



Financial Literacy Among College Students: Comparisons by Gender, Race, Age, and National Norms.

Tommy Taylor, Ph.D., John Thornell,
Ph.D., Molly Vaughn, and Nathan Pitts



Why this topic?

- College students and current financial challenges
 - Outstanding student loans are approaching \$1 trillion
 - Student loan debt is 2nd largest in country behind mortgages
 - Student loans have increased 75% since 2007
 - DOE lending increased from 133 billion to 157 billion in a year
 - 66% of recent college graduates have balances > \$25,000
 - 54% of college students report overdrawn checking accounts
 - 81% underestimated the ‘time to pay off’ for credit cards
 - Since 2000 tuition has increased 72% at public 4-yr schools (adjusted for inflation)



Purpose of the Study

Develop a baseline from which these programs can improve

- Demographic differences
 - Gender
 - Age (traditional/non-traditional)
 - Race (minority/non-minority)
- Compare these results to the national norm



Institutions

- Delta State and North Alabama
 - Regional, public, 4-yr institutions
 - Similar in mission and scope
 - Serve a similar economic student demographic
 - Primarily master's granting degree institutions



Instrument

JumpStart Coalition Survey of Personal Financial Literacy

- Developed in 1997 by Mandell with the Aspen institute
- Nationally recognized assessment
 - 31 item survey
 - Moderately high consistency overall
 - Contains five subscales (these were not evaluated)
 - Measures financial literacy by giving one overall score upon completion



Participants/Procedures

- Full-time undergraduate students
 - 4,000 to 7,000 students between the institutions
- Administered via Qualtrics (UNA) and SurveyMonkey (Delta State)
- Survey data was combined into one dataset
- IBM SPSS Statistical Software was utilized in running a 2x2x2 factorial analysis of variance (ANOVA)
 - The factors were gender, age, and race



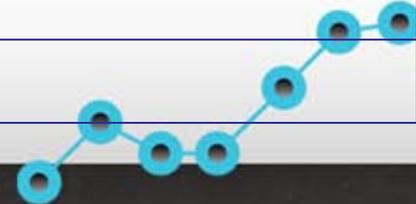
Results

Average Percent Score on Financial Literacy by Gender, Race/Ethnicity, and Age

Gender	Race/Ethnicity	Traditional Age*	Non-traditional Age
Female	Minority**	42.9% (n=78)	57.8% (n=21)
	White	55.2% (n=133)	73.2% (n=26)
Male	Minority**	42.1% (n=26)	68.5% (n=4)
	White	64.6% (n=44)	71.4% (n=7)

* Traditional ages are ages less than 25.

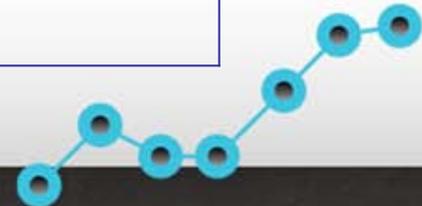
** Minority consists of all races other than "White"



Results compared to National Norm

- Gender

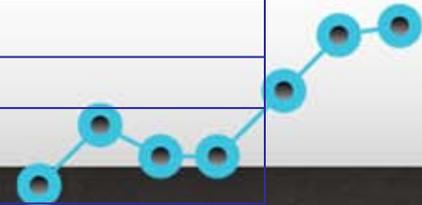
Average Percent Score on Financial Literacy by Gender		
	UNA/Delta St.	National*
Female	53.5 (n=258)	62.6
Male	58.1 (n=81)	59.7
Total	54.6 (n=339)	61.9
* 2008 Jump\$tart survey of College Students (N=1,030)		



Results compared to National Norm

- Race/Ethnicity

Average Percent Score on Financial Literacy by Race/Ethnicity		
	UNA/Delta St.	National*
White	60.0% (n=210)	63.30%
African American	44.5% (n=110)	55.30%
Hispanic	79.0% (n=2)	59.80%
Asian American	46.8% (n=2)	57.10%
American Indian	55.6% (n=4)	-
Other	50.1% (n=11)	-
Minority**	45.9% (n=129)	-
* 2008 Jump\$tart survey of College Students (N=1,030)		
** Minority consists of all races other than "White"		



Discussion

- The sample groups' performance was considerably lower when compared to national data.
 - Could be due to the states assessed not being required to offer a financial literacy course
 - The results suggest that all students could benefit from financial education but while understanding that certain groups, minority and students from 18-24, may need greater opportunity for participation.



Additional Research

- Expanding the demographic variables to include parental education, rural/urban, socioeconomic status, etc.
- Assessing the subscales to see where differences lie in regards to income, money management, saving, spending, and credit.
- Re-assessing in a year to see if students are benefitting from these new programs.

