

2009

## Personal Financial Knowledge of College Students

Adam Moehn

*Let us know how access to this document benefits you*

Copyright ©2009 Adam Moehn

Follow this and additional works at: <https://scholarworks.uni.edu/hpt>

---

**Offensive Materials Statement:** Materials located in UNI ScholarWorks come from a broad range of sources and time periods. Some of these materials may contain offensive stereotypes, ideas, visuals, or language.

PERSONAL FINANCIAL KNOWLEDGE OF COLLEGE STUDENTS

A Thesis or Project  
Submitted  
in Partial Fulfillment  
of the Requirements for the Designation  
University Honors with Distinction

Adam Moehn  
University of Northern Iowa  
May 2009

This Study by: Adam Moehn

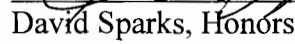
Entitled: Personal Financial Knowledge of College Students

has been approved as meeting the thesis or project requirement for the Designation

University Honors with Distinction

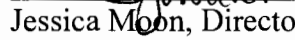
4 MAY 2009

Date

  
David Sparks, Honors Thesis/Project Advisor

5/8/09

Date

  
Jessica Moon, Director, University Honors Program

## **Introduction**

Financial Literacy is a topic which is very important in today's society. In recent times a wide number of consumers, companies, and government agencies have shown concern about individual's lack of knowledge about basic financial concepts (Making the Case for Financial Literacy, 2008). This lack of knowledge can affect their abilities to handle day-to-day financial activities like money management and saving for retirement.

The market in general would, and probably does, suffer from the lack of financial knowledge of the participants in the market. The more informed the participants, the more competitive and therefore more efficient the market is. A more efficient market would be able to make better use of resources allowing for more quality goods and services at lower prices while creating more wealth. Financial knowledge has always been important, but it is now more important than ever in a time when everyone is expected to be able to take care of themselves financially.

This research is about looking at what affects the personal financial knowledge and behaviors of college students. Primarily this research is focused on the effects of taking a personal financial course by answering the following questions.

- Does taking a personal finance course increase personal financial knowledge?
- Does taking a personal finance course improve financial behaviors?
- Does an increase in personal financial knowledge improve financial behaviors?

The answers to these questions will help to determine how important personal finance courses and personal financial knowledge are. This research will also look at other areas which

may affect personal financial knowledge or behaviors as well as interest levels in taking a personal finance course.

## **Literature Review**

### *Why Personal Financial Knowledge is Important*

The average American's financial responsibilities have grown from what they have been in the past. A 2001 U.S. General Accounting Office study showed that 33% of students have a credit card before college and 46% got one their freshman year of college. This increased access to credit available to younger people does not appear to have been accompanied by an increase in financial knowledge. This is evident in the 51% increase there has been in bankruptcies of people under age 25 from 1991 to 1999 (Braunstein, 2002, p. 448).

People are also now more responsible for their own retirement than they have been in the past. A pension is when the company is responsible for managing the money for employees' retirement and gives employees a set benefit. In 1980, 30% of retirement plans still used this system. By 1997, 92% of retirement plans were defined-contribution plans meaning the employee is responsible for managing their own money. This is a large decrease in the percentage of employees with pension plans available. Many employees do not take advantage of the retirement plans available through their employers at all. A 2001 study showed that 30% of employees did not participate in their company's retirement plan (Braunstein, 2002, p. 448).

Concern about questionable lending practices which helped lead to the financial crisis of 2008 existed for many years before the crisis occurred. A Federal Reserve Bulletin from 2002 identified predatory lending and the use of higher risk loan arrangements as potential problems

for borrowers. These arrangements include loans with low fixed payments but with a large balloon payment at the end and loan arrangements which assume young borrowers' incomes will increase allowing them to receive larger loans than they could otherwise qualify for (Braunstein, 2002, pp. 446-447). Increased financial knowledge in the general public could have helped borrowers to know what types of loans they should be avoiding and could have helped to prevent the current financial crisis from occurring.

Is being financially knowledgeable actually important for college students? Research shows that it is. A study at Buffalo State College found that the largest factor in credit card debt of college students is a lack of financial literacy (Newswise, 2007). A study done by Harris Interactive® found that 32% of college students say they were unprepared for managing money their freshman year and 75% admit to having made mistakes with their money (Soto, 2006). Many college students also believe that they will earn more money than they actually will once they are out of college.

College students eventually become adults and this is where they will really need the use of good financial knowledge. Unfortunately, there are a large number of adults who do not have the knowledge they need. The 2008 Financial Literacy Survey prepared by Princeton Survey Research Associates International finds that only a minority of people keep close track of their spending, and 20% keep little or no track of it. It also finds that large numbers of Americans are underinsured and are struggling to pay their mortgages and other bills each month. Only 59% of people aged 18-29 pay their bills on time each month. A study by Lusardi and Mitchell found that a lack of financial literacy is the reason why many people do not save and invest enough for retirement. (2007)

## *Financial Education Programs*

Due to the increased concern about financial literacy, there has been an increase in the number of programs designed to help teach people about the topic. This is a fairly new phenomenon with a study commissioned by Fannie Mae in 2000 finding that two-thirds of such programs began since 1990. These programs are provided by groups such as employers, community groups, community colleges, the military, faith based groups, commercial banks, and public schools. The topics covered and the target audience for these programs varies significantly with some focusing on general knowledge and others focused on specific areas such as saving and credit management (Braunstein, 2002, pp. 448-449).

The success behind these programs has varied depending on the type of program. Homebuyer counseling programs are used to prepare prospective homebuyers for making a home purchase and taking out a mortgage loan. A Freddie Mac study in 2001 looked at 90 day delinquency rates of 40,000 of their mortgages to see if these programs had any effect. Borrowers that received individual counseling had a 34% lower delinquency rate, borrowers that received classroom counseling had a 26% lower delinquency rate, borrowers that received home study counseling had a 21% lower delinquency rate, and those receiving telephone counseling did not have a lower delinquency rate. This study found that the type of counseling was more important than which organization gave the counseling (Braunstein, 2002, p. 450).

Workplace financial education programs are for the most part used to promote the use of retirement programs offered by the employer such as a 401(k). Studies of these programs have for the most part concluded that they result in positive behavioral changes such as increasing their participation in 401(k) plans (Braunstein, 2002, pp. 451-452).

### *Similar Studies*

There have been some prior studies testing the financial literacy of college students. One study often cited is a survey done by JumpStart. The JumpStart Coalition promotes financial literacy among youth and is funded the Merrill Lynch Foundation. They have been surveying high school students for many years and in 2008 did a survey of college students for the first time. They used a survey which contained two parts. The first consisted of 31 questions which tested the personal financial knowledge of the survey participants. The second section asked classification questions such as demographics, credit use, and classes taken. Using a sample of 1030 college students, they found they averaged answering 62.2% of questions correctly. A surprising outcome of this survey was that students who took a personal finance or personal money management course either in high school or in college actually scored lower than average (2008 Survey of Personal Financial Literacy Among College Students, 2008).

