	64%	54%	51%	63%	65%	49%	37%	57%	57%
Personal check	0%	1%	0%	0%	2%	3%	0%	0%	0%	4%	0%	0%
ATM card	5%	3%	1%	2%	2%	2%	2%	1%	2%	1%	1%	2%
SNAP/assistance program	5%	4%	0%	0%	0%	0%	9%	0%	0%	0%	0%	0%
Apple Pay	4%	3%	7%	5%	1%	0%	6%	1%	1%	0%	2%	2%
Google Pay	1%	0%	3%	3%	1%	1%	1%	0%	1%	1%	2%	2%
Samsung Pay	2%	2%	1%	1%	0%	0%	2%	0%	1%	0%	1%	0%
Square Cash	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%	1%	0%
PayPal	4%	5%	33%	32%	2%	2%	3%	3%	4%	3%	16%	7%
Venmo	0%	0%	1%	0%	0%	1%	0%	1%	1%	2%	0%	1%
Other mobile	0%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	1%
I use something else	3%	2%	4%	4%	12%	9%	3%	3%	2%	19%	3%	2%
I don't pay for these types of purchases	1%	2%	3%	3%	11%	15%	1%	2%	15%	18%	9%	10%

Base: All non-completers

**Q. How do you typically use your credit card(s)?****Table 11 Purchases for which Credit Cards Are Typically Used**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
On a regular basis for everyday purchases	44%	52%	32%
Emergency only	11%	4%	14%
For big-ticket items that I need to pay over time	23%	34%	42%
For online purchases	50%	58%	44%
At the store(s) where I have a store or merchant card	31%	30%	26%
Recurring purchase (i.e., bills, subscriptions, etc.)	32%	44%	30%
All of the above	9%	14%	11%
Other	1%	2%	2%

Base: Those who have credit cards

**Q. How many credit cards of each type do you have now?****Table 12 Number of Credit Cards Owned**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
One	33%	17%	23%
Two	25%	24%	21%
Three	12%	15%	11%
Four	7%	14%	11%
Five	6%	7%	14%
Six	4%	6%	5%
Seven	1%	3%	2%
Eight	2%	3%	2%
Nine	1%	1%	1%
Ten	1%	1%	0%
Eleven or more	9%	9%	9%
<b>Median number of cards</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Average number of cards</b>	<b>5.2</b>	<b>5.5</b>	<b>4.1</b>

Base: Those who have credit cards

**Table 13 Mean Number of Credit Card Types Owned**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Visa	1.5	1.8	1.6
MasterCard	0.9	0.9	0.9
Discover	0.7	0.6	0.3
American Express	0.7	0.7	0.3
Store/merchant card	0.9	1.0	0.9
Other	0.5	0.5	0.3

Base: Those who have credit cards

**Q. What are the main reasons you got your first credit card? Please choose up to 3 reasons.****Table 14 Reasons for Obtaining a Credit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Needed access to emergency funds	21%	16%	31%
Wanted to start building credit	58%	74%	77%
Needed an easy way to buy/order things online	29%	24%	17%
Wanted a way to help me manage my spending	21%	14%	17%
Parent(s) or guardian(s) suggested I get one	30%	21%	8%
Interested in earning rewards	25%	34%	12%
Needed an easy way to pay without carrying cash	28%	25%	22%
Other	2%	2%	1%
Don't know	1%	0%	4%

Base: Those who have credit cards

**Q. How involved were your parent(s) or guardian(s) in choosing your first credit card?****Table 15 Parent Involvement in Credit Card Selection**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
They advised me on which types of card to research or apply for	29%	27%	22%
They chose the card	17%	12%	6%
They added me to their card/account	20%	10%	4%
They knew I was looking at cards but had no recommendations	13%	16%	13%
They advised me not to get a card	5%	5%	2%
They didn't know I applied for a card	12%	22%	41%
Other	1%	3%	2%
Don't remember	3%	6%	10%

Base: Those who have credit cards

**Q. When you opened your first credit card account, what were the main reasons you selected that credit card?  
Please select all that apply.**

**Table 16 Reasons for Choosing Specific Credit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Cashback	32%	30%	23%
Introductory interest rate	13%	17%	16%
Connected to my bank/checking account	29%	30%	20%
Rewards points	28%	34%	21%
My parent(s) or guardian(s) use this card/ recommended	35%	22%	8%
Easy to get approved	34%	33%	42%
Credit limit	20%	18%	27%
FICO® Score availability	16%	11%	8%
College or store affiliation	17%	12%	10%
Identity theft protection	14%	10%	4%
Other	2%	4%	2%
None	3%	0%	5%
Don't know	2%	2%	3%

