

# Spending Habits

2002-2003

THE OHIO STATE UNIVERSITY

## Student Affairs Assessment Report

November 2003

### Methodology:

In this report, comparative data from similar surveys conducted in 2003, 2002, and 2000 are presented. All three surveys were created by the Office of Student Affairs Assessment and administered through the OSU College of Social and Behavioral Sciences' Center for Survey Research. Responses were obtained through telephone interviews of a random sample of OSU undergraduates. The 2003 survey generated 635 responses from a sample pool of 1,100 undergraduate students for a response rate of 58% and a 3.9% margin of error

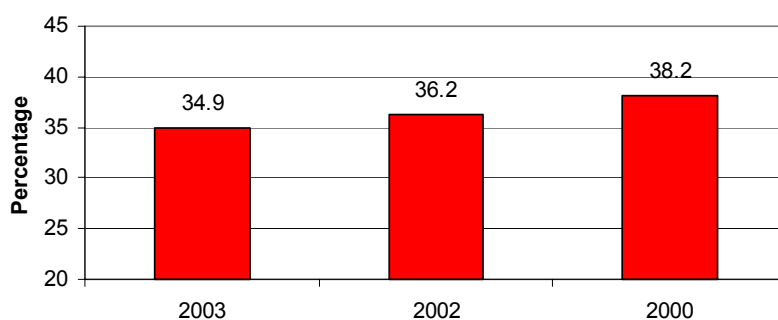
### Findings:

**Evidence suggests that debt-related stress seems to be on the rise while students who consider themselves to be in debt seem to be in slight decline.**

- In 2003, 34.9% of students (compared to 38.2% in 2000) considered themselves to be in debt.
- Of note, students with a GPA of 3.0 or higher continue to be less inclined to consider themselves in debt (28.6%) when compared to those with below a 3.0 GPA (41.5%).

The primary purpose of this study was to assess the financial status and spending patterns of OSU undergraduates. Specifically, student data pertaining to debt, credit cards, and employment were collected and analyzed. By understanding student spending habits and the financial circumstances in which they live, university initiatives and policies can be implemented to assist students in managing their finances, establishing responsible credit card use, and finding employment that is conducive to achieving academic goals.

Percentage of students considering themselves to be in debt



(2003:n=635; 2002:n=611; 2000:n=419)

\* For more detail,  
please see the full  
report available at  
[http://  
studentaffairs.osu.edu/  
assessment/](http://studentaffairs.osu.edu/assessment/)

- Even though the majority of students (54.8%) continue to view the future problems associated with debt as small or non-existent, the degree of stress felt by students in debt seems to be on the rise. Almost 29% (28.7%) of indebted students in 2003 responded that they are experiencing “a great deal” or “quite a bit” of stress compared to approximately 20% responding this way in both 2002 and 2000.

**How much stress does the total amount of money you owe cause you?**

By percent	2003 (n=219)	2002 (n=220)	2000 (n=140)
A great deal of stress	7.3	6.4	7.1
Quite a bit of stress	21.4	13.6	13.5
Some stress	38.6	40.5	34.8
Not very much stress	19.1	30.0	29.8
No stress at all	13.6	9.5	14.9

**Students’ responses suggest that indebtedness causes negative consequences for students.**

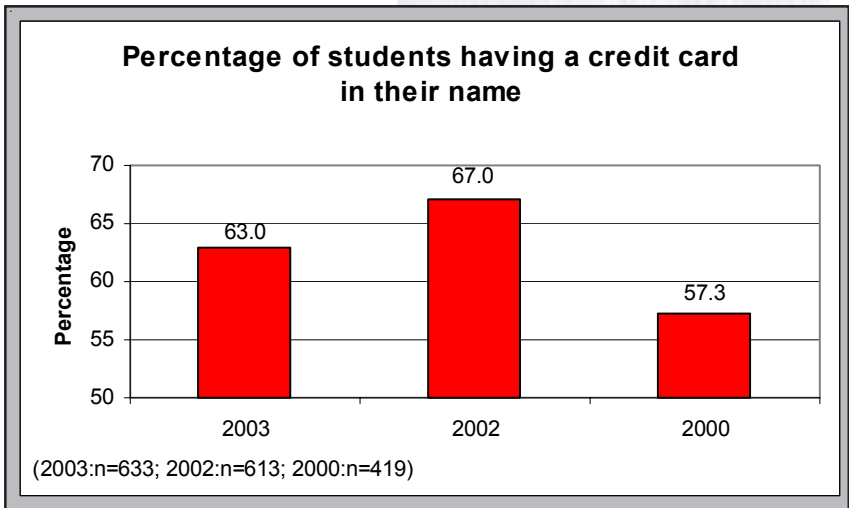
- Of the students in debt in 2003, 60.9% had taken an extra job or had worked extra hours because of their debt.
- In 2003, 27.7% of students in debt had neglected their academic work because of their debt, and 20.5% had even dropped out or considered dropping out of college because of their debt.
- Almost 22% (21.8%) of students in debt had reduced their class load because of their debt.

