

College Student's Money Management Skills: A survey Of Florida State University Students

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ABSTARCT

Approximately, 1 in every 10 Americans report that they are not fully confident in their ability to make good financial decisions (National Foundation for Credit Counseling). After the fourth quarter of 2020, student loan debt was about \$1.46 trillion averaging to about \$38,792 per student (debt.org 2021). The President's Advisory Council defines financial literacy as "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being" (2008 Annual Report to the President). While educational resources are available to combat financial illiteracy, it is essential to assess whether these financial education programs work. The researcher developed and employed a survey to Florida State University students with questions pertaining to financial education, family background, financial literacy, savings, investments, debt, and demographic characteristics.

RESEARCH QUESTION

What is the relationship between financial education and financial literacy regarding college students?

HYPOTHESIS

No direct relationship exists between having financial education and being financially literate.

METHODOLOGY

The researcher created a financial literacy survey and deployed it to Florida State University students. Survey questions were developed consistent with the literature in identifying key variables for the study. The survey comprised of four sections: 1) financial education and family financial background; 2) saving, investment, and debt; 3) financial literacy; and 4) demographics. The sample included 33 respondents.

PRELIMINARY RESULTS

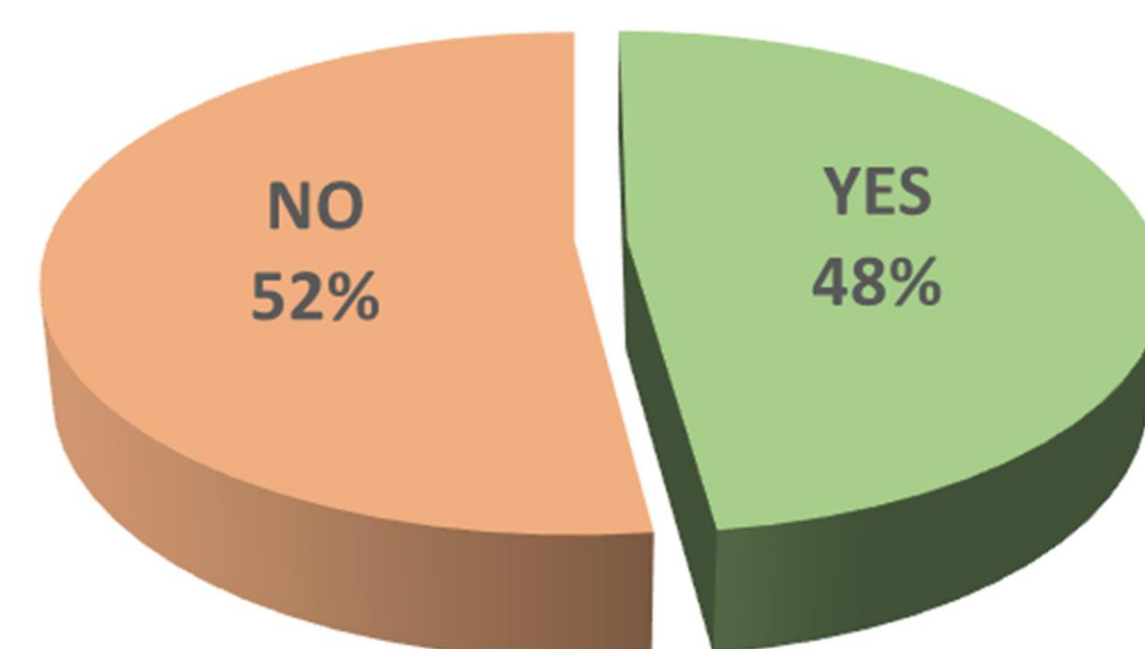


Fig. 1. Only 48% of the sample reported to being financially literate.

