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Making the Dough and Knowing How to Spend it: Students' Understanding of Personal Finance

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Abstract

This paper will explore the responsiveness Bridgewater State University (BSU) students have to the implementation of a personal finance course as part of a graduation requirement for every student. The National Financial Capability Study showed that most young people, 18-34 years old, scored the lowest in a basic financial literacy test. The aim of this paper is to analyze where BSU students stand on financial education while gauging how open students are to take personal finance courses offered on campus. In order to do so; the paper will analyze the students’ financial knowledge, attitudes and other influences to grasp what has shaped students’ established financial education and their current perception of personal finance. To reach these goals, data will be gathered using a 45 question instrument from 500 BSU students. The students will be asked to fill out a survey from the popular website surveymonkey.com. A snowball sample will be used to gather more information as more students fill out the surveys. The expected findings will be that BSU students have the same level of financial literacy as other young people from national surveys. Students are aware of the many current financial issues and would welcome more personal finances courses offered on campus even as a graduation requirement. Another expected finding is that most students may not have received formal financial education programs throughout their lives except for the ones they have sought out or the ones they had learned at home. As a result, the study’s aim will be achieved by proving a strong openness to more financial literacy programs on campus to counter the limited level of financial literacy students may have.

Introduction

In 2003, at a hearing of the subcommittee on education reform, the chairman of the subcommittee made his introduction statement by declaring the following "Now, more than ever, we live in a world that has become increasingly complicated when it comes to personal financial matters" (U.S. House of Representatives Hearing, 2003). The representative, Michael N. Castle, went on and explained why it is more than adequate to focus on teaching financial education to students and American families. However, a meaningful fact to consider is that despite making this statement 11 years ago the "complicated world of personal financial matters" he alluded to has become even more complicated after the recent economic downturn. Indeed, since the 2008 recession, the economy has taken center stage in the minds of many Americans. Even college students are becoming more aware; 67 percent of students entering college in the fall of 2012 specified that the current economic situation affected where they chose to enroll.

By doing so, college students have taken a clear stand on the way they approach their college experience. They showed how conscious they are about the financial repercussions college will have on the rest of their lives. Although they made this first step and chose to "think before they enrolled" college students, or young people in general, may not have the adequate tools to continue on making the most rewarding decisions. Indeed, when assessing financial literacy young people tend to score lower than adults (Financial Capabilities Survey, 2012). Furthermore, student loans are another aspect of the college experience that has created a lot of debate in the past few years, as students question the value of their education in the current labor market.

As many institutions of higher education attract students and promise them that they will help to fulfill their educational goals it is reasonable to ask whether or not Bridgewater State University students would be open to having personal finance as a required course for graduation. Although the institution offers a personal finance course as an elective and offers other educational programs in finance, personal finance is not part of the required courses. Therefore, this study intends to evaluate what students have been taught, what they know about personal finance, and what the institution can do in order to respond to their needs adequately. Exploring previous studies and considering the relevance of the topic, this study also intends to add to the growing number of papers dedicated to exploring personal finance at the college level since it had not been explored often, outside of the context of credit cards or student loans. The main goal of this paper is to show that students respond positively to personal finance courses offered as a requirement and will show their interest through their survey responses.

Literature Review

Since the financial crisis that affected the United States and the global economy between 2007 and 2008, the economy and the American population's personal finance have become important topics which have far reaching repercussions. Indeed, the economic crisis produced feelings of anxiety, panic and fear (Momjiam and Munroe, 2011). In this context, some researchers pointed out that low financial literacy might have somewhat played a role in the financial crisis (Hite, et al, 2011). Furthermore, Alhenawi and Elkhal, (2013) mentioned that many authors such as Anthes (2004), predicted that the U.S. may fall in financial crisis since many lacked financial education. Consequently, the interest to increase financial education has been renewed in the past few years. Alhenawi and Elkhal, (2013) also pointed out that the Federal Reserve highlights the importance of financial literacy as a vital part of the financial well-being of the public sector.

Unsurprisingly, many Americans think that personal finance education should be offered to students since only 17.8 percent of adults agreed that teenagers understand the basics of money management (Financial Capability Survey, Global Literacy Barometer, 2012). With money and the economy at the center of this issue, many organizations have taken or are taking steps to educate the American public. For example, in 2011 the American government established the Consumer Financial Protection Bureau (CFPB) whose mission is to protect and educate American consumers. Harnisch (2010) also added that as far as 2003, Congress approved legislation creating a Financial Literacy and Education Commission, resulting in a central hub for financial education derived from over 20 different federal agencies (mymoney.gov). More recently, Harnisch (2010) added that the Obama administration is continuing this focus on financial literacy and education. The administration is seeking to implement financial literacy into the reauthorization of the Elementary and Secondary Education Act (ESEA), known currently as the No Child Left Behind Act. However, before stepping into the importance of financial literacy it is important to understand what financial literacy signifies.