**Has the amount of money you owe caused you to...?**

By percent	2003 (n=220)	2002 (n=221)	2000 (n=141)
Neglect your academic work	27.7	17.6	22.7
Drop out or consider dropping out of college	20.5	10.0	18.6
Reduce class load	21.8	N/A	N/A
Ask family members for money	61.8	52.7	58.2
Take out or consider taking out a debt consolidating loan	20.5	15.9	19.1
Use or consider using student loans to pay other loans or bills	26.4	23.1	28.4
Take an extra job or work extra hours	60.9	53.2	64.5

**While the percentage of students possessing credit cards declined in 2003 along with the percentage of those applying for them from campus vendors, the percentage of students acquiring their credit cards prior to starting college increased.**

- A smaller percentage of students in 2003 (62.8%) reported possessing a credit card than in 2002 (67.0%).
- Students in 2003 were less inclined to have applied for or received a credit card from a campus vendor than students in 2002 (18.7% of students in 2003 compared to 23.4% in 2002 had applied for or received a credit card from a campus vendor).
- However, a greater percentage of students in 2003 (59.3%) acquired a credit card prior to starting college than in 2002 (50.2%) and 2000 (41.0%).

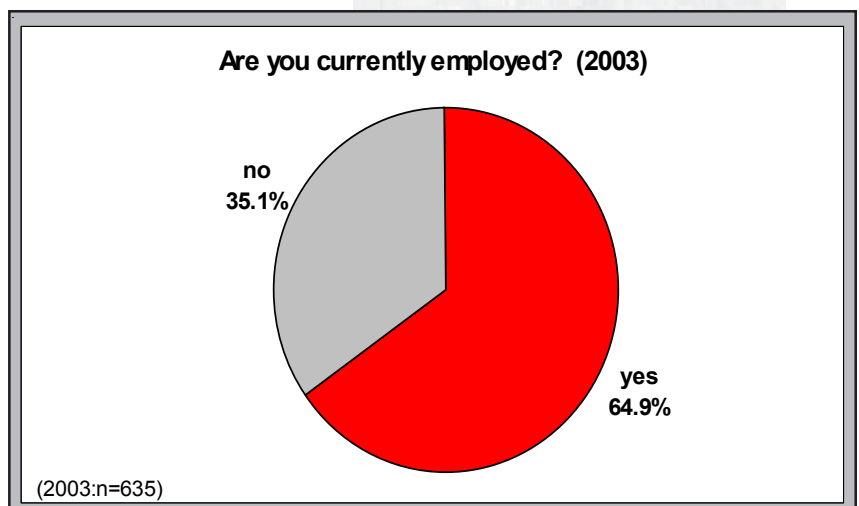
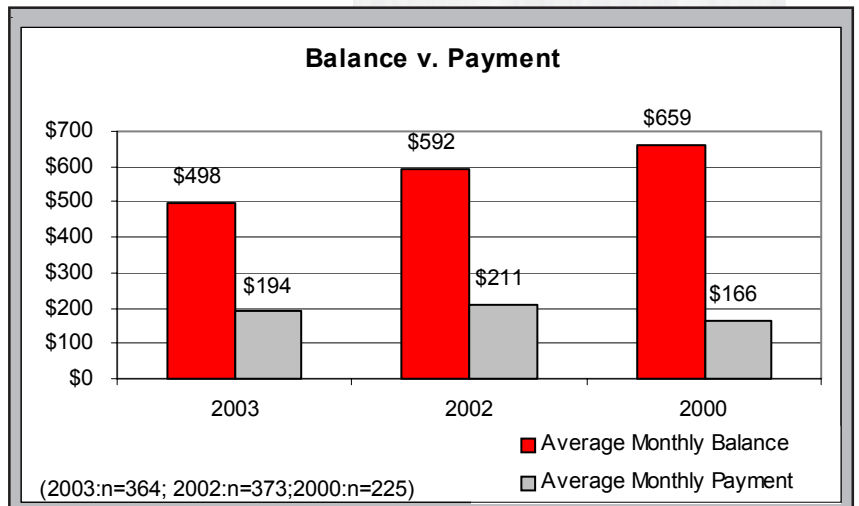
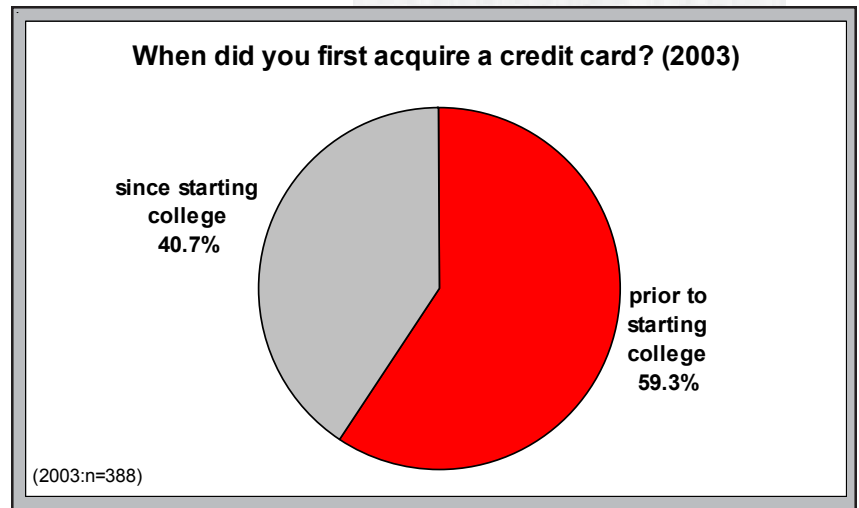