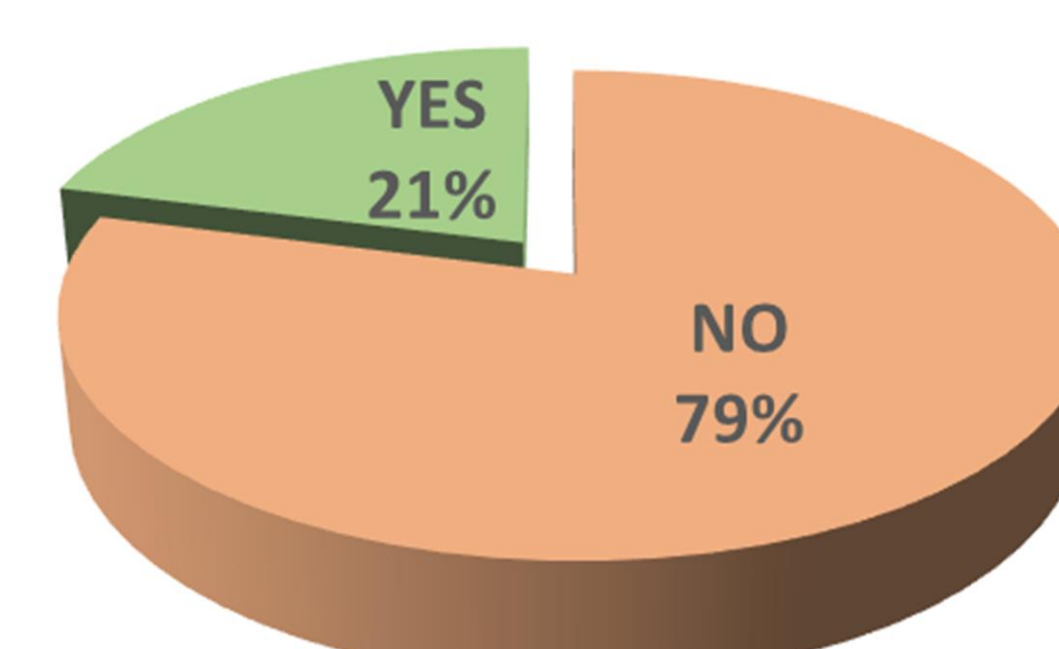


Fig. 2. 79% of the sample said they are not familiar with how the credit score system works.