Base: Those who have credit cards

**Q. What motivated you to get more than one credit card?**

**Table 17 Reasons for Multiple Credit Cards**

	Students	Completers	Non-completers
<b>N</b>	<b>313</b>	<b>551</b>	<b>372</b>
Increase my total credit limit	29%	36%	39%
Earn rewards or different rewards	40%	55%	39%
Serve different purposes (i.e., one for everyday, one for emergencies)	34%	32%	35%
Improve my credit score	46%	51%	49%
Discount on purchase for opening merchant card	19%	20%	19%
Low introductory rate	15%	15%	14%
Different cards accepted by different merchants	17%	20%	20%
Other	1%	4%	1%
Don't remember	4%	2%	5%

Base: Those who have more than one credit card

### Q. What is the current status of your first credit card?

**Table 18 First Credit Card Status**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Still use it	81%	74%	76%
Traded for another card with the same company/lender	10%	8%	3%
No longer have it	7%	18%	19%
Not sure	2%	1%	2%

Base: Those who have credit cards

### Q. Which of the following is the primary way you prefer to earn rewards on your credit card?

**Table 19 Credit Card Rewards Preferences**

	Students	Completers	Non-completers
<b>N</b>	<b>254</b>	<b>474</b>	<b>241</b>
By any spending charged on my card	29%	43%	35%
By spending in certain categories on my card	24%	20%	18%
By making on-time payments	21%	18%	34%
By taking financial literacy classes or passing quizzes about money management	6%	4%	6%
By improving my credit score	15%	14%	7%
By referring others to open a credit card account	4%	2%	0%
Other	0%	0%	0%

Base: Those who have credit cards and indicated "rewards" as an influence on choice

### Q. If a credit card offered loan repayment assistance, for example by sending your earned rewards directly to your student loans, car loans, or mortgage, would you be more or less likely to select that card over a card that offers cashback at the same rate?

**Table 20 Loan Payment Rewards Preference**

	Students	Completers	Non-completers
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
More likely	59%	52%	57%
Less likely	10%	14%	14%
Not sure	31%	35%	29%

Base: Those who have credit cards

**Q. As of your last monthly statement, what was your credit card balance?**

**Q. Thinking back over the past year, what would you estimate to be the average balance per month on your credit card? If you have more than one credit card, please estimate the average combined balance per month on all your cards.**

**Table 21 Average Credit Card Balance**

	Students		Completers		Non-completers	
N	464		664		487	
	Avg balance past month	Avg monthly balance past 12 months	Avg balance past month	Avg monthly balance past 12 months	Avg balance past month	Avg monthly balance past 12 months
Zero	7%	6%	9%	8%	6%	6%
\$1 - \$100	15%	21%	6%	10%	12%	19%
\$101 - \$500	35%	36%	22%	27%	23%	26%
\$501 - \$1000	14%	14%	20%	20%	15%	11%
\$1001 - \$2500	18%	13%	23%	19%	17%	17%
\$2501 - \$5000	6%	8%	12%	10%	10%	5%
>\$5000	6%	3%	9%	6%	18%	16%
<b>Total average balance</b>	<b>\$1,423</b>	<b>\$1,183</b>	<b>\$2,788</b>	<b>\$2,351</b>	<b>\$2,664</b>	<b>\$3,281</b>
<b>Total median balance</b>	<b>\$500</b>	<b>\$400</b>	<b>\$1,000</b>	<b>\$800</b>	<b>\$800</b>	<b>\$500</b>

Base: Those who have credit cards

**Q. Who makes payments on your credit card(s)? Please select all that apply.**

**Table 22 Credit Card Bill Payer**

	Students	Completers	Non-completers
N	464	664	487
Me	80%	96%	94%
My parents	30%	6%	6%
My spouse/partner	3%	9%	12%
Someone else	0%	1%	0%

Base: Those who have credit cards

**Q. How do you share payments on your credit card balance each month? Please select one answer.**

**Table 23 Shared Payment Responsibility**

	Students	Completers	Non-completers
N*	58	76	58
I pay most of it, with some help	68%	71%	65%
I pay about half, with help for the other half	21%	17%	22%
I pay a little of it, with help for the rest	11%	9%	6%
Don't know	0%	4%	8%