Financial Literacy

Currently the U.S. Government uses the definition provided by the Jump$tart Coalition for Personal Financial Literacy, which defines financial literacy as the "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." Remund (2010) who reviews many definitions of the concept explains that most definitions fall into different categories such as knowledge of financial concepts, aptitude in managing personal finances, skills in making appropriate financial decisions and confidence in planning effectively for future financial needs.

In both definitions, being able to grasp and interpret information plays a major role because most people need to understand the different concepts of finance and know how and when to apply them to their lives in order to create healthy financial conditions. Planning is also important because by understanding these concepts and applying them, one will be able to understand, plan and make decisions based on acquired knowledge.

College Attendance American and Expectations

For most young Americans, college attendance is widely expected. It is all the more accepted as an effective mean to pursue careers, find jobs and improve one's lifestyle and earning power. Many studies and research reports focus on motivating students to attend college by highlighting its rewards. For example, the Center on Education and the Workforce at Georgetown University, in its report on the benefits of college education, emphasized that over a lifetime, the median earning of a Bachelor's degree holder is worth about $2.3 million. For a Master's degree holder, the amount goes up to about $2.7 million. The amount goes up with the degrees awarded and goes down for those with less education. As it turns out, the median lifetime earnings for someone with less than a high school degree is about $973,000 and for someone with a high school diploma it goes up to $1,304,000. These numbers provide an idea of how impactful a high school education can be and how lifetime earnings may increase further with a college degree. Although a college education may have other significant impacts on one's life, income generated by a college degree generally demonstrates the tangible benefits of college attendance. Therefore, it is not surprising that many parents and students still use these numbers to find motivation and take the path to earn a college degree. According to a recent report by the Higher Education Research Institute (HERI), many incoming students also said the ability "to make more money" was a very important reason to attend college; this percentage rose from 71.7 percent in 2011 to 74.6 percent in 2012. Following the same trend, many students cited "to be able to get a better job" as a very important reason for attending college, a number that reached an all-time high of 87.9 percent in 2012, an increase from 85.9 percent in 2011 (CIRP Freshman Survey 2012).

Economic Realities of College Attendance and Students' Responses

In this context, American universities have an important mission to deliver the best possible education to students in order to generate the best possible outcomes for American families. Since so many families focus on the way their sons and daughters can increase their income over time, money is at the center of every debate when college education enters the conversation. Indeed, the affordability of college is one of the major issues many students keep in mind when making their college choice. As a result, two out of three first year students, 66.6 percent, mentioned that current economic conditions significantly affected their college choice (CIRP Freshman Survey, 2012). Furthermore, this survey found that fewer students, 59.3 percent, were attending their first choice school even though 76.7 percent of these students were accepted to their first choice school. Also, when considering the cost and how they could afford college, 43 percent of students decided where they were going to college based on how much the school would cost.

The responses college students give when considering the economic side of college choice reveal how pivotal money and finances are to college students. Indeed, a large majority of students, 88 percent, attend college to find a good job. This number added to the 74. 6 percent of students, who mentioned that making money was important, to join the 81 percent of students who responded that being well of financial was one of their personal goals (CIRP Freshman Survey, 2012). From these responses, where and why they choose certain schools, to what they expect to receive from their education, students have shown that college is as much about learning as it is about understanding what the economic repercussions their decisions may incur. In this context, one can safely conclude that managing and understanding these financial decisions are at the top of every student's list and deeply entrenched in the curricula of every institution of higher education.

Financial Knowledge in the United States

Even though many college students express their need to make money and be well off financially, many students' reflect the American population's lack of an appropriate level of financial literacy in order to effectively manage money. According to a national financial literacy survey, only 42 percent of 18 to 34 year olds responded to financial knowledge questions with the right answers compared to 64 percent in the 35 to 55 age range and 76 percent in the 55+ age range (National Financial Capabilities Survey, 2013). These numbers tell an interesting story of the level of financial literacy in the United States. Indeed, in 2011 and 2012, 40 percent of parents gave themselves a grade of C, D or F on their knowledge of financial literacy and 78 percent of them accepted that they would welcome and benefit from help with day to day financial questions from professionals (NFCC Financial Literacy Survey, 2013). This number is significantly different from 2010 when 2 out 3 adults gave themselves an A or B (NFCC Financial Literacy Survey, 2013). In a different take on the same subject another survey found that a clear disconnect exists between people’s self-perception of their financial knowledge and their actions. As a matter of fact, the study reports that, when asked how good they are at dealing with day-to-day financial matters (such as managing checking accounts and credit cards), a large majority of Americans rated themselves positively (76%). However, even among the 41% of respondents who gave themselves the highest score (7 on a 7-point scale), nearly one-third (31%) engage in costly credit card behaviors (paying the minimum payment, paying late fees, paying over the limit fees, or using the card for cash advances), 22% use non-bank borrowing methods and 14% overdraw their checking account (Financial Capability Study, 2013). These statistics paint a grim picture of what financial literacy advocate, John Hope calls it “the next civil rights issue in America and worldwide. Mr. Hope explains that every race needs the tools to innovate in the economy by understanding the language of money and financial literacy (Arthur, 2011). As many Americans struggle with financial literacy issues college students encounter the same issues.

