

Spending Habits of OSU Undergraduates: 2002

EXECUTIVE SUMMARY Student Affairs Assessment

The main goal of this study was to assess student-spending patterns as related to debt, credit card use, and employment at The Ohio State University. By understanding student spending habits and the financial atmosphere 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.

This report presents comparative data from two similar surveys conducted in 2002 and 2000. Both surveys were sponsored by the Office of Student Affairs Assessment and administered through the OSU College of Social and Behavioral Sciences' Center for Survey Research. Student responses were obtained through telephone interviews of OSU undergraduates. The 2002 survey randomly selected 1000 undergraduate students and received 613 responses for a response rate of 63% and a 3.9% margin of error. The 2000 survey randomly selected 785 undergraduate students and received 421 responses for a response rate of 54% and a 4.7% margin of error.

The following conclusions were made from the data:

Students in both 2002 and 2000 gave similar responses when asked about their indebtedness. Overall, students do not seem to be overly concerned or stressed about their debt.

- In both years, over 60% of students (63.8% in 2002 and 61.8% in 2000) did not consider themselves in debt.
- For those students in debt, a majority (59.6% in 2002 and 57.9% in 2000) responded that their debt would be only a small problem or no problem at all in the next five years.
- On the other hand, 20% of students in debt in 2002 and 2000 responded that they felt “a great deal” or “quite a bit” of stress regarding their debt.

A comparison between survey results in 2002 and 2000 depict a decline in debt-related consequences.

- There was a 11.3% decrease in students taking on an extra job or working extra hours as a result of their debt (from 64.5% in 2000 to 53.2% in 2002).
- A smaller percentage of students in 2002 (23.1% compared to 28.4% in 2000) considered using student loans to pay back other bills.
- In 2002, 17.6% of students responded that debt had caused them to neglect their academic work compared to 22.7% in 2000.

The percent of student credit card holders has increased since 2000; students are coming to campus already possessing credit cards; and a greater percentage of these credit cards have been acquired through the assistance of parents.

- Precisely 67.0% of students surveyed in 2002 reported possessing a credit card compared to 57.3% in 2000 – an increase of almost 10%.
- Approximately 50% (50.2%) of students with at least one credit card in 2002 acquired a credit card prior to starting college compared to 41.0% in 2000.
- Almost 31% (30.9%) of students with a credit card(s) in 2002 said either a parent or guardian assisted them in acquiring a credit card compared to 14.2% in 2000.

Although a higher percentage of students possess credit cards, on the whole students seem to be managing their credit card debt more responsibly.

- Approximately 62% (62.4%) of students with credit cards in 2002 reported paying off their balance monthly while 55.5% replied this way in 2000.
- Of students with a credit card(s) the average monthly balance in 2002 was \$592 with an average monthly payment of \$211. This is an improvement from 2000 when the average monthly balance was \$659 and the average monthly payment was \$166.
- Over 84% (84.3%) of students in 2002 reported that they had not reached their credit limit on any credit card compared to 74.1% in 2000.
- Compared to 2000, students in 2002 were less likely to use credit cards because of a lack of money (27.0% in 2002 compared to 35.2% in 2000) and more likely to use them for convenience (38.7% in 2002 compared to 32.6% in 2000).

Students are considerably more interested in receiving information on credit card management, and they are much more inclined to follow a monthly budget.

- Almost 77% (76.7%) of students in 2002 responded that they would find it useful if the university gave advice on how to use and manage credit cards while only 30.6% responded this way in 2000.
- In 2002, 44.7% of students followed a monthly budget compared to 27.9% in 2000.

Employment data remained fairly constant between the two years. Paying for monthly expenses is the primary reason for working.

- Close to two thirds of students in both years (65.6% in 2002 and 63.5% in 2000) were employed.
- In 2002, students worked an average of 20.82 hours and made \$8.73 compared to working an average of 22.62 hours and making \$8.24 in 2000.
- A majority of students in 2002 (52.2%) held a job to pay for monthly expenses. Others worked for spending money (29.4%), to pay for college (10.1%), to pay credit card bills (5.6%), and to support a family (2.8%).