Base: Those who have credit cards and share payment responsibility

\*Small base size

**Q. Thinking about your credit card balance each month, which of the following applies? Please select one answer.**

**Table 24 Typical Monthly Credit Card Payment**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
The full balance is paid each month	60%	64%	32%
A partial payment (but more than minimum payment) is paid each month	26%	30%	42%
The minimum payment due is paid each month	11%	5%	22%
Less than the minimum payment is paid each month	1%	1%	1%
Don't know	2%	1%	2%

Base: Those who have credit cards

**Q. How often have you used a credit card to buy items knowing you wouldn't have money to pay the bill when it arrived?**

**Table 25 Charging Purchases without Ability to Pay**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>464</b>	<b>664</b>	<b>487</b>
Never	38%	48%	29%
Rarely	24%	26%	34%
Sometimes	24%	15%	22%
Frequently	14%	12%	15%

Base: Those who have credit cards

### Q. To what extent do you agree or disagree with each of the following statements?

**Table 26a College Students' Attitudes toward Credit Card Debt, Scale 1 – 5**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
I don't mind having some credit card debt	464	6%	26%	17%	22%	29%
I worry that my credit card debts are out of control	464	8%	15%	15%	18%	44%
I have less anxiety about credit card debt than other types of debt/loans	464	13%	29%	28%	17%	13%
I will probably have at least some credit card debt for the rest of my life	464	7%	15%	24%	18%	36%

Base: College students who have credit cards

**Table 26b Completers' Attitudes toward Credit Card Debt, Scale 1 – 5**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
I don't mind having some credit card debt	664	6%	22%	14%	21%	38%
I worry that my credit card debts are out of control	664	6%	15%	10%	15%	53%
I have less anxiety about credit card debt than other types of debt/loans	664	21%	25%	23%	13%	18%
I will probably have at least some credit card debt for the rest of my life	664	7%	14%	11%	21%	48%

Base: Completers who have credit cards

**Table 26c Non-completers' Attitudes toward Credit Card Debt, Scale 1 – 5**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
I don't mind having some credit card debt	487	5%	32%	14%	18%	31%
I worry that my credit card debts are out of control	487	13%	19%	13%	18%	38%
I have less anxiety about credit card debt than other types of debt/loans	487	9%	26%	32%	18%	16%
I will probably have at least some credit card debt for the rest of my life	487	9%	21%	15%	22%	33%

Base: Non-completers who have credit cards

### Q. Why don't you have a credit card? Please select all that apply.

**Table 27 Reasons for Not Having a Credit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>346</b>	<b>140</b>	<b>318</b>
I don't need one now	38%	33%	31%
I don't qualify for one	15%	16%	32%
I want to avoid debt as much as possible	46%	47%	52%
I'm afraid I'll be tempted to buy things I don't need	26%	14%	26%
I haven't gotten around to applying for one yet	25%	20%	21%
Other/don't know	2%	7%	3%

Base: Those who do not have credit cards

### Q. Do you plan to obtain a credit card in the future?

**Table 28 Intent to Obtain a Credit Card**

	Students	Completers	Non-completers
<b>N</b>	<b>346</b>	<b>140</b>	<b>318</b>
Within the next month	9%	9%	5%
Within the next year	21%	22%	20%
After graduation*	10%	-	-
After finding a full-time job	25%	20%	18%
When I have a large purchase	7%	8%	10%
Soon after I turn 21**	9%	-	-
Other	1%	5%	3%
Never	6%	12%	12%
Don't know/haven't thought about it	13%	24%	31%

Base: Those who do not have credit cards

\*College students only

\*\*Under 21-years old only

### Q. How would you rate your money management skills?

**Table 29 Perception of Money Management Skills**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Excellent	20%	27%	8%
Good	39%	44%	34%
Average	32%	24%	44%
Not very good	7%	3%	10%
Poor	1%	1%	4%

Base: All

**Q. If you applied for a credit card today on your own (without a cosigner), approximately how much credit do you think you would be eligible to receive?**