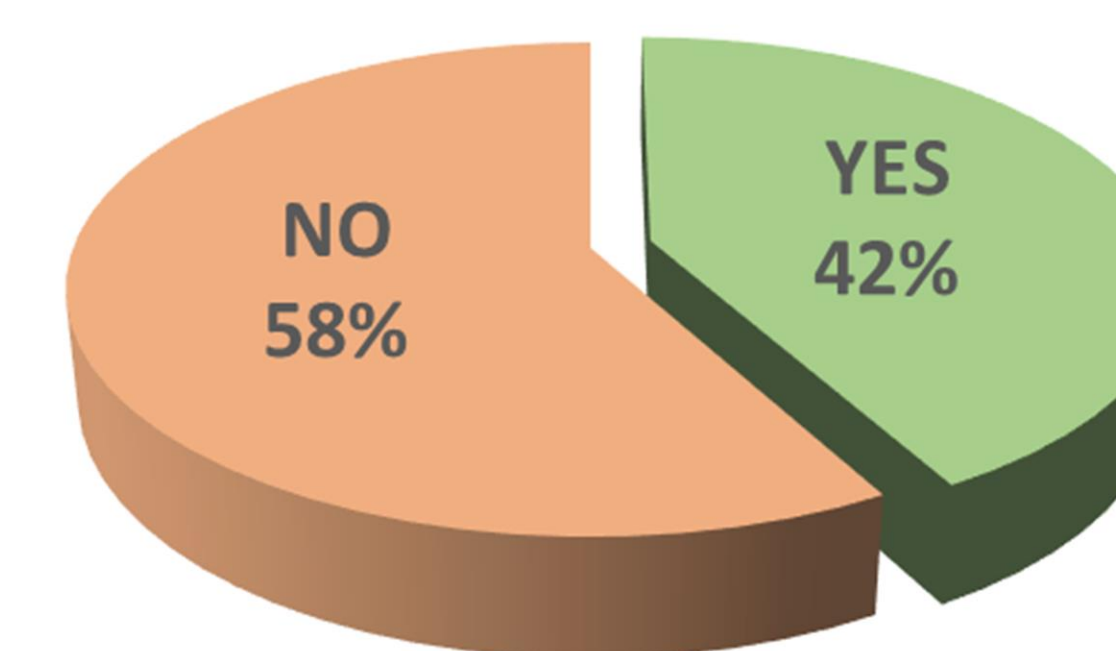


Fig. 3. 58% of the sample said they cannot confidently negotiate fair prices.

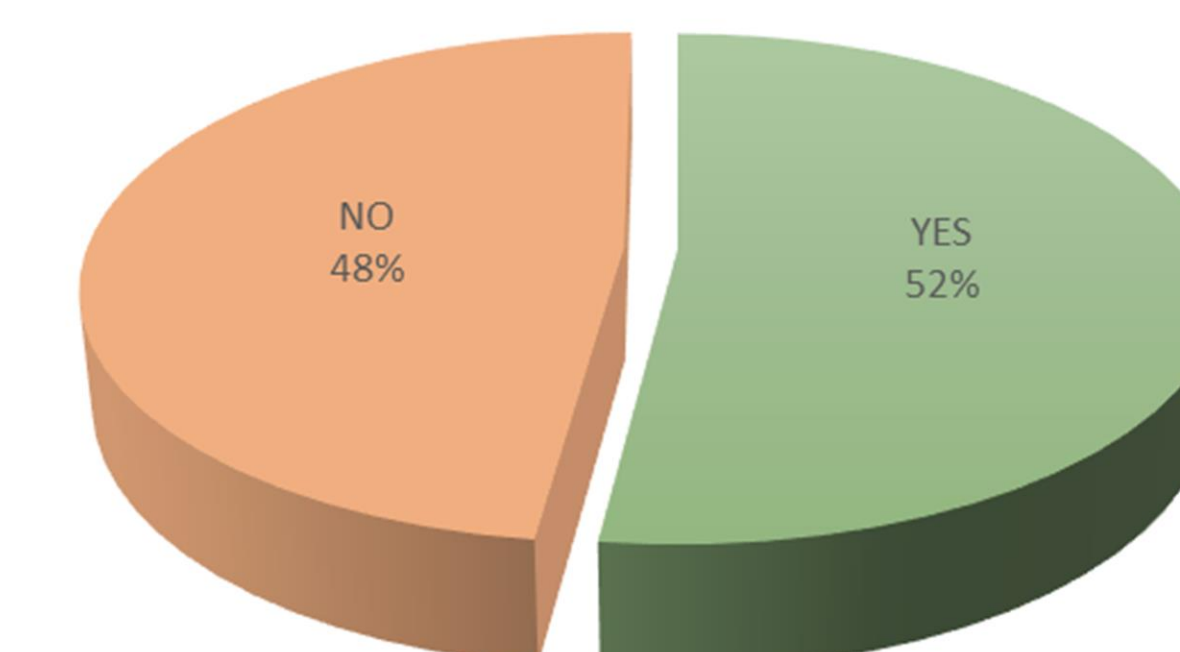


Fig. 4. 48% of the sample reported they do not practice regular saving.

Pearson Product-Momentum Correlation Coefficient Test

Independent Variable	Dependent Variable	Relationship	Significance Level
financial education	financial literacy	small positive	.1
gender	financial literacy	medium positive	.33
budgeting	financial literacy	medium positive	.3
family economic status	financial literacy	small positive	.05