Although there were some behavioral questions asked such as credit card payment habits, there was not any analysis of how taking a personal financial course may have affected these behaviors. The questions used to test the financial knowledge of participants for the JumpStart survey were used to influence the questions selected for the survey done for this thesis.

Another study was done by Chen in 1998 of 924 college students. His study consisted of a survey containing 36 questions to test the financial literacy of the participants and 16 to ask demographic and behavioral questions. He found that business students performed better than non-business students. This is a different outcome than found by JumpStart, which found that business students performed about average while science and social science students performed



the best. It would logically make sense that business students would perform better so it is curious that these two surveys reported differing results.

Chen found that most previous research in this area has been performed by practitioners in the financial service industry (1998). These studies have in general shown that high school students are not receiving a good education in the area of personal finance and are graduating without the knowledge they need to make important financial decisions. Studies done of adults have shown that they too do not have a good understanding of personal finance. They do not understand basic finance concepts, do not save adequately for retirement, and tend to make overly conservative investment decisions.

Chen's survey looked at how financial knowledge affected financial behaviors and came to the general conclusion that increases in financial knowledge lead to better financial behaviors (1998). This study did not look at how taking a personal financial course affected students. There were several reasons given for the low level of financial knowledge of college students. One is the lack of personal financial education in the curricula at college. Another is the fact that the majority of the participants are relatively young with 76% of the sample being under 30 years of age. This means that they have limited personal experience in areas such as saving, borrowing, investment, and insurance. They did score well in certain areas which college students have more experience with such as apartment leases and auto insurance. The participants were separated into subgroups to determine what affects the scores participants had in the financial knowledge section. Participants with more years of work experience, in the 23-29 and 40 and over age groups, with higher personal income, higher class rank (year in college), males, business majors, and those who kept detailed financial records had greater financial knowledge. The overall conclusion was that college students are not knowledgeable about personal finance and this lack

of knowledge will affect their ability to make informed financial decisions (Chen, 1998). The questions used to test the financial knowledge of participants for Chen's survey were used to influence the development of the survey done for this thesis.

### *Other Studies on Effects of Personal Finance Courses*

A study of the short term affect of financial training of high school students done in 1997-1998 has shown that after participating in a program, students' financial behaviors improved. Surveys done before and after the program show more students were saving money and students felt they were more knowledgeable about tracking spending, the cost of credit, and managing money (Braunstein, 2002, p. 452).

There have been some long term studies done on effects of taking a personal finance course. A 1995 telephone survey of thirty to forty-nine year olds found that state-mandated financial education taken in high school created increased exposure to financial information and improved asset accumulation for the students who are now adults (Braunstein, 2002, p. 452). Despite these finding, only 20 states as of 2008 had some kind of requirements that financial instruction be taught in high school, and only 3 of those required a semester long class (Jump\$tart Coalition: State Requirements).

The Freddie Max Consumer Credit Survey done in 1999 found that confidence and a broad understanding are important predictors of successful financial outcomes, while detailed knowledge about financial affairs is not (Braunstein, 2002, p. 452). It seems likely that a course on personal finance would be able to offer this kind of broad understanding.

## Methodology

A survey was distributed to students at the University of Northern Iowa in accordance to IRB protocol. It was disseminated using a survey tool through UNI's website which is used by various departments on campus to survey the student population. This allowed for the population for the survey to be limited to undergraduate students with a grade classification of freshman, sophomore, junior, or senior. This excluded unclassified students such as transient or visiting students. These are students whose home institution is different than UNI but they are temporarily taking classes at UNI. This created a total population of 10,006 students which the MyUNiverse tool allowed to participate in the survey. The following notice then appeared on the current announcements section of students' MyUNiverse page for students fitting into the population.

*You are invited to participate in a survey as part of an honors thesis. The purpose of the survey is to determine what affects the personal financial knowledge of students. It will take approximately 10 minutes to complete and all of your responses will be kept confidential and will not be attributed to you personally. We thank you in advance for your time and input. Click here for more info*

A recruitment letter was also included in the "MyUNiverse News" which is a weekly newsletter emailed to students. This contained the following announcement.

### **PERSONAL FINANCIAL KNOWLEDGE SURVEY:**

*You are invited to participate in a survey as part of an honors thesis. The purpose of the survey is to determine what affects the personal financial knowledge of undergraduate college students. The survey will take approximately 10 minutes to complete, and all responses will be kept confidential and will not be attributed to you personally. Please visit <https://access.uni.edu/> and select the Personal Financial Knowledge survey in the announcements section. If you have questions about the survey, contact Adam Moehn at [amoehn@uni.edu](mailto:amoehn@uni.edu). You may also contact the IRB Human Participants Coordinator at 273-6148 for more information.*

This survey contained two sections which were separated on to two pages. The first asked 20 questions in a test-like format in order to determine the amount of financial knowledge each participant had. The next asked behavioral and demographic questions. Basic demographic information such as gender, age, and classification did not need to be asked as they were collected automatically through the survey tool since students had to login first in order to take the survey. A copy of the instrument is included in the appendix.

## Analysis

### *Sample*

The survey received a total sample size of 248. The population for the survey is undergraduate students at the University of Northern Iowa classified as a freshman, sophomore, junior, or senior. Comparisons of the sample with the population in terms of demographics are provided below.

Table 1  
Classification

	Sample	Population*
Freshman	13.3	23.4
Sophomores	16.1	19.4
Juniors	33.9	25.6
Seniors	36.7	31.6

Table 2  
Gender

	Sample	Population**
Female	67.7%	58.3%
Male	32.3%	41.7%

Table 3  
Major College

	Sample	Population***
Business	31.9%	22.1%
Education	13.3%	18.9%
Humanities and Fine Arts	14.5%	16.4%
Natural Sciences	19.4%	15.4%
Social and Behavioral Sciences	19.4%	15.8%
No Specific College	1.6%	11.3%

Table 4

Race	Sample	Population***
White	95.9%	91.1%
Other	4.1%	8.9%

Table 5

Age	Sample	Population***
Under 18	0.0%	0.1%
18	3.6%	15.7%
19	16.1%	15.9%
20	20.2%	18.2%
21	25.4%	18.5%
22	19.0%	12.5%
23	6.0%	5.2%
24	1.6%	2.3%
25	0.4%	1.7%
26	0.8%	1.1%
27	0.0%	0.8%
28	2.0%	0.7%
29 and up	4.9%	7.3%

\*As of Fall 2008

\*\*As of Fall 2008; Includes unclassified students and graduate students

\*\*\*As of Fall 2008; Includes unclassified students

(2008-2009 UNI Factbook)

The sample contains more upperclassmen but this may at least in part be due to changing classifications for the spring semester. The fact that the population information is from fall 2008 may also account for the reason why the sample contained fewer 18 year olds. Many would have turned 19 since this time. There is also an overrepresentation of students from the College of Business which may be due to an increased response rate from them because of a greater interest on the topic of the survey.