College Students and Financial Literacy

Cull and Whitton’s (2011) research on financial literacy of college students indicated that previous studies such as Chen and Volpe, (1998) and Marriott, (2005) have pointed out a clear void in research specifically related to the financial literature of college students in the literature. Indeed, one of the earliest studies of financial literacy in college students was conducted by Chen and Volpe in 1998. These researchers found that only 53 percent of students responded correctly to financial knowledge questions and determined that students needed improve their knowledge of personal finance (Chen and Volpe, 1998). In the same manner, other researchers also called to attention the focus of many studies on the financial literacy of high school students and the impact of credit cards on college students instead of gauging young people's financial literacy level. As an example, these researchers singled out the Jump$tart Coalition for Personal Financial Literacy which administers a survey to high school seniors every two years (Cude, Lawrence, Lejeune, Lyons, Marks, Machtmes, Metzger, 2006). Cude et. al. (2006) added that every year high school students reported failing grades at many level of the survey. In 2004, the mean score was 52.3 percent (Cude et. al, 2006). The next time the survey was administered, in 2006, the mean score was 52.4 percent according to the report by the Jumpstart survey results and fell to 48.3 percent in 2008 (Financial Literacy of American Young Adults, 2008).

Starting in 2008 the Jump$tart survey was also given to college students who performed well and provided some compelling results to the financial literacy literature. Indeed, the Jump$tart coalition explained that college students performed significantly better than high school students. In other words, they were 15 percentage points higher than high school students since the college students' average score were 62.2 percent. Although this number is high compared to high school students, the Jump$tart coalition indicated that only 28 percent of Americans graduate from college. As a result, three quarters of Americans could be unprepared to handle their financial life, which in turn explains why the Financial Capability Survey found that most young adults scored lower than other group ages in financial knowledge tests. Another issue to keep in mind is that many Americans do not receive any formal financial education. Indeed, 60 percent of Americans responded "No" when they were asked if financial education was offered at their school, college or workplace. An overwhelming majority responded that financial education should be taught in schools, 89 percent (Financial Capabilities Survey, 2008). Therefore, even though the Jump$tart survey reports these favorable numbers college students should be able to receive adequate financial education in order to decrease the amount of young people who are more than ill equipped to face the difficult task of managing different aspect of their finances.

The Role of Universities

Financial education has not been as widespread as one may expect it to be. Although many school districts and universities are attempting to change this trend, an extensive amount of work needs to be done in order to create effective financial education programs that would accompany the growing need students have to make money and ensure they know how to manage what they earn or will earn. Financial education and protection has morphed into a controversial topic in the past few years due to the far reaching consequences of the recent economic downturn. At the high school level many states have taken some steps to strengthen students' financial readiness. According to a report from the Center for Financial literacy at Champlain College, only 4 states in the U.S. required a standalone financial instruction course over a semester a graduation requirement. Furthermore, the report could only give A and B scores to 14 states who had a personal finance course offered as a requirement.

Since these efforts are only at the high school level, colleges and universities may have a role to play if they take some steps in ensuring that college students receive personal finance education at the college level because so many students receive no instruction in high school, as previous research has indicated. In fact, Jorgensen and Savla, (2010) indicated that most financial literacy topics are expected to be learned at home even when parents may not know these concepts. This is where college universities would fill a blatant gap. Pelletier, (2013) explained that students do not receive financial education from universities since few have it as a graduation requirement and some others only have it as an elective. Blanton (2011) added that while no central database of institutions that offer personal finance courses exists, the Financial Security Project at Boston College identified more than 100 U.S. colleges and universities that offer for-credit courses in personal finance. Many have adopted them during the past five to seven years. Furthermore, Blanton (2011) added that another study found that participating in a personal finance class in college appears more effective in terms of enhancing one's investment knowledge than participating in a high school finance course. The authors explained that students were more likely to engage and learn the basics of money management since they had jobs and were handling their own finances. Therefore, they understood how they could use what they learned in the classroom in a practical way. However, some other studies question the effectiveness of personal finance courses. Blanton (2011) mentioned that Lewis Mandell a finance professor at University of Washington found that after taking personal finance courses students' literacy rate did not significantly change. In other words, his approach questioned the effectiveness of personal finance courses. But, the professor concluded that students in many various fields of studies such as science or social science were the most financially literate because financial literacy was closely related to the ability to solve problems instead of accumulate content. Therefore, it is more than safe to say that a college education that emphasizes other subjects coupled with finding solutions for personal finance problems would benefit students greatly. Harnisch (2010) proposed some steps universities should take in order to promote financial literacy, including increasing the number of personal finance courses offered, start new offices with the sole goal of promoting financial literacy and integrating it to the curriculum. Some of these propositions would be important steps in colleges showing their response to what students need.

