Parental Influence – It Matters for Money Matters

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_Jennifer Van Dyke, University of Illinois at Chicago_

College offers students financial challenges as well as educational challenges, as they progress toward financial independence from their parents. With that independence, however, their responsibility for making sound financial decisions increases. Students may be responsible for such matters as bill paying, following a budget, and using credit responsibly. Meeting these financial responsibilities well depends on the knowledge and skills in these matters that students bring to college and that they develop while there. Students whose understanding of basic financial skills is weak are more likely make financial mistakes which can affect their futures.

Parents typically are their children’s first teachers about money management (Palmer et al., 2001; ASEC, 1999; Lyons, 2003). A study by the American Savings Education Council (1999), for example, found that roughly 94% of students were likely to use their parents as a source of financial information, while another study by Lyons (2003) found that about 68% of students reported receiving financial information from their parents. However, parents do not always adequately prepare their children for financial independence (Norvilitis et al., 2002). This has been investigated in Markovich and DeVaney, 1997 and ASEC, 1999. Students previously surveyed not feel sufficiently prepared. As many as two-thirds of the students in one study admitted that they did not know enough about money management (ASEC, 1999).

Some parents may believe that their children will pick up the necessary skills through observing their own habits and behavior and thereby underestimate the importance of explicitly talking with their children about money management issues. In a study by Norvilitis et al. (2002),
about 30% of students reported that their parents rarely or never discussed with them issues such as the importance of saving, investing, and setting financial goals.

Parents are not necessarily students’ first choices in learning about money management and financial behaviors. Lyons (2003), for example, found that only 42% of students reported that they would like to receive financial information from their parents.

Researchers have identified a relationship between parents, children, and financial education, but relatively little is known about the details of this relationship.

METHODOLOGY

This study collected both quantitative and qualitative data from undergraduate students at University of Illinois at Chicago (UIC) to investigate how financial behaviors transfer from parents to students. We used first an online survey and then four focus groups.

In Spring 2005, a random sample of 6,087 UIC undergraduate students were invited to participate in the online survey. The random sample was comprised of students who were 18 years of age or older and excluded students who requested FERPA confidentiality. Appendix A provides a chronological summary of the study.

We sent the selected sample of students an e-mail describing the study and requesting participation (see Appendix B). Those interested in participating were instructed to reply to the e-mail by clicking on a survey hyperlink. The survey hyperlink directed students to the financial fitness quiz (see Appendix C). The financial fitness quiz consisted of 20 questions, 10 financial behaviors, 7 questions on demographic characteristics, and 3 opinion questions. For the financial behavior questions, respondents were asked to select the response that best described how often they engaged in each behavior. Possible responses included “always,” “usually,” “sometimes,”
“seldom,” “never,” and “not applicable.” Each response was denoted a score (always = 1, usually = 2, sometimes = 3, seldom = 4, never = 5, and not applicable = 0). The responses were summed and then averaged to create a financial fitness score for each respondent. Students with an average financial fitness score of 1.7 or lower were classified as “low-scoring” and are expected to be less financially-at-risk. Those with scores greater than or equal to 3.0 were classified as “high-scoring” and are expected to be more financially at-risk. Those with average scores from 1.8 to 2.9 are expected to be somewhat at-risk financially.

In addition to the financial fitness quiz, the survey included seven screening questions to capture general demographic characteristics. The purpose of the screening questions was to ensure an adequate representation of students by academic year, race/ethnicity, and gender. Students were also asked if they had a credit card and who has had the most significant influence in shaping what they know and think about money. The last question asked if they would be willing to participate in a focus group.

Of the 6,000 students invited to participate in the online study, 275 students responded, a 4.6% response rate. Of those responding, 36.4% (100 students) were determined to be financially at-risk (high scores), 43.6% (120 students) were somewhat at-risk, and the remaining 16.4% (50 students) were not financially at-risk. The remaining surveys were incomplete. Because the semester was in its final two weeks, we did not send further e-mails about the survey.

Of the 269 students with complete surveys, 228 students replied that they would be willing to participate in a focus group. From these 228 students, 50 low-scoring (not financially at-risk students) and 50 high-scoring (financially at-risk) students were initially recruited via e-mail to participate in a focus group discussion (see Appendices D, E, and F). The selection criteria were used to minimize any ambiguity during the discussions that might result from students having
close to an “average” financial fitness score. As an incentive to participate, students were informed that they would receive pizza and a drink during the focus group and $10 cash. Students who accepted the invitation to participate in the study were placed in the appropriate focus group and notified of the date, time, and location of their discussion.