### *Methods Used*

Analysis of the survey information was done using Microsoft Excel and SPSS, a statistical program. The information first needed to be cleaned in order to create more meaningful results. Each of the twenty questions was given a score of one if it was answered

correctly and a score of zero if answered incorrectly. A “Score” variable was created by adding together the number of points each participant received.

A method of dealing with incomplete surveys was needed as some of the surveys had missing answers. Score results were not used for participants who answered half or less of the twenty questions as their results would be unreliable. If more than half of the questions were answered, any missing questions were given a score equal to the average score for the question. For example, if 60% of participants answered a question correctly then a missing answer for that question was given a score of 0.6. This method allowed for otherwise unusable data to be salvaged for use in analysis while maintaining as much reliability as possible. It should be noted that using this method can cause the variance of the score variable to be decreased but, since only a small percentage of the sample needed this to be done, this effect should be minimal. For the behavioral and demographic sections, results with omitted answers were not used for analysis based on the questions omitted but were retained for all other questions.

In order to determine statistical significance in the difference in scores, one way ANOVA's were first run for each question in order to help determine which questions contained items of the most statistical significance. T-tests were then used with a 95% confidence interval in order to determine which specific items in each question had significantly different scores. In order to make sure all possible significant difference were discovered, different scenarios were used for many of the questions creating many different ways of looking at each question. For example, question 24 asks about how much the students estimate they will have in student loans when they graduate. This can be looked at as a range. It can also be considered as a dichotomy in which having no loans is compared against having loans, or having less than a given amount of loans is compared to having more than a given amount of loans.

### *Findings of Statistical Significance*

The purpose of this survey is to determine what factors affect personal financial knowledge and to see how taking a personal finance course affects personal financial knowledge and personal financial behaviors. Personal financial knowledge is measured in the form of the score which survey participants received on the test-like section of the survey. A higher score is then used as a proxy for a higher level of financial knowledge.

Each of these areas of interest were examined using ANOVA and T-tests to determine which items have statistically significant differences at a 95% confidence level. One tailed tests were performed for comparisons testing any of the three primary research questions. This means it was assumed that taking a personal financial course will increase financial knowledge, taking a personal financial course will increase good financial behaviors, and that having a higher level of personal financial knowledge will increase good financial behaviors. These types of assumptions were not made for other areas looked at so two tailed tests were therefore used. All statistically significant findings in these areas are listed below.

#### *-Factors leading to differences in total financial knowledge score*

Detailed information available in Table 6

1. Those who have credit cards score higher than those who do not have one
2. Of those who have student loans, those who estimate they will graduate with no more than \$25,000 in student loans score higher than those who estimate they will graduate with more than \$25,000 in student loans

3. Students who estimate they will graduate with no student loans or will have no more than \$25,000 in student loans score significantly higher than those who estimate they will graduate with more than \$25,000 in student loans
4. Those who feel somewhat well about being able to handle their own finances score higher than those who feel not very well about it
5. Those who feel very well about being able to handle their own finances score higher than those who feel moderately well about it
6. Those who have taken a course on economics while in college score higher
7. Those who have taken a course on accounting while in college score higher
8. Those who have taken a course on finance while in college score higher
9. Those who have taken a class on personal finance/personal money management or a class which contained personal finance while in college or high school score higher than those who have not
10. Those whose parents taught them a little about personal finance/money management skills scored higher than those that taught them some
11. Those whose parents taught them a little about personal finance/money management skills scored higher than those that taught them some or a lot
12. Those who primarily handle their own finances score higher than those whose parents primarily handle their finances
13. Those who primarily handle their own finances score higher than those who do not
14. Those who estimate their parents earn \$75,000 or more per year score higher than those who estimate their parents earn less than \$75,000 per year
15. Sophomores score higher than Freshman



16. Juniors score higher than Freshman
17. Seniors Score higher than Juniors
18. Seniors Score higher than Juniors and Sophomores
19. Males Score Higher than Females
20. Those whose first major is in the Business College scored higher than those in other colleges
21. Those whose first major is in the business college scored higher than those whose first major is in the college of education
22. Those whose first major is in the business college scored higher than those whose first major is in the college Social and Behavioral Sciences
23. Whites score higher than minorities
24. Students ages 20-23 scored higher than those ages 18-20
25. Students ages 21-22 scored higher than those ages 18-20
26. Students ages 21 and over score higher than those ages 18-20

Table 6

Factors leading to differences in total financial knowledge score

Reference Number	Mean Score of Higher Score	Mean Score of Lower Score	T-Test Significance
1	69.30%	62.30%	.000 – Two Tailed
2	67.45%	63.50%	.000 – One tailed
3	67.80%	63.50%	.011 – One tailed
4	68.50%	60.05%	.002 – One tailed

5	70.30%	64.95%	.007 – One tailed
6	69.55%	64.45%	.000 – Two tailed
7	70.10%	64.65%	.001 – Two tailed
8	70.85%	65.25%	.003 – Two tailed
9	68.00%	65.05%	.035 – One tailed
10	70.46%	64.87%	.016 – Two tailed
11	70.46%	65.70%	.024 – Two tailed
12	67.95%	62.10%	.001 – Two tailed
13	67.95%	62.10%	.002 – Two tailed
14	68.50%	64.45%	.013 – Two tailed
15	66.49%	59.77%	.041 – Two tailed
16	65.41%	59.77%	.030 – Two tailed
17	70.07%	65.41%	.010 – Two tailed
18	70.07%	65.75%	.011 – Two tailed
19	70.54%	64.64%	.001 – Two tailed
20	69.94%	64.95%	.004 – Two tailed
21	69.94%	64.01%	.038 – Two tailed
22	69.94%	64.24%	.021 – Two tailed
23	67.30%	48.35%	.000 – Two tailed
24	68.20%	63.90%	.011 – Two tailed
25	67.80%	63.90%	.024 – Two tailed
26	68.80%	63.90%	.007 – Two tailed

This shows evidence that taking a personal financial course does improve personal financial knowledge. There was a statistically significant difference in the scores of students who have taken a course or a course which contained a section on personal finance compared to students who have never taken such a course. There is also some evidence that higher levels of financial knowledge leads to increased good personal financial behaviors. First, students with higher scores are more likely to estimate they will graduate with less than \$25,000 in student debt. This suggests that having greater personal financial knowledge allows for better money management skill thereby allowing for lower amounts of student loans. Those who score higher also feel more confident in their abilities to handle their own finances. A higher level of confidence may them be able to lead to better financial outcomes as indicated by the Freddie Max Consumer Credit Survey (Braunstein, 2002, p. 452).