Why College Students Need Financial Education

As mentioned earlier college education's costs keep on increasing and college students are aware of this trend. To counteract the increasing cost of the now almost "*required*" college education, students tend to make college choices based on financial aid packages and making the most financially affordable choice. The Higher Education Research Institute advanced that 42 percent of students said that cost was "very important" in making their college choice. After enrolling in college, students have to start making many financial decisions as they move forward. Indeed, many college students work full time or part time. Renn and Reason, (2013) explain that a little over three quarters of college students worked a least part time in 2008. They continue and added that the number of hours depended on the type of institution these students attended. Their report specified that approximately 22 percent of students attending four year institutions worked full-time (thirty-five hours or more a week) whereas 42 percent of students attending public two year institutions worked full time. These students earn an income that needs to be managed. These students also need to understand how to use their resources in a way that can help them.

Since students work regularly they are likely to be spending their money, using credit cards, and other financial tools. A recent survey by the infamous loan servicing company, Sallie Mae, found that 35 percent of college students carry and use credit cards regularly. The survey added further that this number has been slowly decreasing since 2010 when 42 percent of students reported having a credit card. On the other hand, the same survey reports that 80 percent of students reported having and using debit cards. These facts alone are compelling enough to encourage more financial literacy programs that would help students navigate through the different financial aspects of their lives. Another important fact to keep in mind is the growing debt students take when they leave college. According to the Project on Student Debt end of the year report, seven in ten college seniors from the class of 2012 had student loan debt. The report added that those loans averaged $29,400. The report also called to attention the growing number of students who were graduating with loans, 68 percent in 2008 to 71 percent in 2012 (The Project on Student Debt, 2012). Furthermore, students who have these loans reported that they have some concerns on their ability to repay their loans. Specifically, 54 percent of students who had student loans respondent yes when asked if they were concerned that they might not be able to repay their student loans (Financial Capabilities Survey, 2012). Therefore, it is crucial to educate students in a manner that would help them grasp the different ways they have to handle their personal finance, pay their loans and avoid financial trouble. Indeed, so many young adults mention their fears of managing money. For example, many young adults have reported that they do not feel adequately prepared to make good financial choices when it comes to using debt wisely (28%), saving for the future (40%), or investing their money (43%) (De Bassa and Scheresberger, 2013). Since many students have so many hesitations financial education could be a strong step toward strengthening them. As they become more financially literate the many benefits of their education would be seen more clearly.

Financial Literacy Benefits

Since finances are a major part of everyone's life, having appropriate knowledge and making relevant decisions may impact people's lives, in this case college students. Johnson and Sherraden (2007) remind us that many studies have focused on the main objective of financial education, to increase financial literacy. Johnson and Sherraden (2007) also emphasized that the ability to function well financially is closely related to many sociological issues. Some groups of students, such as minorities and low income students may be at risk at greater levels. Lance and Palmer (2012) explained that some studies showed that of students who did not complete their degrees, 43 percent of white students and 70 percent of minorities students reported that debt prevented them from staying in school.

Indeed, the repercussions of financial illiteracy may be negatively affecting some people in many ways. De Bassa and Scheresberg (2013) explained that those who are less financially literate are found to be less likely to plan for retirement, less likely to accumulate wealth, and less likely to participate in the stock market. Although these decisions are made are at the individual level, having sound personal finance training may have helped young adults and adults understand how to accumulate wealth and contribute to the American economy. Moreover, less financially literate individuals are found to be more likely to pay high interest and fees on their debt and to use high-cost methods of borrowing (Lusardi and Tufano 2009). Lusardi and Tufano (2009) also linked data on financial literacy with credit card behaviors that generate fees and interest charges, specifically, they focused on several areas: paying bills late, going over the credit limit, using cash advances, and paying only the minimum amount due. These financial decisions could have been avoided if more people knew the basics of financial planning and applied them in their everyday lives.

As a result, not knowing costs the American population a great deal of money. The repercussions of these practices may affect young adults in many ways since they look to their parents for guidance in matters of personal finance (Jorgensen and Savla, 2010). Furthermore, Jorgensen and Savla (2010) added that many students learn financial knowledge through trial and error. When they made some mistakes they learn for the future. However, financial education could have helped them to effectively prepare for the many financial decisions they would need to make and the many steps they would need to take to manage their income.