A reminder e-mail stating the day, time and place of the focus was sent to all participating members (see Appendix F).

As originally planned, four focus groups were conducted. Five to six participants were scheduled to attend each focus group session. All who responded to the invitation e-mail were invited to participate in the focus groups, but some did not have time available at the times scheduled for the focus groups. Some students who initially responded that they were coming to a specific focus group session did not, finally, come, due to personal constraints. Each focus group participant received an information sheet about the study and consented verbally on tape to participate (see Appendix G).

The two not financially at-risk groups consisted of four participants in one group and two in the other; the two financially at-risk groups consisted of six in one group and five in the other (see Appendix H for characteristics of the students who participated in each focus group).

Each focus group lasted two hours. During the discussions, students were asked to respond to five key questions (see Appendix I). Each focus group was led by a graduate student researcher and a faculty member. The primary roles of the graduate student were to pose questions, stimulate discussion, and keep the group focused and on task. The roles of the faculty member were to pose questions, to support and monitor the process, and to record and manage the focus groups, including the food and participants’ $10 payment.

All focus group interviews were recorded and then transcribed verbatim.
Interview transcripts were read and analyzed by both the faculty member and the graduate student researcher. Themes are found in Appendix J.
References for Financial Quiz


**References for Financial Behaviors Study**


## Appendix A: Chronological Summary

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 4, 2005</td>
<td>First e-mail sent to solicit sample for financial fitness survey (275 responses – 4.6%)</td>
</tr>
<tr>
<td>Apr. 12, 2005</td>
<td>First e-mail sent to solicit names for focus groups</td>
</tr>
<tr>
<td>Apr. 15, 2005</td>
<td>Confirmation e-mails sent to students participating in focus groups</td>
</tr>
<tr>
<td>Apr. 18, 2005</td>
<td>Reminder e-mails sent to students participating in focus groups</td>
</tr>
<tr>
<td>Apr. 19, 2005</td>
<td>First 2 focus groups held (4 students at noon and 5 students at 4 p.m.)</td>
</tr>
<tr>
<td>Apr. 21, 2005</td>
<td>Final 2 focus groups held (6 students at noon and 2 students at 4 p.m.)</td>
</tr>
</tbody>
</table>
Appendix B. Initial e-mail requesting participation in the online survey.

From: Jennifer Van Dyke
Subject: You’re Invited! UIC Study on Money Management

Hi,

My name is Jennifer Van Dyke, and I am a student at the University of Illinois at Chicago. I am working on a research project with Dr. Helen Roberts, an Assistant Professor at the University of Illinois at Chicago. We are conducting focus group discussions with college students to investigate the influence that parents and other family members have on students’ money management behaviors.

You have been randomly selected to participate in a discussion group. We value your input and hope that you will accept this invitation. Your participation is strictly voluntary. Your feedback will be used to develop programs and resources that will help students and parents to better manage their finances.

If you are interested in participating, please complete the short survey below by FRIDAY, APRIL 15. The online survey will take you less than 5 minutes to complete. You must be 18 years or older to participate.

Those who are selected to participate will be contacted by e-mail in 7-14 days. Refreshments will be served during each discussion group and participants will receive $10 in cash.

Click here to access the survey now:

http://www.surveymonkey.com/s.asp?u=50918633525

Thank you in advance for taking the time to help with this important project.

Sincerely,

Jennifer Van Dyke

For questions or concerns about this study, please contact:
Dr. Helen Roberts
Department of Economics, UIC
phone: (312) 355-0378
e-mail: hroberts@uic.edu
Appendix C. **FINANCIAL FITNESS QUIZ**

Thank you for your interest in our study.

Below is a short survey to determine your eligibility for our discussion groups. You don’t have to answer every question, but it will be very helpful to us if you do. Your participation is very important, because it will help us in the future to develop financial education programs and resources on our campus.

All of your responses will be kept strictly confidential. Your responses will only be seen by Dr. Roberts and myself. The survey will take you less than 5 minutes to complete. If you are selected, you will be contacted by e-mail in 7-14 days. Refreshments will be served during each discussion group and participants will receive $10 in cash.