A number of other general conclusions can be drawn from this information. Students tend to have greater financial knowledge as they get older and as they move up to higher classification levels in school. These are related since generally older students also usually have higher classification levels. Students in the College of Business Administration scored higher than other colleges. This makes sense because it would be expected that students in business would have greater experience with finances than other students.

Students who have taken an economics, accounting, or finance class while in college scored higher than students who did not take these classes. There could be several possible reasons for this. These courses may be teaching students the general skills needed for personal finance even if they aren't specifically teaching them personal finance. It may also be that students who take those courses are already predisposed to having better personal financial skills.

The students interested in taking these courses may already have an interest in the area of personal finance in which case the classes themselves may not be the cause of the higher scores.

Students who have credit cards tend to score higher than those who do not. This is likely because having a credit card gives them more experience in the area of credit use which improves their financial knowledge. On a similar note, those who primarily handle their own finances score higher than those whose parents or another person primarily handled their finances for them. This experience with handling their own finances is probably what lead to their increased level of personal financial knowledge.

Parents have an influence on students' personal financial knowledge. Students that estimate their parents earn over \$75,000 per year scored higher than those whose parents earned under that amount. Another finding related to parental influence has a somewhat strange outcome. Students whose parents taught them a little about personal finance score higher than those whose parents taught them "some", or "some" and "a lot." It would seem like having parents who teach you more about personal finance would cause a student to score higher but this does not appear to be the case. It is unknown why this is but some possible reasons could be that there may be differing opinions about the meaning of words like "a lot." This could cause students to be more likely to choose that answer if they believe their parents bother them too much with it in which case they may not pay attention to them. It is also possible that those whose parents only taught them a little had to learn things for themselves which may have been a more effective way of learning.

*-Differences in Finance Behaviors Based on Taking Personal Financial Courses*

1. Those who have taken a class on personal finance/personal money management while in college feel that they are better able to handle their finances than those who have not (1-4 scale with 4 as the best)
2. Those who have taken either a full semester personal finance/personal money management course in either high school or college are more likely to have a credit card than those who have not (1-2 scale with 2 as having a credit card)
3. Those who have taken a class on personal finance/personal money management while in college or high school feel that they are better able to handle their finances than those who have not (1-4 scale with 4 as the best)
4. Those who have taken a class on personal finance/personal money management or a class which contained personal finance while in college or high school feel that they are better able to handle their finances than those who have not (1-4 scale with 4 as the best)
5. Those who have taken either a full semester personal finance/personal money management course or a course which contained a section of personal finance while in college are more likely to have a credit card than those who have not
6. Those who have taken a class on personal finance/personal money management or a class which contained personal finance while in college feel that they are better able to handle their finances than those who have not

Table 7				
Affects of Taking Personal Financial Courses on Personal Financial Behaviors				
Reference Number	Scale of Means	Mean Score of Higher Score	Mean Score of Lower Score	T-Test Significance
1	1-4 scale with 4 as the best	3.15	2.76	.020 – One tailed
2	1-2 scale with 2 as having a credit card	1.7326	1.5605	.006 – Two tailed
3	1-4 scale with 4 as the best	2.99	2.70	.010 – One tailed
4	1-4 scale with 4 as the best	2.94	2.65	.008 – One tailed
5	1-2 scale with 2 as having a credit card	1.7834	1.5781	.003 – Two tailed
6	1-4 scale with 4 as the best	3.12	2.72	.003 – One tailed

The results are fairly similar for all of these outcomes. They vary based they type of personal financial course but come up with similar conclusions overall. Taking a personal finance course improves confidence in students' abilities to handle their finances. The Freddie Max Consumer Credit Survey done in 1999 found that confidence and a broad understanding are important predictors of successful financial outcomes, which supports this outcome to be important in terms of future financial behaviors (Braunstein, 2002, p. 452). It also makes it more likely that the student has gotten a credit card. This is probably because taking the course gives them greater knowledge about how credit cards work making them more confident in their

ability to handle them responsibly. Owning a credit card isn't necessarily a good or bad financial behavior as credit cards can be used for both positive and negative ways.

### *Other Findings*

The survey did come up with some other interesting information. Only 33% of students were aware that UNI offers a personal finance course. Sixty-five percent did not know if UNI did or not and 2% thought that it did not offer one. This indicates that it is relatively unknown that the course even exists. Even though it is relatively unknown, 53% of participants indicated an interest in taking such a course. This indicates that something should be done to let more people know about it so that they can take advantage of the course which is available to them.

Credit card debt is a problem for some students. Twenty-four percent of students taking the survey who have credit cards say they usually to almost always have a balance on their credit cards and 35% currently have a balance on their credit cards. Fourteen percent of the students currently owe over \$1,000 on their credit cards. This is something that can easily spiral out of control if students aren't careful.

## **Conclusions**

This research was able to determine that taking a personal financial course has a positive affect on personal financial knowledge. If students who have taken any personal finance course are grouped together and compared to those who have never had a course, those who have taken a personal financial course have a higher level of personal financial knowledge.

This study was able to provide evidence that taking a personal financial course increases confidence in student's abilities to handle their finances. While it didn't directly find increases in personal financial behaviors, the level of confidence is an important indicator of future financial behaviors.

It was found that an increase in personal financial knowledge also leads to an increase in student's confidence in their abilities to handle their finances. An increase in personal financial knowledge also leads to lower levels of expected debt in student loans upon graduation. This suggests that it does increase personal financial behaviors. Students with higher levels of financial knowledge must be better able to budget themselves while in college or be able to come up the money in other ways such as working or scholarships.

This survey did face some limitations which could be addressed by future research in this area. The sample selection may have been biased because of the way the survey was distributed. The survey was distributed online to students' UNI personalized homepage and students could choose if they would like to take it. This could have made it more likely for people who found the topic interesting to participate in the survey than others. The survey also could have been improved with a larger sample size which could make it easier to statistically distinguish between differences in results. Further research into effective ways of measuring financial knowledge could improve future studies as well. A longer term study may also be able to provide better information about the effects of personal financial courses and the levels of financial knowledge on financial behaviors. Asking about financial behaviors while still in college may not be an accurate representation of the effects since many students may have not yet had the chance to put the knowledge to much practical use.



These outcomes overall suggest that personal finance courses are significant in increasing personal financial knowledge and behaviors. In a society which expects people to be able to take care of themselves financially, a personal financial course should be an important part of any student's curricula.