Theory Supporting the Teaching of Financial Literacy

In advocating for financial literacy, some important theories may help understand the need to reach college students at a pivotal stage of their lives. Johnson and Sherraden (2007) bring up the capability theory as a tool to look at financial literacy. For this theory, working toward financial capability is an important aspect of financial education. In fact, Atkinson (2006) defined financial capability as the incorporation of skills, behavior, and knowledge in five areas: making ends meet, keeping track, planning ahead, choosing products, and staying informed (cited by Johnson and Sherraden, 2007). They also mention that one researcher describes capability as "the freedom that a person has to lead one kind of life or another". They added further that capabilities . . . are notions of freedom in the positive sense: what real opportunities you have regarding the life you may lead" (Sen 1987, 36). Thinking of the importance and relevance of personal finance, the theory of capabilities asks the crucial question of how one can be successfully capable of creating a meaningful life through the different opportunities offered. Johnson and Sherraden (2007) mention that a person's internal capabilities and existing external conditions make up a person's combined capabilities, which can contribute to one's own growth and understanding. In terms of personal finance education, college students' internal motivation and previous experiences prepare them to learn about how to manage money and may generate the skills needed to increase financial literacy successfully.

Research Plan

The research project began by receiving approval from the Bridgewater State University (BSU) Institutional Review Board (IRB) for research involving human subjects. Soon after the project obtained IRB approval, an online survey was submitted to the website surveymonkey.com and sent out to BSU Students. The survey consisted of 45 questions related to Financial Attitudes, Financial Behavior, Financial Knowledge and Influences. The survey was adapted from a survey designed by a Master's Thesis applicant at Virginia Polytechnic and State University in Blacksburg, Virginia; Bryce L. Jorgensen. The survey's original title was College Student Financial literacy Survey. It consisted of 45 finance related questions and 12 demographic questions which took 20 to 30 minutes to be completed. For this study, the participants are expected to be undergraduates and graduates students attending Bridgewater State University (BSU) and 18 years and older. BSU is a small liberal arts university in Southeastern Massachusetts.

The online survey was set to be sent to approximately 500 students with the expectation that 200 students would respond and fill out the survey. A snowball sample was used and respondents were asked to send the survey to 3 other students in the BSU community. The first wave of participants was reached by asking student leaders from different on campus groups to send out the link to the survey to their members. The website surveymonkey.com was used to monitor and collect the survey responses.

The sample of students expected to fill out the survey would mirror the larger BSU population. According to the University's 2012-2013 Official Factbook, the total headcount of the entire university in terms of enrollment in the spring of 2013 was 10,729 students which include all undergraduates, and graduates, students. 61 percent of these students were females. 30 percent of these students were males. There were 15 percent of students of color and 1 percent of international students.

Sample

The sample used in the survey was both a convenience and snowball sample. While the research plan was to survey 200 students by sending the survey to students from various groups and asking students to take the survey and send it to 2 other BSU students; participation was lower than expected. Unexpectedly, students did not send it to their friends and were reluctant to take the survey or finish it. As a result, only 75 students took the survey and 59 completed it. Therefore, the data collected could be used for a smaller more exploratory project different from earlier expectations. The female population in the sample stood at 74.6 percent while the male population was only 25.4 percent.

While the university reported that of the total number of enrolled students 61 percent were females while 30 percent were males; the female population in the sample stood at 74.6 percent while the male population was only 25.4 percent.

The institution also reported that 15 percent of these were students of color and only 1 percent represented the international population.

The data collected mirrored the school's population when it came to race and ethnicity. Here in Table 1 the sample reflected the large number of Caucasian/ white students attending BSU; 68.3 percent of students reported being Caucasian/not-Hispanic. This table will better show how the sample distributed between sex, race and ethnicity.

Table 1-Race/Ethnicity

	Sex			
	Male	Female	Response Percent	Response Count
African-American	0	4	6.3%	4
Asian	0	0	0.0%	0
Black	2	1	4.8%	3
Caucasian-not Hispanic	12	31	68.3%	43
Hispanic	1	2	4.8%	3
Multiracial, Native American/Pacific Islander	0	2	3.2%	2
Other:	1	7	12.7%	8
Total	16	47	100.0	63

The majority of those students participating in the survey 95.2 percent were full time students. However, when looking at the class year at the institution the results were more evenly distributed between freshman, sophomores, juniors and seniors. The number of students who reported being seniors was 30.2 percent, which was the highest percentage in the entire population. The following table, Table 2, will illustrate this point.

Table 2-Year at BSU		
	Percent	Response Count
Freshman	20.6%	13
Sophomore	19.0%	12
Junior	15.9%	10
Senior	30.2%	19
5th year Senior	14.3%	9
Total	100.0	63
	skipped question	12

The sample mirrored BSU's total student population; the school reported that the majority of students had enrolled in the College of Humanities and Social Sciences. Most of the students from this sample reported that their majors were under this college. The official university numbers were as followed. 36 percent of students were enrolled in this college while the other college's enrollment was all 20 percent of students enrolled or less. Since the majority of students were enrolled in the College of Humanities and Social Sciences my sample was heavily represented when it came to this college and followed the same pattern as the larger BSU population (Table 3).