**Table 30 Presumed Credit Eligibility**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
<\$500	11%	4%	20%
\$500 – \$999	17%	6%	13%
\$1,000 – \$2,499	25%	15%	16%
\$2,500 – \$4,999	16%	17%	14%
\$5,000 – \$9,999	6%	25%	6%
≥\$10,000	2%	21%	3%
Don't know	17%	9%	14%
I wouldn't qualify for a credit card on my own	5%	3%	13%

Base: All

**Q. What is your FICO® Score?**

**Table 31 Estimated FICO® Score Range**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
300 – 500	4%	2%	7%
501 – 650	10%	7%	26%
651 – 750	27%	32%	26%
751 – 850	15%	40%	8%
I'm not sure	24%	13%	18%
I don't have a FICO® Score	19%	3%	8%
I prefer not to answer	2%	2%	7%

Base: All

**Q. Have you ever reviewed your credit report?**

**Table 32 Viewed Credit Report**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Yes	46%	75%	73%
No, I know I have a credit report, but I have never reviewed it	19%	12%	11%
No, I don't know whether I have a credit report	17%	8%	8%
No, I don't have a credit report	18%	5%	9%

Base: All

**Q. Which of the following do you consider to be positive credit behaviors—that is, actions that may increase your credit score, and which of the following do you consider to be negative credit behaviors—that is, actions that may lower your credit score?**

- a. Positive credit behavior
- b. Negative credit behavior
- c. Neither positive nor negative

**Table 33a College Students' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing**

	Positive	Neutral	Negative
<b>N</b>	<b>810</b>	<b>810</b>	<b>810</b>
Paying your bills on time	87%	8%	5%
Having no credit cards	17%	51%	32%
Opening multiple credit cards or other loan accounts around the same time	15%	19%	66%
Keeping a high balance on your credit card	31%	21%	48%
Keeping a low balance on your credit card	59%	23%	19%
Using as much of your credit limit as possible	18%	28%	55%
Having a long history of experience using credit	59%	26%	15%
None of these	4%	19%	10%

Base: All students

**Table 33b Completers' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing**

	Positive	Neutral	Negative
<b>N</b>	<b>804</b>	<b>804</b>	<b>804</b>
Paying your bills on time	93%	4%	3%
Having no credit cards	11%	37%	52%
Opening multiple credit cards or other loan accounts around the same time	16%	18%	66%
Keeping a high balance on your credit card	19%	14%	67%
Keeping a low balance on your credit card	72%	15%	13%
Using as much of your credit limit as possible	17%	22%	62%
Having a long history of experience using credit	80%	13%	7%
None of these	2%	33%	9%

Base: All completers

**Table 33c Non-completers' Perception of Behaviors as Positive, Negative, or Neutral for Credit Standing**

	Positive	Neutral	Negative
<b>N</b>	<b>805</b>	<b>805</b>	<b>805</b>
Paying your bills on time	93%	5%	2%
Having no credit cards	9%	51%	40%
Opening multiple credit cards or other loan accounts around the same time	7%	20%	73%
Keeping a high balance on your credit card	12%	15%	72%
Keeping a low balance on your credit card	74%	19%	8%
Using as much of your credit limit as possible	11%	26%	63%
Having a long history of experience using credit	64%	28%	9%
None of these	4%	26%	7%

Base: All non-completers

**Q. What behaviors do you practice in order to manage your finances more effectively? Please select all that apply.****Table 34 Putting Financial Management into Practice**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Pay bills on time	72%	91%	84%
Pay off higher interest rate debt first	28%	43%	30%
Save some amount from my earnings every month	49%	62%	50%
Track my spending so I know where my money is going	55%	57%	54%
Never spend more money than I have	54%	57%	55%
Invest my savings to earn higher rates	17%	24%	10%
Never overdraft so I don't incur fees	32%	52%	43%
Have an emergency fund	22%	41%	31%
I use a personal financial management tool/app (such as Mint)	6%	11%	5%
Other	0%	1%	1%
None	3%	1%	3%
Don't know	2%	1%	4%

Base: All

**Q. What features do you want from your financial management tool/app? Please select all that apply.****Table 35 Preferred Financial Management Tool Features**

	Students	Completers	Non-completers
<b>N*</b>	<b>46</b>	<b>91</b>	<b>41</b>
Ability to view multiple accounts at once	56%	74%	72%
Ability to track my purchases	58%	73%	83%
Ability to track my cashflow	71%	68%	74%
Ability to track the balance(s) on my account	83%	83%	77%
Ability to create/follow a budget	76%	79%	85%
Receive bill reminders/push notifications	57%	45%	80%
Ability to analyze my spending over time	69%	79%	83%
Receive tips/advice	58%	59%	77%
Ability to categorize my purchases	68%	78%	82%
Secure website/app	74%	80%	79%
Easy-to-use mobile app	77%	85%	86%
Other	0%	0%	1%
None	0%	0%	6%