## Literature Cited

- 2008-2009 UNI Factbook. Retrieved March 20, 2008, from UNI Institutional Research Website:  
[http://www.ir.uni.edu/dbWeb/pdf/facts/factbook\\_0809.pdf?CFID=34090&CFTOKEN=47303952](http://www.ir.uni.edu/dbWeb/pdf/facts/factbook_0809.pdf?CFID=34090&CFTOKEN=47303952)
- 2008 JumpStart High School Senior Questionnaire. Retrieved Oct. 5, 2008, from Jump Start Website: <http://www.jumpstart.org/fileindex.cfm>
- 2008 Survey of Personal Financial Literacy Among College Students. Retrieved Oct. 5, 2008, from Jump Start Website: <http://www.jumpstart.org/fileindex.cfm>
- Associated Press. (April 6, 2006). Teens still lack financial literacy, survey finds. Retrieved October 5, 2008, from MSNBC Web site: <http://www.msnbc.msn.com/id/12168872/>
- Braunstein, S., Welch, C. (2002, November). Financial literacy: An overview of practice, research, and policy. *Federal Reserve Bulletin*, 88, Retrieved October 5, 2008, from Federal Reserve <http://www.federalreserve.gov/pubs/bulletin/2002/1102lead.pdf>
- Chen, H., Volpe, R. (1998). An analysis of personal financial literacy among college students. *Financial Services Review*, 7, Retrieved October 5, 2008, from [http://findarticles.com/p/articles/mi\\_qa3743/is\\_/ai\\_n8804186](http://findarticles.com/p/articles/mi_qa3743/is_/ai_n8804186)
- Hoffman, E. (April 9, 2008). Financial Literacy Still Declining among High School Seniors, JumpStart Coalition's 2008 Survey Shows. Retrieved October 5, 2008, from Jump Start Web site: <http://www.jumpstart.org/news.cfm>
- JumpStart Coalition: State Requirements. Retrieved October 5, 2008, from Jump Start Web site: [http://www.jumpstart.org/state\\_legislation/index.cfm](http://www.jumpstart.org/state_legislation/index.cfm)
- Lucey, T. (Summer 2005). Assessing the Reliability and Validity of the JumpStart Survey of Financial Literacy. *Journal of Family and Economic Issues*. 26(2).
- Lusardi, A., Mitchell, O. (January 2007). Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education. *Business Economics*. 42, 35-44.
- Making the Case for Financial Literacy - 2008. (2008). Retrieved October 5, 2008, from Jump Start Web site: <http://www.jumpstart.org/fileindex.cfm>
- Newswise, (October 5, 2007). Financial Literacy Key to Prevent College Student Credit Card Debt. Retrieved October 5, 2008, from Newswise Web site: <http://www.newswise.com/articles/view/534061/>

Princeton Survey Research Associates International (April 29, 2008). 2008 Financial Literacy Survey. Retrieved October 20, 2008, from National Foundation for Credit Counseling Web site: <http://www.nfcc.org/2008FinancialLiteracy.pdf>

Soto, Michelle (October 23, 2006). One-Third of College Upperclassmen Admit Being Financially Unprepared as Freshmen. Retrieved October 5, 2008, from Harris Interactive Web site: <http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=1108>

## Appendix

### Personal Financial Knowledge of College Students – Results and Survey Instrument Honors Thesis - Adam Moehn

Average Score: 66.6%

#### Test

*Note: \* denotes the correct answer*

*Percentages are the percent that marked that answer as the correct answer*

1. On average, about how much more does a college graduate make than a high school graduate per year?

1.6% -\$0

25.3% -\$10,000

64.1% -\$30,000\*

9.0% -\$60,000

2. By law, which type of insurance must you have in order to drive an automobile on public roads?

3.3% -Comprehensive

0.4% -Health

83.3% -Liability\*

13.1% -Collision

3. A woman wants to invest \$5,000 for her child so that he can go to college in 18 years. Which type of investment would be most likely to have the largest increase in value within that time period?

38.0% -Government Savings Bonds

29.8% -Stock\*

19.2% -Corporate Bonds

13.1% -A Savings Account

4. Which type of loan would most likely charge the highest annual interest rate?

4.5% -Car Loan

11.0% -Home Mortgage Loan

80.4% -Credit Card\*

4.1% -Student Loan

5. You have \$2,000 which you would like to use to help pay for next semester's tuition due 6 months from now. Where would be the best place to put the money?

- 3.3% -Invested in Stock
- 79.1% -In a Savings Account\*
- 16.8% -Invested in Corporate Bonds
- 0.8% -Hidden at Your House

6. If the American bank where you had a savings or checking account were to go out of business, what would happen to your money in those accounts?

- 0.8% -A bank can't go out of business
- 1.2% -You lose all your money
- 11.9% -You might get back some of it when the bank liquidates its assets but that is all
- 86.1% -The government insures your money so you will get it all back up to \$250,000\*

7. Homeowners insurance usually does NOT cover what?

- 0.4% -Fire
- 12.8% -Theft
- 72% -Flooding\*
- 14.8% -Hail

8. You put \$100 in a savings account which earns 5% per year compounded annually and leave the money in it for 2 years. How much money will be in your savings account after 2 years?

- 0.0% - \$100.00
- 4.1% - \$105.00
- 31.4% - \$110.00
- 64.5% - \$110.25\*

9. John has \$1,000 in a mutual fund that invests in companies generating earnings that are paid in a foreign currency. If the value of the dollar falls against that foreign currency, what happens to the value of his investment if everything else stays the same?

- 10.2% -It stays at \$1,000
- 28.7% -It increases\*
- 54.5% -It decreases
- 6.6% -It could increase or decrease

10. Paul and Jack both have the same credit score and earn the same amount of money. Paul wants to borrow \$5,000 for a vacation. Jack wants to borrow \$5,000 to buy a car. Who will most likely pay the lower interest rate on their loan?

- 4.1% -They should both have the same interest rate since they have similar financial backgrounds
- 3.7% -They should both have the same interest rate because it would be illegal to charge them different rates
- 7.0% -Paul would pay a lower rate because taking a vacation shows that he is a better risk
- 85.1% -Jack would pay a lower rate because he can use the car as collateral\*

11. Which best describes your rights in being able to check your credit report for errors?

- 25.3% -You can check it as often as you like for free
- 68.9% -You can check it once per year for each credit bureau for free\*

- 5.0% -You can check it only if you have been denied credit because of your credit report
- 0.8% -You don't have the right to check it

12. What does the annual percentage rate (APR) for a loan mean?

- 7.1% -It is the total amount of interest and fees that you will pay for the entire life of your loan
- 5.0% -It is the total amount of interest that you will pay for the entire life of your loan but doesn't take fees into account
- 27.3% -It is the amount of interest that you will pay on your loan each year and takes most fees into account\*
- 60.5% - It is the amount of interest that you will pay on your loan each year but doesn't take most fees into account

13. Which of these people would probably need the most life insurance? (i.e. Largest dollar amount of death benefit payable from life insurance)

- 2.1% -A middle aged married man with no children
- 19.7% -An elderly man who is retired with his wife who also is retired
- 1.3% -A young single man with no children
- 77.0% -A young single woman with 2 children\*

14. Mary worked her way through college earning \$10,000 per year. Now she is working full time earning \$35,000. About how much money will she have to pay in income tax compared to before?