Please respond no later than – **FRIDAY, APRIL 15.**

Thank you,

Jennifer Van Dyke

Questions or concerns about the survey may be directed to Dr. Helen Roberts (312-355-0378; hroberts@uic.edu). For more information about your rights as a research subject, please contact the UIC IRB (312-996-1711; www.research.uic.edu).

**SURVEY**

The following is a list of financial behaviors. Please indicate how often you engage in each behavior (always, usually, sometimes, seldom, and never) by placing an “X” in the appropriate box.

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Usually</th>
<th>Sometimes</th>
<th>Seldom</th>
<th>Never</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I balance my checkbook each month.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>I have a weekly (or monthly) budget that I follow.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>I avoid spending more money than I have.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>I have little or no difficulty managing my money.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5.</td>
<td>I avoid writing bad checks or ones with insufficient funds.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>I regularly set aside money each month for savings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td>I pay my rent/mortgage and other living expenses (i.e., phone and utilities) on time each month.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>I pay my credit card bills in full each month to avoid interest charges.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>I pay my credit card bills on time each month and am almost never late.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>I avoid maxing out or going over the limit on my credit cards.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
11. What year are you in school?
   ___Freshman
   ___Sophomore
   ___Junior
   ___Senior
   ___Other

12. Are you enrolled at UIC full-time or part-time?
   ___Full-time
   ___Part-time

13. What is your cumulative GPA?
   ___> 3.5
   ___between 2.0 and 3.49
   ___< 2.0
   ___don’t know

14. What is your gender?
   ___Male
   ___Female

15. What is your primary ethnic background?
   ___African American/Black
   ___Asian
   ___Hispanic
   ___White (non-Hispanic)
   ___Other

16. What is your parents’ marital status?
   ___Married
   ___Divorced
   ___Separated
   ___Single
   ___Other

17. What sources are you using to finance your college education? (Check all that apply.)
   ___Parents
   ___Grants
   ___Loans
   ___Scholarships
   ___Personal Savings
   ___Income from work
   ___Other ____________________

18. Who has had the most significant influence in shaping what you know and think about money? (Choose the one that best applies.)
   ___Parents
   ___Mother only
   ___Father only
   ___Brother/Sister
   ___Grandparent(s)
   ___Other family relative
   ___Friend
   ___Other ____________________

19. If you are interested in participating in a campus discussion group at UIC,
please enter your e-mail address: ____________________

IMPORTANT NOTICE: Your e-mail address will ONLY be used to determine your eligibility for this study. Your responses or e-mail address will NOT be used or shared with anyone else.

Thank you for responding to this survey! You will be contacted by e-mail in 7-14 days if you are selected to participate in a discussion group.
Hi!

Thank you for completing the financial fitness survey! You have been selected to participate in a discussion group on how parents and family members influence college students’ money management behaviors. The discussion group will be approximately two hours. Pizza will be served and participants will receive $10 in cash. You may choose one of the following two sessions:

Tuesday, April 19 Noon to 2:00pm
Thursday, April 21 4:00pm  6:00pm

Both sessions will be held in University Hall, Room 2150.

Please e-mail me with the session that you would like to attend. If you cannot make either session, but would still like to participate, please e-mail me this as well. Depending on availability, I may schedule a third session at a later date.

Thank you for your interest and I look forward to meeting you soon.
Sincerely,
Jennifer Van Dyke

For questions or concerns about this study, please contact:
Dr. Helen Roberts
Department of Economic, UIC
Phone: (312)355-0378
e-mail: hroberts@uic.edu
Hi!

Thank you for your response to participate in a discussion on how parents and family members influence college students’ money management behaviors. You are confirmed for the following discussion group:

Tuesday, April 19 from Noon - 2:00pm

The discussion will be held in UH 2150. Pizza and drinks will be served.

Thank you for your interest and I look forward to meeting you soon.
Sincerely,
Jennifer Van Dyke

For questions or concerns about this study, please contact:
Dr. Helen Roberts
Department of Economic, UIC
Phone: (312)355-0378
e-mail: hroberts@uic.edu
Hi!

Just a quick reminder that you are signed up for tomorrow's discussion group (4/19) from Noon to 2pm in UH 2150.

Pizza and drinks will be served.