Table 3: Major Field of study

	Response Percent	Response Count
Business (Management, Finance, accounting, business administration)	9.5%	6
Math or Science (Computer science, biological sciences, chemical sciences, Geological sciences, physics or geography)	11.1%	7
Education (Early Childhood education, Elementary Education, Secondary Education, etc.)	15.9%	10
Humanities and Liberal Arts (Sociology, Psychology, Economics, Art, Anthropology, social work, Political Science, Music, Criminal Justice, Languages, history, theater or dance, communication studies)	65.1%	41
Aviation	1.6%	1
Other	4.8%	3
	100.0	**63**
	skipped question	**12**

Hypotheses

Hypothesis 1: Students who reported more uncertainty about managing their finances will respond positively to having a personal finance course as a graduation requirement.

Hypothesis 2: More underclassmen will report having an interest in increasing their knowledge of personal finance.

Hypothesis 3: Regardless of years in college all students will show lack of formal personal finance education.

Hypothesis 4: Regardless of years in college most students will be open to having a personal finance course as a requirement.

Limitations

Because of many factors, some limitations arose in the course of conducting this study. The first limitation was the use of a snowball sample that directly transferred the collection of data to the survey respondents since they were asked to send it to 2 of their BSU friends. Another limitation was the use if an online survey. This one greatly decreased the amount of control I could have on where the survey went and the number of students who would actually receive and complete it.

As a result, out of the more than 200 or more students the survey was sent to, only 75 students started it and 59 completed it. Having only 75 students respond created another limitation. Because of the number of students who responded, the sample could only be used to make research the topic on a smaller scale. Other limitations included the survey's length. It appears that it discouraged more students who started the survey from completing it.

Findings

H1: *Students who reported more uncertainty about managing their finances will respond positively to having a personal finance course as a graduation requirement.*

To test this hypothesis, two specific questions from the survey were used. The first question asked students to specify how they felt about managing their finances. As it was expected, 45.95 percent of the students reported that they were "not too sure and wish they knew more about money management". A total of 34 students chose this answer while only 11 or 14.8 percent of them reported being very sure on how to manage their money. As the table illustrates it below, most students expressed their lack of education or confidence on finance related subjects. It is worth noting that 40 students chose the responses related to their inability to manage money in a viable way.

Table 4

How sure do you feel about your ability to manage your own finances?		
	Response Percent	**Response Count**
Very sure - I understand money management very well	14.8%	11
Somewhat sure - I understand most of what I'll need to know	31.1%	23
Not too sure - I wish I knew more about money management	45.9%	34
Not sure at all - I wish I knew a lot more about money management	8.1%	6
	answered question	74
	skipped question	1

In order to test the hypotheses, a crosstab was used from surveymonkey.com. The students who chose "not too sure" as their answer are expected to have more interest in personal finance courses offered as a requirement. When these 34 students were asked if they thought that personal finance courses should be required most of them agreed with the statement. To be more specific, 91.2 percent of the students who reported that they were not sure about managing their finances responded "yes" when they were asked if they thought it would be necessary to have a personal finance course as a graduation requirement. This hypothesis was supported by the data and confirmed by the overwhelming response from these students who showed that the more they were uncertain about their finances the more they would accept the course as a requirement because it would be beneficial and that it is something they should already know.

Table 5

Would you find it necessary to have a personal finance course offered in the core curriculum required courses?		**Ability to manage money "Not Too Sure"**
	Response Percent	Response Count
Yes	91.2%	31
No	8.8%	3

Hypothesis 2

H2*: More underclassmen will report having an interest in increasing their knowledge of personal finance*.

As the previous hypothesis pointed out, many students are open to having a personal finance course as a graduation requirement. However, many differences may lie in the sample depending on how much time students have already spent in college. Since underclassmen may still depend on their parents they may have limited options to increase their knowledge or take charge in the process of managing their own money. Therefore, this hypothesis will show that underclassmen will still report a greater interest in personal finance. The data did not support this hypothesis because fewer underclassmen reported interest to a personal finance course. Freshman students had the highest rate of students who reported they were not too sure about managing their money, 28.6 percent gave that answer compared to 17.9 for sophomores and juniors. Despite their responses, the data show that few of them were interested in increasing their financial knowledge. Only 23.33 percent of students who identified as first year students reported being interested in increasing their knowledge. 37 students chose very interested as their answer. Only 7 freshman students chose this answer compared to 14 seniors and 5th year seniors. Indeed, 46.7 percent of them answered very interested to increase their knowledge.

The data surely did not support this hypothesis. The table below shows how each groups chose when they reported that they were "very interested" in increasing their knowledge.

Table 6

Class Year and Personal Finance Interest	Very interested	Response Percent	Response Count
Freshman	7	23.3%	**7**
Sophomore	4	13.3%	**4**
Junior	5	16.7%	**5**
Senior	11	36.7%	**11**
5th year Senior	3	10.0%	**3**
	30	100.0	**30**
Valid			**30**
Missed			**7**

It is worth noting that many students responded to the question all of them reported that they were somewhat interested or very interested. The table below describes the data in a more detailed fashion. One can notice that most students are very interested or somewhat interested in increasing their financial knowledge.