- 61.5% -She will pay at least twice what she was paying before\*
- 32.6% -She will pay a little more than she was paying before
- 3.3% -She will pay the same amount as before
- 2.5% -She will pay less than she was paying before

15. Which type of people would a period of high inflation (i.e. rapidly increasing consumer prices) cause the most problem for?

- 3.8% -Young single people
- 12.1% -Middle aged people with children
- 2.9% -Older people saving for their retirement
- 81.2% -Retired people living on a fixed income\*

16. Sarah wants to save up \$600 for a new television. She earns \$2,100 per month in take home pay. Each month she spends \$1000 on rent, \$200 on groceries, \$300 for transportation, and \$400 on everything else. How many months will it take to save enough for the television?

- 0.8% -1 Month
- 7.9% -2 Months
- 88.8% -3 Months\*
- 2.5% -4 Months

17. Ashley and Carol are saving for their retirement. Ashley starts saving when she is 25 and saves \$2,500 per year for 40 years. Carol starts saving when she is 45 and saves \$5,000 per year for 20 years. Who will most likely have more money when they retire?

- 13.8% -They will have the same amount because they saved the same amount

- 3.8% -Carol will have more because she saved more per year
- 70.0% -Ashley will have more because of compound interest since she has been saving for longer\*
- 12.5% -There is not enough information to know

18. Your credit card is stolen. \$2,000 is spent by the thief using it but you notified the issuer that it was missing as soon as you noticed. What is the maximum loss due to the theft you will be liable for according to Federal law?

- 54.1% -\$0
- 16.5% -\$50\*
- 10.7% -\$1,000
- 18.6% -\$2,000

19. What are you responsible for if you co-sign a loan for a friend?

- 0.8% -You must make all the payments for the loan instead of your friend
- 94.2% -You are responsible for the payments if your friend doesn't pay\*
- 2.9% -You must pay the loan fees but aren't responsible for anything else
- 2.1% -You aren't responsible for anything

20. Which is true about sales tax?

- 24.1% -The national rate is 5%
- 1.7% -It can be reduced if you have low income
- 1.7% -It is deducted from your paycheck
- 72.6% -It makes purchasing things more expensive\*

## Behaviors

*Percentages are the average score for participants that marked that answer  
Standard Deviation is in points out of the 20 possible*

21. How do you keep track of your finances?

1. I don't/hardly keep track of my finances
2. Informally; I have a rough idea of how much I can spend each month
3. I keep simple records with estimates of my spending and budget
4. I keep very detailed records of my spending and budget

Q21 Answer	Score	n	Std. Dev.
1	65.75%	25	2.35429027
2	65.46%	72	2.33343001
3	68.01%	76	2.45468896
4	66.51%	67	2.89416452
Total	66.59%	240	2.5341837

22. Which best describes how you make payments on your credit cards?

1. I don't have credit cards
2. I always pay off the total balance each month
3. I sometimes don't pay off the total balance if I'm short on money that month
4. I usually have a balance on the credit card but sometimes pay it off
5. I almost never am able to completely pay off my credit cards, but try to pay them down when I can
6. I usually only pay the minimum required payment each month

Q22 Answer	Score	n	Std. Dev.
1	62.62%	92	2.50226592
2	69.42%	101	2.62450671
3	68.55%	11	1.75701451
4	69.17%	18	1.85504083
5	70.19%	11	1.62727882
6	67.36%	7	1.73958534
Total	66.73%	240	2.50105934

23. About how much money do you currently have in credit card debt?

1. I don't have credit cards
2. None, I pay it off every month
3. Less than \$500
4. \$500-\$1,000
5. \$1,000-\$2,500
6. \$2,500-\$5,000
7. \$5,000-\$7,500
8. \$7,500-\$10,000
9. Greater than \$10,000

Q23 Answer	Score	n	Std. Dev.
1	62.41%	90	2.50759453
2	68.78%	98	2.66025409
3	69.78%	23	2.24576897
4	64.52%	8	1.54357597
5	71.11%	9	1.30170828
6	69.70%	5	1.67868997
7	65.00%	2	0
8	80.00%	2	1.41421356
9	72.68%	3	2.33966522
Total	66.56%	240	2.5320414

24. About how much do you estimate you will owe in student loans upon your graduation?

1. Nothing



2. Less than \$5,000
3. \$5,000-\$10,000
4. \$10,000-\$15,000
5. \$15,000-\$20,000
6. \$20,000-\$25,000
7. \$25,000-\$30,000
8. \$30,000-\$35,000
9. \$35,000-\$40,000
10. Greater than \$40,000
11. I don't know

Q24 Answer	Score	n	Std. Dev.
1	68.48%	55	2.89450812
2	71.71%	19	2.82518612
3	70.54%	20	1.63751183
4	65.57%	26	2.0126581
5	64.69%	26	2.47886751
6	66.48%	22	2.41460119
7	62.54%	17	2.43334193
8	63.86%	9	2.64603687
9	61.80%	16	2.11427046
10	65.39%	21	2.66609756
11	66.14%	10	2.90473961
Total	66.60%	241	2.52909756

25. Have you ever written a check which bounced (it was returned for insufficient funds)?

1. I don't have a checking account
2. Never
3. Once or twice
4. About once or twice per year
5. More than once or twice per year

Q25 Answer	Score	n	Std. Dev.
1	56.25%	4	2.62995564
2	66.59%	191	2.56126826
3	66.75%	38	2.43764772
4	69.79%	5	1.92193132
5	73.33%	3	2.081666
Total	66.60%	241	2.52909756

26. Overall, how well do you feel you know how to handle your finances?

1. Not very well

- 2. Somewhat well
- 3. Moderately well
- 4. Very well

Q26 Answer	Score	n	Std. Dev.
1	60.52%	24	2.13435422
2	68.03%	58	2.09110579
3	64.93%	98	2.54183447
4	70.30%	61	2.79828928
Total	66.60%	241	2.52909756

### Demographics

*Percentages are the average score for participants that marked that answer  
Standard Deviation is in points out of the 20 possible*

27. Which of the following courses have you taken while in high school? Check all that apply
1. A course on personal finance/personal money management

Q27-1	Score	n	Std. Dev.
No	66.13%	174	2.49734
Yes	67.74%	69	2.598622
Total	66.58%	243	2.525345

2. A course which contained a section on personal finance/personal money management

Q27-2	Score	n	Std. Dev.
No	66.26%	174	2.580529
Yes	67.40%	69	2.39087
Total	66.58%	243	2.525345