See you then,

Jennifer
Appendix G. **ORAL INFORMED CONSENT**

Hi! My name is Jennifer Van Dyke, and I’m a student at the University of Illinois at Chicago. This is Dr. Helen Roberts, an Assistant Professor, also from the University of Illinois at Chicago. We are conducting focus group discussions with college students to investigate the influence that families have on students’ money management behaviors.

To insure that your responses are accurately recorded, we would like to audiotape our discussion. The discussion will last approximately 2 hours. During this time, you will be asked to respond to a series of questions related to your communication with your parents and other family members about money management and using credit. Your input will be used in the future to develop programs and resources that will help students and parents to better manage their finances.

Your participation in this research project is entirely voluntary. There are no direct benefits to participation in this study. There are no known risks in this study beyond those of everyday life. However, it is possible that we might sometimes talk about personal matters related to your finances, and you might therefore feel uncomfortable having the discussion taped. You don’t have to answer any questions you don’t want to and you can stop the discussion to ask questions at any time. Also, we can stop the tape at any time if there are portions of the discussion you prefer not to be recorded.

**What if I am a UIC student?**

You may choose not to participate or to stop your participation in this research at any time. This will not affect your class standing or grades at UIC. The investigator may also end your participation in the research. If this happens, your class standing or grades will not be affected. You will not be offered or receive any special consideration if you participate in this research.

Only Dr. Roberts and I will have access to the tapes associated with your identity. We will not use your name or other identifying information in any written report or research paper. Dr. Roberts will keep the tapes secure until our project is finished, then the tapes will be destroyed. When the results of the research are published or discussed in conferences, no information will be included that would reveal your identity. Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Confidentiality among focus group participants is desired but cannot be guaranteed.

In return for your participation, you will receive an envelope with $10 in cash at the end of the discussion.

I’d like to start the tape now and first ask you to answer “yes” or “no” to these questions about the research:

Do you understand that your participation in this project is entirely voluntary? [Yes, No]
Do you understand that you can discontinue participation in this study at any time and that you do not have to answer any questions you do not wish to answer?  [Yes, No]

Do you understand that your identity will be kept confidential?  [Yes, No]

Great. I’ll leave this paper with you. It summarizes what I’ve just told you about this project. If you have any additional questions, Dr. Roberts would be happy to answer them. She can be reached by phone at: (312) 355-0378 or e-mail at: hroberts@uic.edu. Should you have any questions concerning research subject's rights, you can contact the Institutional Review Board Office, (312) 996-1711; www.research.uic.edu. You are welcome to call collect if you identify yourself as a research participant.
Appendix H. Focus group characteristics of participating students.

Low Scores: Group 1 (April 19, 2005)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FT or PT</th>
<th>GPA</th>
<th>GENDER</th>
<th>ETHNICITY</th>
<th>CREDIT CARD</th>
<th>PARENTS’ MARITAL STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>F</td>
<td>African-Am/Black</td>
<td>Yes</td>
</tr>
<tr>
<td>2.</td>
<td>Junior</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>Yes</td>
</tr>
<tr>
<td>3.</td>
<td>Freshman</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>Hispanic</td>
<td>Yes</td>
</tr>
<tr>
<td>4.</td>
<td>Sophomore</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Low Scores: Group 2 (April 21, 2005)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FT or PT</th>
<th>GPA</th>
<th>GENDER</th>
<th>ETHNICITY</th>
<th>CREDIT CARD</th>
<th>PARENTS’ MARITAL STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Junior</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>Asian</td>
<td>Yes</td>
</tr>
<tr>
<td>2.</td>
<td>Freshman</td>
<td>FT</td>
<td>&gt;3.5</td>
<td>F</td>
<td>White and Black</td>
<td>Yes</td>
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</tbody>
</table>

High Scores: Group 1 (April 19, 2005)

<table>
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<tr>
<th>YEAR</th>
<th>FT or PT</th>
<th>GPA</th>
<th>GENDER</th>
<th>ETHNICITY</th>
<th>CREDIT CARD</th>
<th>PARENTS’ MARITAL STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>F</td>
<td>Asian</td>
<td>No</td>
</tr>
<tr>
<td>2.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>No</td>
</tr>
<tr>
<td>3.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>No</td>
</tr>
<tr>
<td>4.</td>
<td>Freshman</td>
<td>FT</td>
<td>Don’t know</td>
<td>F</td>
<td>Brazilian-Japanese</td>
<td>No</td>
</tr>
<tr>
<td>5.</td>
<td>Sophomore</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>Asian</td>
<td>No</td>
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</table>

