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Characteristics influencing the financial behaviors of student credit card users at the University of Missouri – Columbia

Credit card debt is continually on the rise within the student population. This study utilizes a sample drawn from the students of the University of Missouri – Columbia to determine how financial behaviors vary by student characteristics, in order to improve financial literacy education efforts of the Personal Financial Planning Department. The financial behaviors analyzed are whether students report making only the minimum payment on their credit card, whether students' credit cards were usually at their maximum level, whether students frequently used a credit card to make payment on another credit card, whether students always paid their credit cards off in full at the end of the month, and students level of agreement on whether they seldom take cash advances on their credit cards. The primary student characteristics of interest, the independent variables, are student's year in school, whether students have taken a personal finance course, current or past membership in a Freshman Interest Group (FIG), current or past membership in a sorority or fraternity, financial independence from their parents, student's total level of debt by category, parental annual income by category, gender, race, and their home residence by type of town. Based on findings, financial literacy education at the University of Missouri - Columbia needs to be directed towards African Americans, women, students with lower GPAs, students from suburban towns, students with more debt, and students whose parents have lower income levels. These results imply that further education targeting these groups can improve the financial management practices of these students while in college, with the hope that financial matters will be less likely to keep them from matriculating toward graduation. The skills learned at the collegiate level can then be carried on throughout life, allowing them to enjoy a life of financial freedom and understanding.