Table 7

What is your year at BSU?						
	How interested are you in increasing your financial knowledge? Why?					
Answer Options	Very interested	Somewhat interested	Not sure	Somewhat uninterested	Response Percent	Response Count
Freshman	7	6	0	0	20.6%	13
Sophomore	4	6	1	1	19.0%	12
Junior	5	4	0	1	15.9%	10
Senior	11	7	0	1	30.2%	19
5th year Senior	3	5	1	0	14.3%	9
					answered question	63
					skipped question	10

Although the second hypothesis was not confirmed, it presented some very compelling information about how the interest is divided based on the type of students. It showed that few students reported no interest to this issue. Since the data was only tested for first year and 4^{th} year students it might have shown different trends if the responses were combined. All of the first year students show strong interest because they all chose "very interested and somewhat interested" as their answer. In contrast, all of the students who reported no interest or incertitude were upperclassmen.

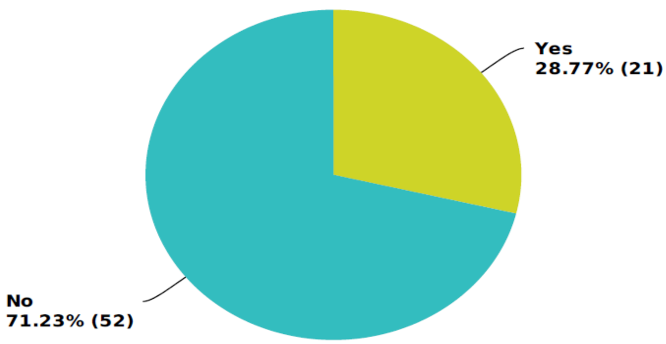
Hypothesis 3:

H3: *Regardless of years in college, all students will show lack of formal personal finance education.*

Since so many students have responded positively to the need to increase their knowledge this last hypothesis' goal is to show that students' lack formal financial education may be the reason why they want to report these needs. As the literature points out, financial literacy for the young is almost inexistent; therefore most students may report not taking any personal finance courses. As a result, the hypothesis was supported by the data. In fact, 71.23 percent of students answered they had never taken any personal finance, business or other related classes. Further, when they were asked if they had taken or planned on taking the offered elective personal finance course at BSU; most of them responded negatively. To be more specific, 82.43 percent chose "no" to this particular question. Therefore, few students have any formal education when it comes to managing money. Many of these students, underclassmen and upperclassmen, spend a lot of time in the classroom but may not be learning important skills. The pie chart below offers a visual representation of this finding.

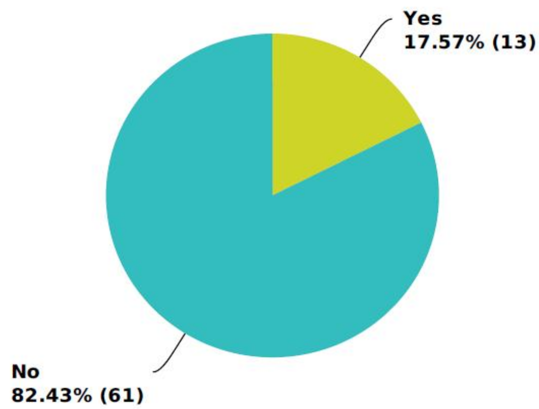
Pie Chart 1

- **Have you taken any personal finance, economics, business or other related class (in or outside the university?**



Further, when they were asked if they had taken or planned on taking the offered elective personal finance course at BSU; most of them responded negatively. To be more specific, 82.43 percent chose "no" to this particular question. Therefore, few students have any formal education when it comes to managing money. Many of these students, underclassmen and upperclassmen, spend a lot of time in the classroom but may not be learning important skills. The pie chart below offers a visual representation of this finding.

Pie Chart 2



Furthermore, students also responded that most of what they learned about personal finance did not come from schools. 44. 62 percent of them chose "Not Much" when reporting about the influence various groups or activities had on their own lives. Another, 18.46 percent responded "None" for the same questions; therefore, 63 percent of the students did not find much financial education from their formal education.

When students are asked where they found their financial knowledge students usually indicate that they learned from their parents and their own personal experiences. In fact, 51 percent of students mentioned that they learned some of what they know from personal experiences while 35 percent reported learning a lot from their parents. Another, 45 percent reported that they had learned some of what they know from their parents.

These numbers tell the story of how students receive no instruction from formal channels but rely on parents and other medium to teach them the basic aspects of money management.