High Scores: Group 2 (April 21, 2005)

<table>
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<tr>
<th>YEAR</th>
<th>FT or PT</th>
<th>GPA</th>
<th>GENDER</th>
<th>ETHNICITY</th>
<th>CREDIT CARD</th>
<th>PARENTS’ MARITAL STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Freshman</td>
<td>FT</td>
<td>&gt;3.5</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>No</td>
</tr>
<tr>
<td>2.</td>
<td>Freshman</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>No</td>
</tr>
<tr>
<td>3.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>M</td>
<td>Asian</td>
<td>No</td>
</tr>
<tr>
<td>4.</td>
<td>Freshman</td>
<td>FT</td>
<td>2.0-3.49</td>
<td>M</td>
<td>Asian</td>
<td>No</td>
</tr>
<tr>
<td>5.</td>
<td>Junior</td>
<td>FT</td>
<td>&lt;2.0</td>
<td>F</td>
<td>White (non-Hispanic)</td>
<td>No</td>
</tr>
<tr>
<td>6.</td>
<td>Freshman</td>
<td>FT</td>
<td>Don’t know</td>
<td>M</td>
<td>African Am/Black</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Appendix I. FOCUS GROUP QUESTIONS

1. In general, what have you learned about managing money and using credit? And, how did you learn it?

2. Who has had a significant role in shaping what you know and think about money? And how have they shaped what you know and think about money?

3. What types of discussions have you had with your parents and other family members about money and using credit? (How do your parents or other family members communicate with you about financial issues?)

   How often do they talk to you about money and using credit? During these times, what specifically do they say to you?

   Who’s primarily making the financial decisions when you’re at home? What types of decisions are they making?

4. In observing your parents or other family members, what have you learned about managing money and using credit?

   Thinking about individuals other than your parents (i.e., siblings, grandparents, other relatives, friends), how have they shaped what you know and think about money?

   If you have siblings, how are their financial behaviors similar to, or different from, yours?

   Thinking about your financial behaviors before coming to college and after arriving at college, have your financial behaviors changed? And if so, how?

   Have you ever had a job? If so, what have you learned about managing money from this experience?

   Did you receive an allowance from your parents growing up? If so, how did you use your allowance (i.e., spending and saving)?

   Do you see yourself living the same lifestyle as your parents?

   How much “realistically” have your parents influenced your financial behaviors?

5. What is the most important thing you have learned from your parents or other family members about money and credit? (What types of financial challenges do you and other family members face?)

   What are your parents’ biggest financial challenges?

   What are your biggest financial challenges?

   “Realistically” if financial education resources were offered on this campus would you use them?

   What types of resources would you use? (i.e., financial counseling center, mandatory “life skills” course that would be a general education requirement, workshops and seminars, Internet)

   When do you see yourself using these resources?
Appendix J: Focus Group Themes

Students had similar outlooks toward money and credit in the two groups (low scores on the financial quiz versus high scores on the financial quiz). There were three major differences:

1. Students who scored low on the quiz (lower financial risk) were much more likely to have been using credit cards.
2. Students who scored high on the financial quiz reported learning information from their consumer education courses in high school (an Illinois graduation requirement).
3. Students who scored high on the financial quiz considered financial matters as future concerns, but not part of their immediate lives. They had less-specific perspectives on money and credit. They cited more sources for financial information, including questionable sources such as “The Simpsons”, a longer-term outlook, and defined future wellbeing as having more aspects than just financial.

More noticeable than the differences was how much alike the two groups were. Both groups were very negative about debt, and especially credit card debt. Both learned most from their parents, mostly by example, whether positive or negative. Discussions about money with friends are relatively rare in both groups, though the low-scoring group was more ready to break off friendships over differences.

A surprise was how students’ perception of money has changed. For these students, electronic money seems more real than cash. Cash in their minds is already spent. Because they had to withdraw it from their accounts, it is already gone. It is the balance that feels like money to them. This came out when students talked about their spending habits, with comments on how they will have cash on hand just to spend. And one student even called it play money. It is the electronic money/balance that these students worry about.