3. A course on Economics

Q27-3	Score	n	Std. Dev.
No	66.29%	127	2.407337
Yes	66.90%	116	2.657591
Total	66.58%	243	2.525345

4. A course on Accounting

Q27-4	Score	n	Std. Dev.
No	66.41%	169	2.461808
Yes	66.99%	74	2.680356

Total	66.58%	243	2.525345
-------	--------	-----	----------

5. A course in which you played a stock market game

Q27-5	Score	n	Std. Dev.
No	65.65%	157	2.573924
Yes	68.29%	86	2.411538
Total	66.58%	243	2.525345

28. Which of the following courses have you taken while in college? Check all that apply

1. A course on personal finance/personal money management

Q28-1	Score	n	Std. Dev.
No	66.18%	216	2.457869
Yes	69.81%	27	2.986376
Total	66.58%	243	2.525345

2. A course which contained a section on personal finance/personal money management

Q28-2	Score	n	Std. Dev.
No	66.35%	207	2.387835
Yes	67.95%	36	3.231947
Total	66.58%	243	2.525345

3. A course on Economics

Q28-3	Score	n	Std. Dev.
No	63.43%	118	2.533242
Yes	69.57%	125	2.377604
Total	66.58%	243	2.525345

4. A course on Accounting

Q28-4	Score	n	Std. Dev.
No	64.65%	157	2.455477
Yes	70.11%	86	2.512168
Total	66.58%	243	2.525345

5. A course on Finance

Q28-5	Score	n	Std. Dev.
No	65.25%	185	2.442561
Yes	70.83%	58	2.617816

Total	66.58%	243	2.525345
-------	--------	-----	----------

6. A course in which you played a stock market game

Q28-6	Score	n	Std. Dev.
No	0.661666	223	2.533204
Yes	0.7125	20	2.291288
Total	0.66585	243	2.525345

29. Do you know if your university offers a course on personal finance?

1. No it doesn't
2. Yes it does
3. I don't know if it does or doesn't

Q29 Answers	Score	n	Std. Dev.
1	67.00%	5	1.140175
2	65.67%	79	2.84142
3	67.05%	157	2.396792
Total	66.60%	241	2.529098

30. Would you be interested in taking a course on personal finance if one were to be available?

1. Yes, I would be interested
2. No, because I have already taken one
3. No, I wouldn't be interested

Q30 Answers	Score	n	Std. Dev.
1	66.45%	127	2.407023
2	70.57%	33	2.655042
3	65.22%	80	2.644286
Total	66.60%	240	2.534298

31. Did your parents ever teach you personal finance/money management skills?

1. No
2. They taught me a little
3. They taught me some
4. They taught me a lot

Q31 Answers	Score	n	Std. Dev.
1	65.61%	24	2.405821
2	70.46%	46	2.214882
3	64.87%	103	2.732591
4	66.95%	68	2.376747

Total	66.60%	241	2.529098
-------	--------	-----	----------

32. Who primarily handles your finances?

1. I do
2. My parents
3. Another relative or friend
4. An accountant or other financial professional

Q32 Answers	Score	n	Std. Dev.
1	67.93%	186	2.308021
2	61.14%	50	2.879862
3	50.00%	2	1.414214
4	86.02%	3	0.716961
Total	66.60%	241	2.529098

33. How much do you estimate your parents' income was last year? Consider all sources of income before taxes.

1. Less than \$25,000
2. \$25,000-\$50,000
3. \$50,000-\$74,999
4. \$75,000-\$100,000
5. Over \$100,000
6. Don't know

Q33 Answers	Score	n	Std. Dev.
1	65.63%	8	2.03101
2	63.17%	43	2.547118
3	65.21%	62	2.161365
4	69.27%	53	2.746789
5	68.01%	51	2.414392
6	67.76%	24	3.08682
Total	66.60%	241	2.529098

## Personal Financial Knowledge

You are invited to participate in a survey as part of an honors thesis. The purpose of the survey is to determine what affects the personal financial knowledge of undergraduate college students. The survey will take approximately 10 minutes to complete and all of your responses will be kept confidential and will not be attributed to you personally. The first section of this survey asks questions similar to a quiz or test and the second section asks general questions about your financial experiences.

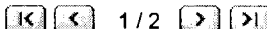
There are very little risks involved in completing this survey. Some participants may feel some degree of stress or discomfort in answering the questions however the impact of this will be minimal. Participants will receive no direct benefit from their participation.

We thank you in advance for your time and input. If you have any questions about the survey or would like the correct answers to the test section of the survey, please contact Adam Moehn at amoehn@uni.edu. You may also contact the IRB Human Participants Coordinator at 319-273-6148 for more information.

By completing this survey you indicate that you are fully aware of the nature and extent of your participation in this project as stated and the possible risks arising from it. You are agreeing to participate in the research project and acknowledge that you are 18 years of age or older. Please print a copy of this form for your records or future reference.

---

Page 1

 1 / 2

---

1) On average, about how much more does a college graduate make than a high school graduate per year? (Check only one.)

- \$0
- \$10,000
- \$30,000
- \$60,000

---

2) By law, which type of insurance must you have in order to drive an automobile on public roads? (Check only one.)

- Comprehensive
- Health
- Liability
- Collision

---

3) A woman wants to invest \$5,000 for her child so that he can go to college in 18 years. Which type of investment would be most likely to have the largest increase in value within that time period? (Check only one.)

- Government Savings Bond
- Stock
- Corporate Bonds
- A Savings Account

---

4) Which type of loan would most likely charge the highest annual interest rate? (Check only one.)

- Car Loan
  - Home Mortgage Loan
  - Credit Card
  - Student Loan
-

5) You have \$2,000 which you would like to use to help pay for next semester's tuition due 6 months from now. Where would be the best place to put the money? (Check only one.)

- Invested in Stock
  - In a Savings Account
  - Invested in Corporate Bonds
  - Hidden at Your House
- 

6) If the American bank where you had a savings or checking account were to go out of business, what would happen to your money in those accounts? (Check only one.)

- A bank can't go out of business
  - You lose all your money
  - You might get back some of it when the bank liquidates its assets but that is all
  - The government insures your money so you will get it all back up to \$250,000
- 

7) Homeowners insurance usually does NOT cover what? (Check only one.)

- Fire
  - Theft
  - Flooding
  - Hail
- 

8) You put \$100 in a savings account which earns 5% per year compounded annually and leave the money in it for 2 years. How much money will be in your savings account after 2 years? (Check only one.)

- \$100.00
  - \$105.00
  - \$110.00
  - \$110.25
- 

9) John has \$1,000 in a mutual fund that invests in companies generating earnings that are paid in a foreign currency. If the value of the dollar falls against that foreign currency, what happens to the value of his investment if everything else stays that same? (Check only one.)