Base: Those who use a personal financial management tool

\*Small base size

**Q. How did you learn about managing your finances? Please select all that apply.****Table 36 Financial Management Education Resources**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Parent(s) or guardian(s)	68%	70%	56%
Family members	35%	26%	21%
Spouse/partner	4%	18%	22%
Friends	22%	20%	18%
Financial advisor	15%	18%	6%
Community programs	7%	5%	2%
Online services through your bank/credit union	12%	11%	11%
Researched online	21%	34%	31%
In a high school class	23%	12%	17%
In a college course	11%	12%	6%
Other	1%	4%	4%
I don't know how to manage my finances	3%	2%	8%
None	3%	4%	6%

Base: All

**Q. On which financial management topics would you like more information now? Please select all that apply.****Table 37 Preferred Financial Management Topics**

	<b>Students</b>	<b>Completers</b>	<b>Non-completers</b>
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Paying for college or grad school options	33%	16%	13%
Budgeting	35%	30%	40%
Benefits and pitfalls of borrowing and using credit	22%	15%	18%
Student loan repayment options	33%	24%	18%
Debt reduction strategies	21%	24%	33%
Saving strategies	38%	35%	41%
Retirement and future financial planning	27%	33%	28%
Investment strategies	29%	34%	29%
Credit reports and credit scores	30%	23%	29%
Other	0%	1%	1%
None	16%	23%	31%

Base: All

**Q. To what extent do you agree or disagree with each of the following statements?****Table 38a College Students' Perceptions about Credit Cards**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
Having a credit card makes people more vulnerable to identity theft	810	13%	35%	38%	10%	4%
Credit cards are safer than debit cards when it comes to online purchases	810	12%	24%	37%	18%	8%
Using Apple, Google, or Samsung Pay is more secure than using a credit card in a store	810	9%	19%	49%	17%	6%
It is too easy to accumulate a lot of credit card debt quickly	810	27%	37%	26%	8%	3%
Credit card rewards are a real benefit to using credit cards	810	23%	39%	27%	8%	3%
It is easier to balance my budget when using debit cards compared to credit cards	810	24%	35%	29%	8%	3%
Temporarily using the lender's money instead of my own is a real benefit of credit cards	810	9%	29%	40%	15%	7%
It is easier to pay with my phone than to pay with a credit card	810	11%	25%	35%	20%	9%
Credit cards allow for too much impulse buying	810	24%	41%	22%	11%	3%

Base: All students

**Table 38b Completers' Perceptions about Credit Cards**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
Having a credit card makes people more vulnerable to identity theft	804	11%	36%	31%	17%	6%
Credit cards are safer than debit cards when it comes to online purchases	804	23%	25%	31%	14%	8%
Using Apple, Google, or Samsung Pay is more secure than using a credit card in a store	804	9%	13%	50%	20%	8%
It is too easy to accumulate a lot of credit card debt quickly	804	30%	41%	15%	9%	6%
Credit card rewards are a real benefit to using credit cards	804	35%	42%	16%	5%	2%
It is easier to balance my budget when using debit cards compared to credit cards	804	23%	30%	30%	10%	7%
Temporarily using the lender's money instead of my own is a real benefit of credit cards	804	11%	32%	30%	16%	10%
It is easier to pay with my phone than to pay with a credit card	804	12%	18%	29%	27%	13%
Credit cards allow for too much impulse buying	804	21%	41%	20%	13%	5%

Base: All completers

**Table 38c Non-completers' Perceptions about Credit Cards**

	N	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
Having a credit card makes people more vulnerable to identity theft	805	10%	33%	42%	10%	5%
Credit cards are safer than debit cards when it comes to online purchases	805	12%	19%	45%	13%	11%
Using Apple, Google, or Samsung Pay is more secure than using a credit card in a store	805	9%	11%	61%	13%	7%
It is too easy to accumulate a lot of credit card debt quickly	805	45%	30%	16%	5%	4%
Credit card rewards are a real benefit to using credit cards	805	21%	40%	25%	10%	5%
It is easier to balance my budget when using debit cards compared to credit cards	805	30%	30%	28%	8%	4%
Temporarily using the lender's money instead of my own is a real benefit of credit cards	805	15%	27%	34%	15%	10%
It is easier to pay with my phone than to pay with a credit card	805	14%	23%	41%	12%	10%
Credit cards allow for too much impulse buying	805	34%	29%	25%	9%	3%