**Students seem to be managing their credit cards with greater responsibility**

- Almost 98% (97.9%) of students in 2003 with credit cards (compared to 93.4% in 2002 and 87.1% in 2000) paid at least the minimum amount due on their credit cards.
- In 2003, 66.1% of students with a credit card reported paying off their credit card balance each month compared to 62.4% in 2002 and 55.5% in 2000.
- As the average monthly credit card balances among credit card holders have been decreasing since the year 2000 (\$498 in 2003, \$592 in 2002, and \$659 in 2000), the average monthly payments (as a percentage of the balance) have been increasing (39.0% in 2003, 35.6% in 2002, and 25.2% in 2000).

**The percentage of students who work remained fairly constant while hours worked and wages earned slightly increased.**

- Close to two thirds of students in all three years (64.9% in 2003, 65.6% in 2002, and 63.5% in 2000) were employed.
- In 2003, 61.4% of employed students worked 20 hours or more. In 2002, 55.2% worked 20 hours or more.
- The average hourly student wage was \$9.14 in 2003, \$8.73 in 2002, and \$8.24 in 2000.
- Paying for monthly living expenses continues to be the primary reason for working (53.2% of working students responded this way), while fewer students are primarily working to pay off credit card bills (3.9% in 2003, 5.6% in 2002, and 8.4% in 2000).



**Academic progress seems to be negatively hindered by student loan debt. The data suggest that Rank 4 students (seniors) with student loan debt perform significantly lower on academic progress measures than Rank 4 students without loan debt.**

- Indebted Rank 4 students averaged 13.53 credits per quarter while students without loan debt averaged 14.37.
- The GPA for indebted Rank 4 students was 2.86 compared to 3.20 for students without loan debt.

**The data also suggest that there are negative consequences associated with consumer debt. In order to demonstrate the relationship between consumer debt and student progress, students owing over \$1,500 in consumer debt are compared to those owing less than \$1,500.**

- Students with over \$1,500 in consumer debt averaged 1.52 fewer credits per quarter than those under \$1,500 (11.99 credits per quarter compared to 13.51).
- In terms of progress towards graduation, students with over \$1,500 in consumer debt were almost one full academic rank behind students with less than \$1,500 in debt.

**Students were grouped into categories consisting of combinations of student loan debt, consumer debt, and student employment status in order to show the relationship between these categories and student academic progress.**

- Findings indicate that students who had a combination of student loan debt and consumer debt but who did not work averaged fewer credits per quarter, possessed lower GPAs, and were on a slower pace to graduate than other students.
- In contrast, students who worked but who did not have student loans or consumer debt took on average more credits per quarter, possessed higher GPAs, and were on a faster pace to graduate than other students.

*\* For more detail, please see the full report on the Student Affairs Assessment web site*

<http://studentaffairs.osu.edu/assessment/>

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