- It stays at \$1,000
  - It increases
  - It decreases
  - It could increase or decrease
- 

10) Paul and Jack both have the same credit score and earn the same amount of money. Paul wants to borrow \$5,000 for a vacation. Jack wants to borrow \$5,000 to buy a car. Who will most likely pay the lower interest rate their loan? (Check only one.)

- They should both have the same interest rate since they have similar financial backgrounds
- They should both have the same interest rate because it would be illegal to charge them different rates
- Paul would pay a lower rate because taking a vacation shows that he is a better risk
- Jack would pay a lower rate because he can use the car as collateral

---

**11) Which best describes your rights in being able to check your credit report for errors? (Check only one.)**

- You can check it as often as you like for free
  - You can check it once per year for each credit bureau for free
  - You can check it only if you have been denied credit because of your credit report
  - You don't have the right to check it
- 

**12) What does the annual percentage rate (APR) for a loan mean? (Check only one.)**

- It is the total amount of interest and fees that you will pay for the entire life of your loan
  - It is the total amount of interest that you will pay for the entire life of your loan but doesn't take fees into account
  - It is the amount of interest that you will pay on your loan each year and takes most fees into account
  - It is the amount of interest that you will pay on your loan each year but doesn't take most fees into account
- 

**13) Which of these people would probably need the most life insurance? (i.e. Largest dollar amount of death benefit payable from life insurance) (Check only one.)**

- A middle aged married man with no children
  - An elderly man who is retired with his wife who is also retired
  - A young single man with no children
  - A young single woman with 2 children
- 

**14) Mary worked her way through college earning \$10,000 per year. Now she is working full time earning \$35,000. About how much money will she have to pay in income tax compared to before? (Check only one.)**

- She will pay at least twice what she was paying before
  - She will pay a little more than she was paying before
  - She will pay the same amount as before
  - She will pay less than she was paying before
- 

**15) Which type of people would a period of high inflation (i.e. rapidly increasing consumer prices) cause the most problem for? (Check only one.)**

- Young single people
  - Middle aged people with children
  - Older people saving for their retirement
  - Retired people living on a fixed income
- 

**16) Sarah wants to save up \$600 for a new television. She earns \$2,100 per month in take home pay. Each month she spends \$1,000 on rent, \$200 on groceries, \$300 for transportation, and \$400 on everything else. How many months will it take to save enough for the television? (Check only one.)**

- 1 Month
- 2 Months
- 3 Months
- 4 Months



---

**17) Ashley and Carol are saving for their retirement. Ashley starts saving when she is 25 and saves \$2,500 per year for 40 years. Carol starts saving when she is 45 and saves \$5,000 per year for 20 years. Who will most likely have more money when they retire? (Check only one.)**

- They will have the same amount because they saved the same amount
  - Carol will have more because she saved more per year
  - Ashley will have more because of compound interest since she has been saving for longer
  - There is not enough information to know
- 

**18) Your credit card is stolen. \$2,000 is spent by the thief using it but you notified the issuer that it was missing as soon as you noticed. What is the maximum loss due to the theft you will be liable for? (Check only one.)**

- \$0
  - \$50
  - \$1,000
  - \$2,000
- 

**19) What are you responsible for if you co-sign a loan for a friend? (Check only one.)**

- You must make all the payments for the loan instead of your friend
  - You are responsible for the payments if your friend doesn't pay
  - You must pay the loan fees but aren't responsible for anything else
  - You aren't responsible for anything
- 

**20) Which is true about sales tax? (Check only one.)**

- The national rate is 5%
  - It can be reduced if you have low income
  - It is deducted from your paycheck
  - It makes purchasing things more expensive
- 

Next

\* - Required

---

**21) How do you keep track of your finances?** *(Check only one.)*

- I don't/hardly keep track of my finances
  - Informally; I have a rough idea of how much I can spend each month
  - I keep simple records with estimates of my spending and budget
  - I keep very detailed records of my spending and budget
- 

**22) Which best describes how you make payments on your credit cards?** *(Check only one.)*

- I don't have credit cards
  - I always pay off the total balance each month
  - I sometimes don't pay off the total balance if I'm short that month
  - I usually have a balance on the credit card but sometimes pay it off
  - I almost never am able to completely pay off my credit cards, but try to pay them down when I can
  - I usually only pay the minimum required payment each month
- 

**23) About how much money do you currently have in credit card debt?** *(Check only one.)*

- I don't have credit cards
  - None, I pay it off every month
  - Less than \$500
  - \$500-\$1,000
  - \$1,000-\$2,500
  - \$2,500-\$5,000
  - \$5,000-\$7,500
  - \$7,500-\$10,000
  - Greater than \$10,000
- 

**24)**  
**About how much do you estimate you will owe in student loans upon your graduation?** *(Check only one.)*

- Nothing
- Less than \$5,000
- \$5,000-\$10,000
- \$10,000-\$15,000
- \$15,000-\$20,000
- \$20,000-\$25,000
- \$25,000-\$30,000
- \$30,000-\$35,000
- \$35,000-\$40,000
- Greater than \$40,000

I don't know

---

**25) Have you ever written a check which bounced (it was returned for insufficient funds)? (Check only one.)**

- I don't have a checking account
  - Never
  - Once or twice
  - About once or twice per year
  - More than once or twice per year
- 

**26) Overall, how well do you feel you know how to handle your finances? (Check only one.)**

- Not very well
  - Somewhat well
  - Moderately well
  - Very well
- 

**27) Which of the following courses have you taken while in high school? (Check all that apply.)**

- A course on personal finance/personal money management
  - A course which contained a section on personal finance/personal money management
  - A course on Economics
  - A course on Accounting
  - A course in which you played a stock market game
- 

**28) Which of the following courses have you taken while in college? (Check all that apply.)**

- A course on personal finance/personal money management
  - A course which contained a section on personal finance/personal money management
  - A course on Economics
  - A course on Accounting
  - A course on Finance
  - A course in which you played a stock market game
- 

**29) Do you know if your university offers a course on personal finance? (Check only one.)**

- No it doesn't
  - Yes it does
  - I don't know if it does or doesn't
- 

**30) Would you be interested in taking a course on personal finance if one were to be available? (Check only one.)**

- Yes, I would be interested
- No, because I have already taken one
- No, I wouldn't be interested

---

**31) Did your parents ever teach you personal finance/money management skills? (Check only one.)**

- No
  - They taught me a little
  - They taught me some
  - They taught me a lot
- 

**32) Who primarily handles your finances? (Check only one.)**

- I do
  - My parents
  - Another relative or friend
  - An accountant or other financial professional
- 

**33) How much do you estimate your parents' income was last year? Consider all sources of income before taxes. (Check only one.)**

- Less than \$25,000
  - \$25,000-\$50,000
  - \$50,000-\$74,999
  - \$75,000-\$100,000
  - Over \$100,000
  - Don't know
- 

Next

\* - Required