Hypothesis 4

H4: *Regardless of years in college, most students will be open to having a personal finance course as a requirement.*

The response students provided to this hypothesis represent the raison d'être of this research project. Indeed, most of my research concerns the way students answer this question. All of the survey respondents answered the question "Would you find it necessary to have a personal finance course offered in the core curriculum required courses?" The data collected heavily supported this statement. Indeed, the majority of the students responded "yes" to this question and provided answers when they were asked why it should be offered. Only, 18.7 percent of the respondents answered "no" to this question. The table below shows how overwhelming the response was.

Table 8

Would you find it necessary to have a personal finance course offered in the core curriculum required courses?		
	Response Percent	Response Count
Yes	81.3%	61
No	18.7%	14
Why or Why not?		50
answered question		75
skipped question		0

Many students added to the open response section of the question. Some of them mentioned that *"it is a life skill that many people do not possess",* some other students added *"Because students struggle with loans".* Although most students indicate its merit, they criticize other requirement such as art and philosophy; one student wrote "*Instead of a class such as philosophy where it's just a common sense class"* another student agreed "*Because I think people need that more than they need a literature class, or a science* *class”*. Most students were enthusiastic about the idea but some showed reluctance because of the many obstacles they already have in their own education journeys. One student wrote, *“Many of us can't afford to take any more classes even if though we might need them”* another concurred *“It should not be forced upon us as so many other courses are”.* These responses demonstrate how students do care about this subject and would be open to have this course offered.

Discussion

In sum, the data gathered and analyzed provided a strong case for students’ interest to personal finance education on campus. It also highlights the students’ level of confidence in their abilities to manage their money and the lack of formal financial education received. Some discrepancies can be seen when years in college is included. However, the data is more than consistent at accentuating a recurrent problem. Students are not confident in their capability to make the decisions necessary to have a healthy and stable financial health.

This characteristic is obvious in the findings from the first hypotheses. Most students responded that they were not too sure about managing their money and these students responded positively to having a personal finance course. Undoubtedly, they do understand that it is an important skill to have. However, the findings go deeper and tell the story of a large group of students who do not have the necessary skills or lack the confidence to cultivate these skills. Although, they understand how crucial this skill is, they admit where they fell short and would find openly accept any program that would help them improve their financial intelligence; hence, their positive responses to having a mandatory personal finance course.

Although the data did not support the second hypothesis, it shed light on another important aspect of this topic. It reiterates the widespread interest students have to financial education even when it is not offered. As seen in Table 7, students did show more interest than usual since their answers fell mostly in "Very Interested or Somewhat Interested". This hypothesis confirms the trend established by students of deciding based on current economic realities. Unsurprisingly, they will show interest to anything related to strengthening their inadequate personal finance education.

The third hypothesis focuses heavily on this almost absent financial education since they admitted that most of what they learned came from personal experience or from their parents. Most of these students did not learn any of what they know from any formal or informal class. In fact, 53 percent of them reported not being influenced by any formal class that dealt with personal finance. This hypothesis aligns with the literature that mentions high school are starting to offer more personal finance courses to students. Since they do not receive any formal or informal education they learn as they go. They learn from their parents who may not even be equipped to help answer their questions.

The fourth hypothesis tied everything and reinforced what the other hypothesis had already touched upon. Since the question was straightforward it provided the students time to think and decide. Most of them accepted the need to have this course offered but still were not hesitant in showing their disapproval. Most students do want to see this course as a requirement. However, the data collected from the open response reveal that students want something that would not be an obstacle or that it would not become a burden that can stop one from graduating. Their answers also point toward real life experiences as a way to learn. So many students report having life experiences teach them. If a course will be implemented it should be heavily grounded in the students' lives. It should not be a traditional course where students are tested, and sent home. The data recall that most students concede they may need help but this course should have components students will be familiar to and able to grasp.

Conclusion

My objective in this research project was to show genuine interest from BSU students in a personal course as a requirement. In the course of completing this project, it became clear that students are interested in being more financially educated. My research has surely shown that students understand how college may affect them financially and voiced their opinion on what they think they may need to manage their finances. Undoubtedly, parents have a strong influence on children but it may not be enough to teach young people what they need to know.

The data did support my hypotheses and demonstrated that students would welcome more classes that focus showing students how to manage their money instead of merely teaching students about abstract concepts. One of the most compelling facts the data showed was that students' experience with their own money shape the way they deal with any finances in general. Reporting that life experiences have been a significant contributing factor to their knowledge of personal finance is telling. Maybe they made some mistakes and received late notices from credit card companies, maybe their credit scores stopped them from buying something or maybe they were rejected after applying for a credit card. Whatever it may be these experiences they mention have a profound impact on how they grasp personal finance. Consequently, in teaching young people, institutions should make sure that real life situation come into play in any programs that will be implemented.

Overall, the many results gave insight on what to expect when dealing with the financial lives of college students particularly. Since so many of them may accumulate debt over the years; they will need to know how to handle their finances in order to remain have stable life. Students are expected to know these concepts when most of what they know already does not come from any formal education. Since students have shown interest in learning about personal finance it should be noted and the institution should take steps toward responding to their needs.

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