Base: All non-completers

**Q. Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?**

**Table 39 Quiz Question: Interest Accumulation**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
More than \$102	71%	83%	71%
Exactly \$102	16%	7%	9%
Less than \$102	6%	3%	4%
Not sure	8%	6%	17%

Base: All

**Q. Assuming the following individuals have the same credit card with the same interest rate and balance, which will pay the most in interest on their credit card purchases over time?**

**Table 40 Quiz Question: Impact of Payment Behavior on Cost**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Joe, who makes the minimum payment on his credit card bill every month.	20%	23%	14%
Jane, who pays the balance on her credit card in full every month.	21%	11%	16%
Joyce, who sometimes pays the minimum, sometimes pays less than the minimum, and missed one payment on her credit card bill.	40%	54%	47%
All of them will pay the same amount in interest over time.	9%	6%	7%
Not sure.	10%	7%	16%

Base: All

**Q. Imagine that there are two options when it comes to paying back a loan and both come with the same interest rate. Provided you have the needed funds, which option would you select to minimize your total costs over the life of the loan (i.e., all of your payments combined until the loan is completely paid off)?**

**Table 41 Quiz Question: Impact of Repayment Term on Cost**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Option 1 allows you to take 10 years to pay back the loan.	56%	70%	49%
Option 2 allows you to take 20 years to pay back the loan.	17%	9%	15%
Both options have the same out-of-pocket cost over the life of the loan.	14%	12%	13%
Not sure	14%	9%	23%

Base: All

**Q. Which of the following best defines the term "interest capitalization"?**

**Table 42 Quiz Question: Define Interest Capitalization**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
The type of interest charged on high-balance loans	25%	24%	27%
The addition of unpaid interest to the principal balance of a loan	49%	55%	44%
Interest that is charged when you postpone payments on your loan	26%	21%	30%

Base: All

**Q. Did you Google "interest capitalization"?**

**Table 43 Googled "Interest Capitalization"**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Yes	18%	12%	6%
No	82%	88%	94%

Base: All

**Table 44 Proportion of Correct Answers to Quiz Questions**

	Students	Completers	Non-completers
<b>N</b>	<b>810</b>	<b>804</b>	<b>805</b>
Four of four correct	11%	24%	18%
Three of four correct	28%	33%	21%
Two of four correct	33%	27%	26%
One of four correct	19%	12%	25%
Zero of four correct	8%	4%	10%

Base: All

# Technical notes

---

## Target population

Ipsos conducted the *Majoring in Money* survey online between Friday, December 21, 2018 and Wednesday, January 16, 2019. Ipsos interviewed 2,419 adults between 18 and 29 years of age: 810 college students who are currently attending a technical school, two-year undergraduate institution, or four-year undergraduate institution; 804 college graduates; and 805 who attended college but are no longer enrolled and have not earned a degree. Respondents are from the continental U.S., Alaska, and Hawaii, and were interviewed online in English.

## Sample design

The sample for this study was randomly drawn from Ipsos' online panel, partner online panel sources (including a purchased list of 18 – 24-year-olds), and "river" sampling and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to the study, in drawing sample. After a sample has been obtained, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is 2013 American Community Survey (ACS) data. The sample drawn for this study reflects fixed sample targets on demographics.

## Weighting

To correct for adjustments to sample targets during fielding, the survey was weighted using a statistical technique called rim-weighting to align the respondent demographics with the current U.S. population for each sample group. All of the demographic profiles used in the weights were sourced from the 2013 ACS.

## Bayesian credibility intervals

Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the study has a credibility interval of plus or minus 2.3 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following ( $n=2,419$ ,  $DEFF=1.5$ , adjusted Confidence Interval=5). The study also has a credibility interval plus or minus 4.2 percentage points for students, plus or minus 4.2 percentage points for completers, and plus or minus 4.2 percentage points for non-completers.



---

[SallieMae.com/MajoringInMoney](https://www.SallieMae.com/MajoringInMoney)