Students with Low Scores on Financial Quiz

Using credit cards: All students but 1 have credit cards. Repeated injunctions against debt.

Parents are key source of financial knowledge: Also mentioned other relatives, TV, bank, learning from parents’ mistakes.

Most important knowledge from parents: Don’t spend what you don’t have. Avoid debt (except for a house). Money is hard to get. Money is not as important as family.

Discussions about money and credit with family are nonexistent or one-sided: “Save—you don’t need to waste it.” “Use credit wisely.” “Living above your means is a mistake.” “Don’t buy a brand new car...Don’t spend your money on something that is going to go down in value.” “Watch your credit report.” Several students reported having no discussions with parents on money and credit.
Expect to live better than parents: Plan to avoid parents’ mistakes; expect to be financially better off.

Bad examples of relatives cited: Parents with heavy debt burdens, parents bought car with credit card.

Changed friends over money: “…because if someone is out there spending a lot of money and you don’t feel comfortable spending a lot of money or credit you kind of end up falling apart because they want to go out and do things and you are not comfortable with that.” “I had a best friend. Very recently we stopped talking completely. We were talking about money issues and …she got mad when I started making suggestions…So we stopped talking.”

Multiple financial information sources: online, banks. “Me and my friends don’t really discuss specifics of finances too much…But we do discuss how we manage our money a lot…But we don’t get into specific numbers…”

Financial challenges: Paying for school, higher level of spending on food and transportation, saving for travel.

High school consumer education classes: Split—Found it helpful: Learned to use a checkbook; “really enlightened me.” Not so helpful: “But I didn’t know it was for me. I just thought it was something that adults do;” “Talking about money can be so dry sometimes;” “They kind of took a substitute and said here’s your class—teach it.”

College consumer education classes: Part of orientation (wellness, stress, and finance: credit cards’ payment deadlines and checkbooks/budgets); topics: student loans, options in university fees, textbook options, scholarships, registration/financial aid/financing post-college graduate school or jobs, personal relationships and finances, kids; “I would like to know more about student loans;” workshop more suitable than class because classes are for majors/minors;” “Wow, I didn’t know about that and I already have insurance so I am paying for two insurances.”

Students with High Scores on Financial Quiz

Avoiding credit cards: All students have debit cards, three students had a credit card by the focus group meeting, but two of them only received their cards recently, “Since I did that survey for this study I applied for a credit card and got it in the mail yesterday. But I am scared to use it…I don’t know if I will {activate it}.” “{My parents} would rather I asked them for money if I really need some, rather than put it on the credit card.” Students voiced repeated injunctions against debt.

Parents are key source of financial knowledge: Also mentioned other relatives (siblings, uncles), friends, mentors, classes. Also mentioned popular shows like Simpsons (Homer’s third mortgage, Homer invests in stock market).

 Discussions about money and credit with family are mostly one-sided: “Don’t spend what you don’t have.” “You need to earn your own money.” “Don’t go out shopping and spend it all on new
clothes.” “Don’t you want to save some of that?” One student reported family meetings over monthly bills since children could add/subtract. One student reported no discussions.

*Expect to live better than parents:* But define “better” as broader than equal income and assets to include satisfactions from lower-paid careers

*Good examples of relatives cited:* Family meetings discussing spending, saving of relatives as examples outnumber bad examples from relatives.

*Recognized financial behavior/thought changes in college:* Different spending and higher spending levels, planning for future, longer-term outlook.

*Multiple financial information sources:* online, mentors, family, friends and friends’ parents.

*Financial challenges:* Paying for school, saving. Longer-term choices (midlife crisis joking, lifestyle choices) “I try not to think about it but I really do – all the time because I just don’t know what to do and I don’t know about grad school, I don’t know about finding a job, I don’t know where I am going to live, I don’t know—and then I just freak out and shut down.”

*High school consumer education classes:* Some cite things learned in consumer education classes, others: “Are you serious {that consumer education is a state graduation requirement in Illinois}? I don’t even know what {course} to tell you they hid it in.” “I still think it is important to have consumer education in high school because when you go off to college you know what to do.”

*College consumer education classes:* “I just think you need it in college, because in high school you don’t really care.” “They should have informational booths like they do at the Wellness Center.” “It should be offered with no options, no way out of it.”