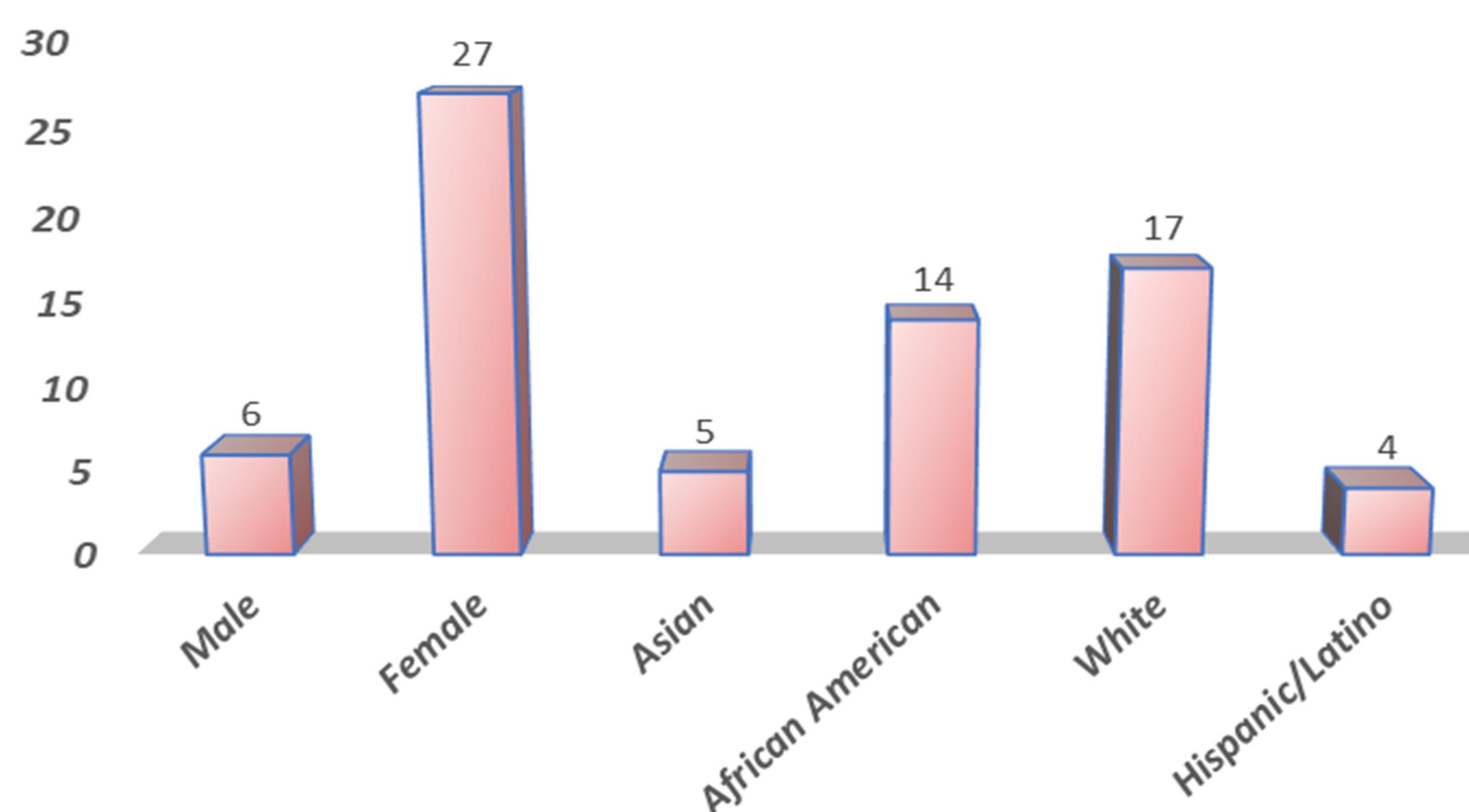


Fig. 5. Survey Demographics (n= 33)

LIMITATIONS

- Due to a low response rate, the sample size was small and skewed in terms of gender.
- The research was also open to bias and untruthfulness from the respondents since the survey was self-reporting.

POLICY RECOMMENDATIONS

- Successful financial education programs should entail a practical component in order to encourage the application of theoretical concepts.
- Future research should also include practical exercises in order to measure how college students apply financial education concepts in their everyday lives.

ACKNOWLEDGEMENT & REFERNCES

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